

**SERVICE PLAN
FOR
QUEBEC HIGHLANDS METROPOLITAN DISTRICT
CITY OF THORNTON, COLORADO**

Prepared

by

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I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Service Plan, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Service Plan. It is intended that the District will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements.

The District is not being created to provide ongoing operations and maintenance services other than as specifically set forth in this Service Plan.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

C. Objective of the City Regarding District's Service Plan.

The City's objective in approving the Service Plan for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term and at a tax mill levy no higher than the Maximum Debt Mill Levy, and/or repaid by Fees, as limited by Section V.A.18, and other legally available revenues.

This Service Plan is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide for the Public Improvements associated with development and regional needs pursuant to the Approved Conceptual Site Plan for the property. Operation and maintenance services are allowed as described in Section VI.I and as set forth in an intergovernmental agreement with the City, attached as **Exhibit E**. Ongoing operation and maintenance services are expected to be funded by taxes imposed through a mill levy no higher than the Maximum Operating Mill Levy, and/or funded by Fees as limited by Section V.A.18.

It is the intent of the District to dissolve upon payment or defeasance of all Debt incurred or upon a court determination that adequate provision has been made for the payment of all Debt, and if the District has authorized operating functions under an intergovernmental agreement with the City, to retain only the power necessary to impose and collect taxes through a

mill levy no higher than the Maximum Operating Mill Levy or Fees as limited by Section V.A18 to pay for these costs.

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Fees, tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, and other legally available revenues. It is the intent of this Service Plan to assure to the extent possible that no property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no property developed for a residential use bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the costs of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

II. DEFINITIONS

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

Approved Conceptual Site Plan: means a plan approved by City Council pursuant to City Code Section 18-43 which establishes the framework for development and creates unique criteria for development on a specific property. The Approved Conceptual Site Plan shall identify, among other things, Public Improvements necessary for facilitating development for property within the Service Area. The Approved Conceptual Site Plan may also be referred to as an Overall Development Plan for properties that are zoned Planned Development.

Board: means the board of directors of the District.

Bond, Bonds or Debt: means any bond, note debenture, contract or any other financial obligation of the District, the proceeds of which are or will be used to fund Public Improvements, and which is payable in whole or in part from, or which constitutes a lien or encumbrance on, the proceeds of ad valorem property tax imposed by the District or any other lawful revenue or funds of the District.

City: means the City of Thornton, Colorado.

City Code: means the City Code of the City of Thornton, Colorado.

City Council: means the City Council of the City of Thornton, Colorado.

Commercial District: means a metropolitan district containing property classified for assessment as nonresidential. Any metropolitan district that includes or is expected to include any residentially assessed property is defined as a Residential District and not a Commercial District. Income-producing multifamily development, such as apartments, can be included in Commercial Districts.

District: means the Quebec Highlands Metropolitan District.

District Boundaries: means the boundaries of the original District area described in the District Boundary Map.

District Boundary Map: means the map attached hereto as **Exhibit C**, describing the District's original boundaries.

End User: means any owner, or tenant of any owner, of any taxable improvement within the District, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Fees: means any fee imposed by the District for services, programs or facilities provided by the District, as described in, and limited by, Section V.A.18 below.

Financial Plan: means the Financial Plan described in Section VI which describes (i) how the Public Improvements are to be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

Inactive District: means a metropolitan district in a predevelopment stage that has no Residents other than those who lived within the District boundaries prior to the formation of the District, no business or commercial ventures or facilities within its boundaries, has not issued any Debt and does not have any financial obligations outstanding or contracts in effect that require performance by the District during the time the District is inactive, has not imposed a mill levy for tax collection in that fiscal year, anticipates no receipt of revenue and has no planned expenditures, except for statutory compliance, in that fiscal year, has no operation or maintenance responsibility for any facilities, has initially filed with the City a notice of inactive status pursuant to Section 32-1-104(3), C.R.S., as amended from time to time, and, each year thereafter, has filed with the City a notice of continuing inactive status pursuant to Section 32-1-104(4), C.R.S., as amended from time to time.

Maximum Debt Mill Levy: means the maximum mill levy the District is permitted to impose for payment of Debt as set forth in Section VI.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy on a particular property as set forth in Section VI.D below.

Maximum Operating Mill Levy: means the maximum mill levy identified in Section VI.J that the District is permitted to impose for payment of ongoing District administration, operations and maintenance costs described in Section VI.I.

Operating Mill Levy: means a property tax mill levy imposed on Taxable Property for the purpose of funding ongoing District administration, operations and maintenance described in Section VI.I and as allowed through an intergovernmental agreement with the City. For Residential Districts, this mill levy shall not exceed the Maximum Operating Mill Levy as set forth in Section VI.J.

Project: means the development or property commonly referred to as Quebec Highlands.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below that benefit the Service Area and serve the future taxpayers and inhabitants of the Service Area as determined by the Board. More specifically, the Public Improvements eligible to be financed by the District are itemized and identified in The Engineer's Estimate of Probable Costs attached hereto as **EXHIBIT F**. The Public Improvements eligible to be financed by the District must be identified by the Approved Conceptual Site Plan as necessary for the construction and development of the Project.

Residential District: means a metropolitan district containing property classified for assessment as residential. All metropolitan districts that include or are expected to include any residential property, with the exception of income-producing multifamily development, are defined as a Residential District and not a Commercial District.

Resident: means any person who currently lives within the District Boundaries, or owns or rents a developed residential lot that contains a dwelling unit other than a model home within the District Boundaries.

Service Area: means the property within the District Boundary Map.

Service Plan: means this service plan for the District approved by City Council.

Service Plan Amendment: means an amendment to the Service Plan approved by City Council in accordance with the City's ordinance and the applicable state law.

Special District Act: means Sections 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

State: means the State of Colorado.

Taxable Property: means real or personal property within the Service Area subject to ad valorem taxes imposed by the District.

III. BOUNDARIES

The area of the District Boundaries includes approximately twenty-five and thirty-eight one hundredths (25.38) acres. A legal description of the District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the District Boundaries is attached hereto as **Exhibit C**. A certification that proof of ownership of all real property within the District Boundaries has been obtained by the District and provided to the City is attached hereto as **EXHIBIT D**.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The Service Area consists of approximately twenty-five and thirty-eight one hundredths (25.38) acres of commercial land. The current assessed valuation of the Service Area is \$0.00 for purposes of this Service Plan and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately zero (0) people.

Approval of this Service Plan by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Service Plan or any of the exhibits attached thereto, unless the same is contained within an Approved Conceptual Site Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Service Plan Amendment.

The District shall have the power and authority to provide the Public Improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Conceptual Site Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements except as described in Section VI.I. below and unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the City approved by a resolution of City Council. The District is required and obligated to operate and maintain park and recreation improvements. Unless otherwise specified in the intergovernmental agreement, in the form attached as **Exhibit E**, all parks and trails shall be open to the general public free of charge.

2. Government Services Limitation. The District shall not be authorized to provide any ongoing governmental services unless the provision of such service is pursuant to an intergovernmental agreement with the City approved by a resolution of City Council.

3. Fire Protection Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or services, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

4. Television Relay and Translation Limitation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services, other than for the installation of conduit as a part of a street construction project, unless such facilities and services are provided pursuant to an intergovernmental agreement with the City.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the City to expand its public safety telecommunication facilities or impair existing telecommunication facilities.

6. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Zoning and Land Use Requirements. The District shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

8. Growth Limitations. The District acknowledges that the City shall not be limited in implementing City Council- or voter-approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue. Approval of this Service Plan does not constitute an approval of building permit allocations or building permits. The District expressly understands and acknowledges that any expenditure of funds for the construction and installation of any Public Improvements in the District prior to approval of building permit allocations or building permits is exclusively at the District's risk. The District shall be subject to any residential growth limitations, including enactment of any ordinances limiting or slowing down growth, moratoriums, water and/or wastewater tap limitations, building permit limitations, or any other growth management requirements. The City reserves the right, in exercise of its police power, to choose not to grant building permits, or otherwise restrict or condition the granting of building permits within the District based on current or future ordinances of the City. The City does not guarantee capacity in its water or wastewater systems for proposed or future developments. System capacity must be verified throughout the development entitlement process and can be affected by drought, emergency, or infrastructure constraints.

9. Conveyance. The District agrees to convey to the City, at no cost to the City, any real property owned by the District that is necessary, in the City's sole discretion, for any City capital improvement projects for transportation, utilities or drainage, upon written notification.

10. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

11. Eminent Domain Limitation. The District shall not be authorized to utilize the power of eminent domain except as otherwise provided pursuant to an intergovernmental agreement with the City.

12. Water Rights/Resources Limitation. The District shall not acquire, own, manage, adjudicate or develop water rights or resources except as otherwise provided pursuant to an intergovernmental agreement with the City.

13. Inclusion Limitation. The District shall not include within any of its boundaries any property outside the Service Area without the prior written consent of the City Council.

14. Exclusion Limitation. The District shall not exclude from its boundaries any property within the Service Area without the prior written consent of the City Council. The District shall follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

15. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

16. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Conceptual Site Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from

the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

17. Total Debt Issuance Limitation. The District shall not issue Debt in excess of Fifteen Million Eight Hundred Twenty-Eight Thousand Dollars (\$15,828,000).

18. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance until Taxable Property is owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property. No Fee related to the repayment of, or intended to repay, Debt shall be imposed upon or collected from Taxable Property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property. No Fee related to funding operation and maintenance costs shall be imposed upon or collected from Taxable Property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property unless and until the majority of the Board are Residents, and a majority of the Board has voted in favor of imposing and collecting Fees for the purpose of funding operation and maintenance costs of the District.

19. Public Improvement Fee Limitation. The District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, except as provided pursuant to an intergovernmental agreement with the City.

20. Sales and Use Tax. The District shall not exercise its City sales and use tax exemption.

21. Costs to be Assumed by City. The City will not be responsible for payment of any costs of construction of the Public Improvements within the District Boundaries.

22. Monies from Other Governmental Sources. The District shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for, except pursuant to an intergovernmental agreement with the City. This Section shall not apply to specific ownership taxes which shall be distributed to and be a revenue source for the District without any limitation.

23. Consolidation Limitation. The District shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the City.

24. Bankruptcy Limitation. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and

(b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment. The City shall be entitled to all remedies available at law to enjoin such actions of the District.

25. Reimbursement Agreement. If the District utilizes reimbursement agreements to obtain reimbursements from third-party developers or adjacent landowners for costs of improvements that benefit third-party landowners, such agreements shall be done in accordance with City Code. If a reimbursement agreement exists or is entered into for an improvement financed by the District, any and all resulting reimbursements received for such improvement shall be deposited in the District’s Debt service fund and used for the purpose of retiring the District’s Debt.

26. Community Engagement. To ensure Residents within the boundaries of a Residential District have an adequate opportunity to participate in the District and remain apprised of the District’s operations and functions, the District shall:

(a) In accordance with the requirements of Section § 32-1-104.5, C.R.S., as amended from time to time, within twelve (12) months of the date of District formation, establish, maintain and annually update a public website or provide information on a shared community website, on which the District will timely post all information and documents required by Section 32-1-104.5, C.R.S., as amended from time to time; and

(b) Within twelve (12) months after the issuance of the first certificate of occupancy within the District Boundaries, hold all regular and special Board meetings at a location within a five (5) mile radius of the District Boundaries or within the jurisdictional limits of the City if no feasible meeting venue is available within a five (5) mile radius. If a Board meeting is held virtually using an online computer application, the District shall provide information on the District website accessible to all Residents on how to access and participate in the virtual meeting. If the District utilizes email to communicate with Residents, the District shall also send notification of the virtual meeting by email. The District shall provide notification via the District website and, if applicable, email, at least ten (10) days prior to the virtual Board meeting. If the Board schedules a virtual special meeting that will be convened in fewer than ten (10) days, the District shall provide notification via the District website and, if applicable, email, as soon as possible after scheduling the special meeting.

(c) Inactive Districts are exempt from the community engagement requirements in this section.

27. Service Plan Amendment Requirement. This Service Plan has been designed with sufficient flexibility to enable the District to provide required services and facilities under evolving circumstances without the need for numerous amendments. Material modifications of the Service Plan may be made by the District only by petition to and approval by City Council. Such approval of modifications shall be required with regard to any changes of a basic or essential nature that the City deems, in its sole discretion, a material modification, whether or not they are deemed to be immaterial by the District, and shall include but not be limited to changes to the limitations set forth in Sections V.A.1-26 or VI.B-J. Changes to the Service Plan of a minor technical nature may be approved administratively by the City. The City shall determine if a change is minor or technical in nature.

28. City Remedies for Material Departure from Service Plan. Pursuant to Section 32-1-207(3), C.R.S., as may be amended from time to time, the City may seek to enjoin any material departure from this Service Plan that the City deems, in its sole discretion, a material modification of this Service Plan. References to material modifications in this Service Plan, or District actions or inactions that expressly constitute material modifications pursuant to the terms of this Service Plan or the Special District Act, shall not limit the City's ability to enforce the entirety of the Service Plan, and the City may seek to enjoin any material departure as a material modification. Notwithstanding the foregoing, injunctive relief shall not be the City's exclusive remedy for a material departure the City deems a material modification of this Service Plan, and the City shall be entitled to exercise all remedies available by law or in equity, specifically including the remedies set forth in the City Code, and suits for specific performance and/or monetary damages.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Conceptual Site Plan and identified in The Engineer's Estimate of Probable Cost attached hereto as **EXHIBIT F**. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the Service Area and is approximately Ten Million Four Hundred Fifty-Seven Thousand Nine Hundred Eighty Five Dollars and Fifty-Nine Cents (\$10,457,985.59). These costs are itemized in the Engineer's Estimate of Probable Cost attached hereto as **EXHIBIT F**. The descriptions of Public Improvements and their related costs identified in **EXHIBIT F** are initial projected estimates and are subject to modification as construction of the Project progresses. Upon approval of this Service Plan, the District will continue to develop and refine cost estimates contained herein. Revisions to the Public Improvements cost estimates identified in **EXHIBIT F** will not require approval by the City unless the District requests a Service Plan Amendment to increase to the Total Debt Issuance Limitation approved in this Service Plan.

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and shall be in accordance with the requirements of the Approved Conceptual Site Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Fees as limited by Section V.A.18, and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Fifteen Million Eight Hundred Twenty-Eight Thousand Dollars (\$15,828,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All Bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes and Fees as limited by Section V.A.18 to be imposed upon all Taxable Property within the District. The District may also rely upon various other revenue sources authorized by law. These include the power to impose rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum net effective interest rate on any District Debt shall not exceed twelve percent (12%). The maximum underwriting discount will be five percent (5%). At the time of any new Debt issuance, if current interest rates are lower than the interest rate associated with the initial Debt, the Board shall determine whether the outstanding Debt is callable, whether the terms allow for refinancing, and if refinancing is in the best interest of the District Residents, and if so, the outstanding Debt shall be refinanced and included in the new Debt issuance. Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

1. If the total amount of aggregate District Debt exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy shall be fifty (50) mills; provided, however, that if the method of calculating assessed valuation or any constitutionally

mandated tax credit, cut or abatement is changed by law; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date upon which the City Council approves this Service Plan, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For Residential Districts, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the Board, prior to being comprised of a Resident majority, may request City Council approval of a Service Plan Amendment to allow that the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate. As part of the Service Plan Amendment request, the Board shall submit detailed justification demonstrating how an unlimited Debt Mill Levy will result in a net present value savings for repayment of District Debt and benefit taxpayers within the District.

3. For Residential Districts, at such time that the majority of the Board is comprised of Residents of the District, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the Board may make a determination by majority vote at a properly noticed Board meeting, without City Council approval, that the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

4. For Commercial Districts, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

5. For purposes of the foregoing, once the conditions of Sections VI.C.2, VI.C.3, or VI.C.4 above have been met, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

D. Maximum Debt Mill Levy Imposition Term.

Residential Districts shall not impose a mill levy for repayment of any or all Debt (or use the proceeds of any mill levy for repayment of Debt) that exceeds forty (40) years after the year that the initial District Debt is issued unless a majority of the Board are Residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, et seq., C.R.S. There shall be no Maximum Debt Mill Levy Imposition Term in Commercial Districts.

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of Debt service. The District may also rely upon Fees and various other revenue sources authorized by law as limited by Section V.A. 18-19. In no event shall the Debt service mill levy in the District exceed the Maximum Debt Mill Levy or the Maximum Debt Mill Levy Imposition Term, except pursuant to an intergovernmental agreement between the District and the City.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the District.

G. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Service Plan. Approval of this Service Plan shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

H. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the

District will remain under the control of the District's Board, and any such entity shall be subject to and bound by all terms, conditions, and limitations of the Service Plan and intergovernmental agreement, attached as **Exhibit E**.

I. District's Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the District's organization and initial operations, are anticipated to be One Hundred Thousand Dollars (\$100,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the District will require operating funds for administration and to plan and cause the Public Improvements to be constructed and maintained. The first year's operating budget is estimated to be Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

Ongoing administration, operation and maintenance costs may be paid from property taxes collected through the imposition of an "Operating Mill Levy," subject to the limitations set forth in Section VI.J below, as well as Fees, as limited by Section V.A.18. Examples of expenses eligible to be funded from the Operating Mill Levy include, but may not be limited to:

1. General operating expenses such as accounting, audit, legal counsel, Director's fees, elections, management, engineering, office supplies, and payroll taxes;
2. Architectural review and covenant control;
3. Maintenance of parks, greenways, trails, recreational and amenity improvements such as playgrounds, sports clubs, clubhouses, sports fields, and pavilions not owned or maintained by the City or an owner's association;
4. Maintenance of landscaping and irrigation;
5. Cleaning, repair and snowplowing of streets not maintained by the City or an owner's association;
6. Sidewalk snow shoveling and maintenance;
7. Repair and replacement of any Public Improvements not dedicated to the City, other appropriate jurisdiction, or owner's association; and
8. Maintenance of retention or detention ponds.

The Operating Mill Levy shall not be used for repayment of Debt or operation or maintenance of any Public Improvement dedicated to the City, other jurisdiction or owner's association. The Operating Mill Levy cannot be imposed on or before the effective date of approval by the City of a Conceptual Site Plan and Intergovernmental Agreement with the City.

J. Maximum Operating Mill Levy.

The "Maximum Operating Mill Levy" shall be the maximum mill levy that the District is permitted to impose upon Taxable Property within the District for payment of ongoing

administration, operation, and maintenance costs as described in Section VI.I, and shall be determined as follows:

1. For a Residential District, unless and until the conditions of Sections VI.J.2 or VI.J.3 below are met, the Maximum Operating Mill Levy shall be 10 mills provided that if the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is changed by law, the Maximum Operating Mill Levy may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date upon which the City Council approves this Service Plan, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

2. For a Residential District, prior to the Board being comprised of a Resident majority, the Board may request City Council approval of a Service Plan Amendment and intergovernmental agreement to increase the Maximum Operating Mill Levy to a specified amount necessary to fund eligible expenses for ongoing administration, operation and maintenance as described in Section VI.I. The Board shall provide detailed justification for the increase as part of the amendment request. The Maximum Operating Mill Levy shall not exceed 10 mills without City Council approval of the amendment or until the conditions of Section VI.J.3 below are met.

3. For a Residential District, at such time that the majority of the Board is comprised of Residents of the District, the Board may make a determination by majority vote at a properly noticed Board meeting, without City Council approval, to increase the Maximum Operating Mill Levy to any amount necessary to fund eligible expenses for ongoing administration, operation and maintenance as described in Section VI.I.

4. Commercial Districts shall not be subject to a Maximum Operating Mill Levy.

VII. ANNUAL REPORT

A. General.

By October 1 of each year, the District shall electronically submit an annual report for the preceding calendar year to the City Clerk together with a certificate of compliance with the City Code. The annual report shall include all information required pursuant to the Special District Act. An Inactive District is not required to submit an annual report for any year in which the District was in inactive status for the entire year pursuant to the Colorado Revised Statutes and this Service Plan.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.
3. Copies of the District's rules and regulations, if any, as of December 31 of the prior year.
4. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.
5. Status of the District's construction of the Public Improvements as of December 31 of the prior year.
6. A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.
7. A list of any pending or anticipated reimbursement agreements entered into by the District pursuant to Section 62-60 to 62-69 of the City Code, as may be amended from time to time.
8. The final assessed valuation of the District as of December 31 of the reporting year.
9. Current year budget including a description of the Public Improvements to be constructed in such year.
10. Audit of the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.
11. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.
12. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.
13. A list of any and all filings made pursuant to SEC rule 15 c 2-12, together with copies of such filings.

VIII. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District shall request that City Council adopt a resolution, after a public hearing thereon, stating that the District shall be dissolved. Thereafter, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

IX. DISCLOSURE NOTICES

1. The District will provide the City with written notice of the date of hearing on its petition for organization filed with the district court.
2. The District will use reasonable efforts and due diligence to cause each developer to provide a written notice of disclosure to all initial purchasers of property in the District that describes the general purpose of the District and financial impact on each property at the time of entering into the purchase contract. Specifically, the written notice of disclosure shall provide the information required by the Colorado Revised Statutes, including without limitation Section 38-35.7-110, C.R.S., as amended from time to time.

The District will use reasonable efforts and due diligence to cause each developer to require that each property buyer acknowledge receipt of such notice of disclosure at the time of entering into the purchase contract. The form of notice shall be substantially in the form of Exhibit G hereto; provided that such notice may be modified by the District so long as a new notice is submitted to and approved by the City prior to using such modified notice. Any modified notice shall include the information required by Section. § 38-35.7-110, C.R.S., as amended from time to time.

3. The District shall record the notice of disclosure in the form of **Exhibit G** for each property within the District with Adams County at the time the subdivision plat is recorded, or record the notice of disclosure for each property prior to any building permits for the subdivision being issued if the subdivision plat has already been filed. The District shall provide the City with a copy of the recorded notice of disclosure. The notice of disclosure shall include the information required by Section IX.2 above.
4. To ensure that potential property buyers are educated about the District, the District will provide the information required by Section IX.2 above to the developer for prominent display at all sales offices, and inspect the sales offices within the District Boundaries on a quarterly basis to assure the information provided is accurate and prominently displayed.

X. INTERGOVERNMENTAL AGREEMENT

The form of the intergovernmental agreement required by the City Code, relating to the limitations imposed on the District's activities, is attached hereto as **Exhibit E**. The District shall approve the intergovernmental agreement in the form attached as **Exhibit E** at its first Board meeting after its organizational election. Failure of the District to execute the intergovernmental agreement as required herein shall constitute a material modification and shall require a Service Plan Amendment. The City Council shall approve the intergovernmental agreement in the form attached as **Exhibit E**. No other enabling, controlling, contractual, and/or operations documents that would affect or be executed by the District shall be approved without attachment to this Service Plan by amendment signed by the parties hereto.

XI. CONCLUSION

It is submitted that this Service Plan for the District, as required by Section 32-1-203(2), C.R.S., and Section 66-60 of the City Code, establishes that:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the District;
2. The existing service in the area to be served by the District is inadequate for present and projected needs;
3. The District is capable of providing economical and sufficient service to the area within its proposed boundaries; and
4. The area to be included in the District has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.
5. Adequate service is not, and will not be, available to the area through the City or county or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.
6. The facility and service standards of the District are compatible with the facility and service standards of the City within which the special district is to be located and each municipality which is an interested party under Section 32-1-204(1), C.R.S.
7. The proposal is in substantial compliance with a comprehensive plan adopted pursuant to the City Code.
8. The proposal is in compliance with any duly adopted City, regional or state long-range water quality management plan for the area.
9. The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A

Legal Description

LOT 1, BLOCK 14, QUEBEC HIGHLANDS FILING NO. 1 THIRD AMENDMENT PLAT,
COUNTY OF ADAMS, STATE OF COLORADO

EXHIBIT B

Thornton Vicinity Map

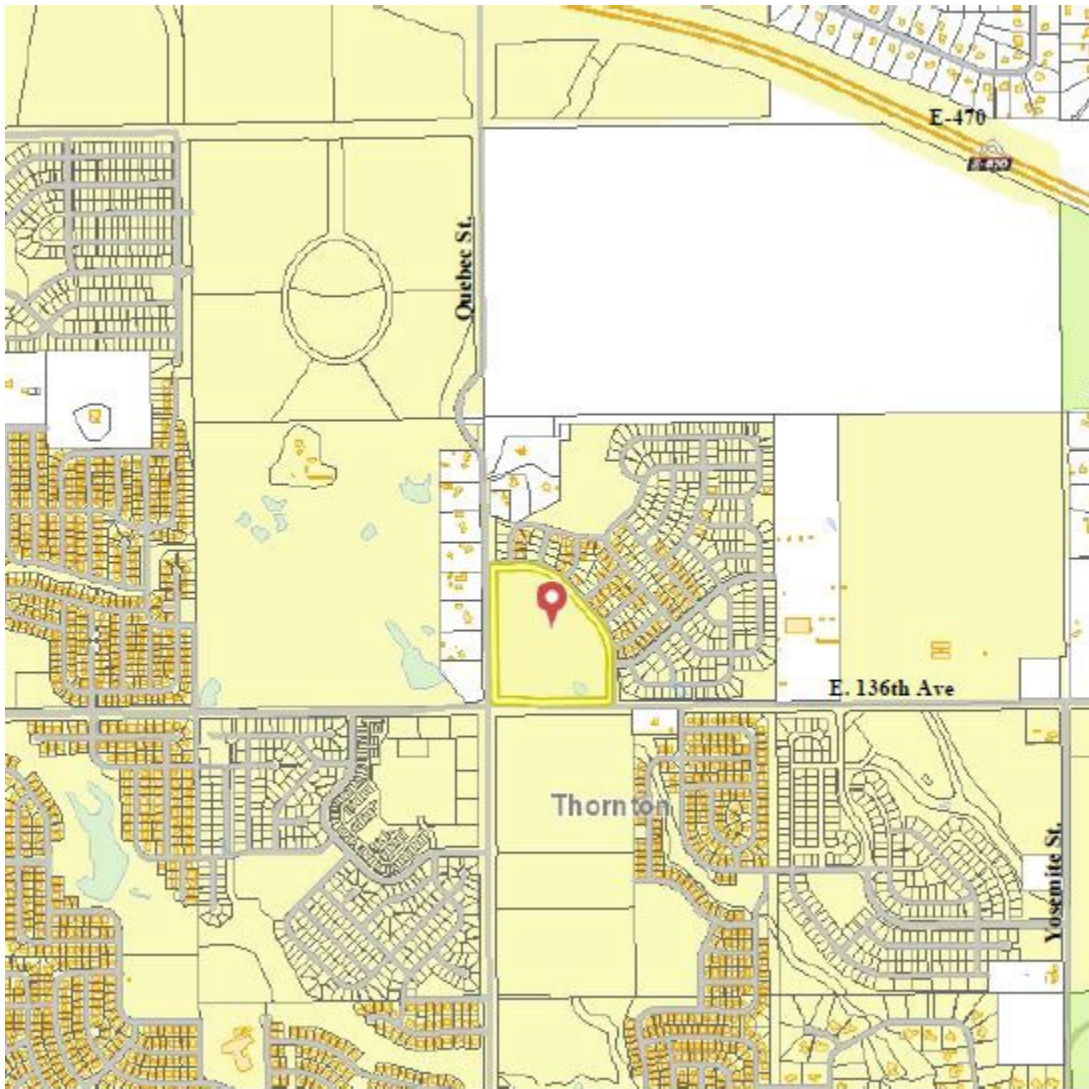


EXHIBIT C

District Boundary Map

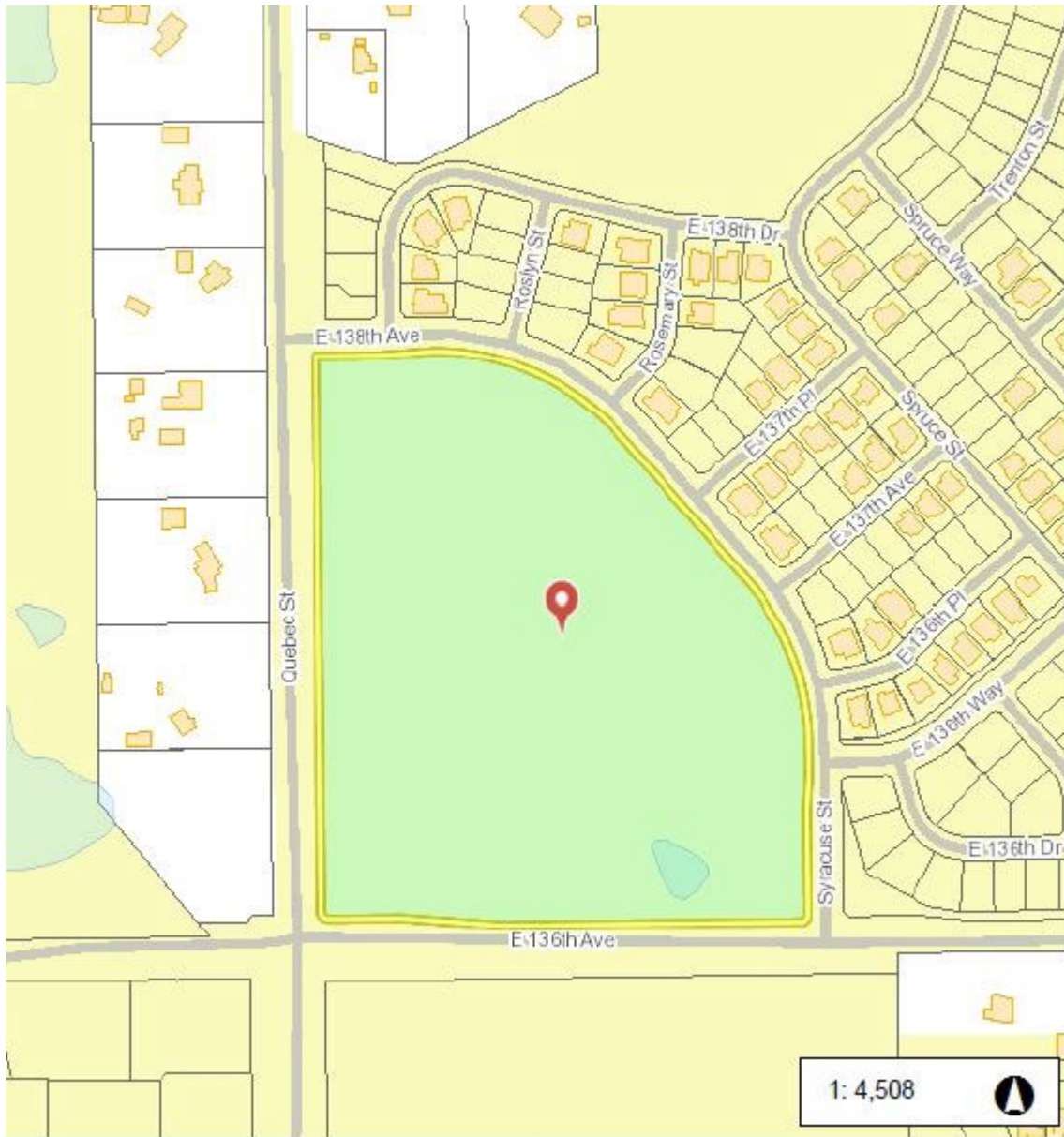


EXHIBIT D

Certification of Proof of Ownership

Electronically Recorded RECEPTION#: 2022000040634,
5/5/2022 at 2:32 PM, 1 OF 6,
REC: \$38.00 DocStamp: \$465.00
TD Pgs: 3 Josh Zygielbaum, Adams County, CO.

After Recording, Return to:

Samuel E. Swafford
One Indiana Square, Suite 3500
Indianapolis, Indiana 46204-2023

Doc Fee #465.00

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED is dated May 5, 2022, and is made between Quadrant Opportunity Fund II, LLC, a Missouri limited liability company ("**Grantor**"), and QH Land Venture LLC, an Indiana limited liability company ("**Grantee**").

WITNESS, that the Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and sufficient consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, conveys and confirms unto the Grantee and the Grantee's successors and assigns forever all the real property, together with any improvements thereon, located in the County of Adams and State of Colorado, described as follows:

See **Exhibit A** attached hereto and incorporated herein.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto the Grantee and the Grantee's successors and assigns forever. The Grantor, for itself and its successors and assigns, does covenant and agree that the Grantor shall and will WARRANT THE TITLE AND DEFEND the above described premises in the quiet and peaceable possession of the Grantee and the successors and assigns of the Grantee, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor except and subject to those matters described on **Exhibit B** attached hereto and incorporated herein.

Further, Grantor hereby excepts and reserves unto itself, its successors and assigns, all of the oil, gas and other minerals on, in and under all of the land described in this Deed. The excepted and reserved interest is subject to any valid, recorded oil and gas and other mineral lease or leases which cover this interest, but covers and includes all delay rentals and royalties, and any other rights and payments due or to become due or which may hereafter be payable or paid under the terms of said lease or leases to the lessor therein, its successors and assigns, insofar as said lease or leases cover all or any part of the land described in this Deed. Upon termination of any and/or all of such leases as to any land described herein, the interest of said lessee, its successors and assigns, shall revert to Grantor herein, its successors and assigns.

70704122



IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed as of the date set forth above.

GRANTOR:

Quadrant Opportunity Fund II, LLC, a
Missouri limited liability company

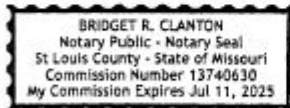
By: 
Rodney Jones, Manager

STATE OF MISSOURI)
) ss.
County of St. Louis)

The foregoing instrument was acknowledged before me this 3rd day of May, 2022, by Rodney Jones in his capacity as Manager of Quadrant Opportunity Fund II, LLC, a Missouri limited liability company.

Witness my hand and official seal.
My commission expires: 7-11-25


Notary Public



Electronically Recorded RECEPTION#: 2022000040634,
5/5/2022 at 2:32 PM, 3 OF 6,
TD Pgs: 3 Josh Zygielbaum, Adams County, CO.

Exhibit A to Special Warranty Deed

Legal Description

LOT 1, BLOCK 14, QUEBEC HIGHLANDS FILING NO. 1 THIRD AMENDMENT PLAT,
COUNTY OF ADAMS, STATE OF COLORADO.

Exhibit B to Special Warranty Deed

Permitted Exceptions

1. ANY FACTS, RIGHTS, INTERESTS, OR CLAIMS THEREOF, NOT SHOWN BY THE PUBLIC RECORDS BUT THAT COULD BE ASCERTAINED BY AN INSPECTION OF THE SUBJECT REAL PROPERTY OR THAT MAY BE ASSERTED BY PERSONS IN POSSESSION OF THE SUBJECT REAL PROPERTY.
2. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, NOT SHOWN BY THE PUBLIC RECORDS WHICH ARE NOT CREATED BY OR THROUGH GRANTOR.
3. ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE TO SAID REAL PROPERTY THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE SUBJECT REAL PROPERTY AND NOT SHOWN BY THE PUBLIC RECORDS.
4. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS WHICH ARE NOT CREATED BY OR THROUGH GRANTOR.
5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER.
6. TAXES AND ASSESSMENTS FOR THE YEAR 2022 AND SUBSEQUENT YEARS, A LIEN NOT YET DUE OR PAYABLE.
7. RESERVATIONS BY THE UNION PACIFIC RAILWAY COMPANY COMPANY OF: (1) ALL OIL, COAL AND OTHER MINERALS UNDERLYING SUBJECT PROPERTY, (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, MINE AND REMOVE OIL, COAL AND OTHER MINERALS, AND (3) THE RIGHT OF INGRESS AND EGRESS AND REGRESS TO PROSPECT FOR, MINE AND REMOVE OIL, COAL AND OTHER MINERALS, ALL AS CONTAINED IN DEED RECORDED SEPTEMBER 23 1895, IN BOOK A33 AT PAGE 222.
QUIT CLAIM DEED IN CONNECTION THEREWITH WAS RECORDED APRIL 14, 1971 IN BOOK 1684 AT PAGE 281.
RELINQUISHMENT AND QUIT CLAIM RECORDED NOVEMBER 18, 2004 UNDER RECEPTION NO. 20041118001168950.
8. RESERVATIONS AS CONTAINED IN INSTRUMENT RECORDED OCTOBER 23, 1922 IN BOOK 119 AT PAGE 5.
9. ANY TAX, LIEN, FEE, OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE WEST ADAMS COUNTY FIRE PROTECTION DISTRICT AS EVIDENCED BY INSTRUMENT RECORDED DECEMBER 15, 1961, IN BOOK 955 AT PAGE 540.

Exhibit B to Special Warranty Deed

Permitted Exceptions

1. ANY FACTS, RIGHTS, INTERESTS, OR CLAIMS THEREOF, NOT SHOWN BY THE PUBLIC RECORDS BUT THAT COULD BE ASCERTAINED BY AN INSPECTION OF THE SUBJECT REAL PROPERTY OR THAT MAY BE ASSERTED BY PERSONS IN POSSESSION OF THE SUBJECT REAL PROPERTY.
2. EASEMENTS, LIENS OR ENCUMBRANCES, OR CLAIMS THEREOF, NOT SHOWN BY THE PUBLIC RECORDS WHICH ARE NOT CREATED BY OR THROUGH GRANTOR.
3. ANY ENCROACHMENT, ENCUMBRANCE, VIOLATION, VARIATION, OR ADVERSE CIRCUMSTANCE AFFECTING THE TITLE TO SAID REAL PROPERTY THAT WOULD BE DISCLOSED BY AN ACCURATE AND COMPLETE LAND SURVEY OF THE SUBJECT REAL PROPERTY AND NOT SHOWN BY THE PUBLIC RECORDS.
4. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS WHICH ARE NOT CREATED BY OR THROUGH GRANTOR.
5. (A) UNPATENTED MINING CLAIMS; (B) RESERVATIONS OR EXCEPTIONS IN PATENTS OR IN ACTS AUTHORIZING THE ISSUANCE THEREOF; (C) WATER RIGHTS, CLAIMS OR TITLE TO WATER.
6. TAXES AND ASSESSMENTS FOR THE YEAR 2022 AND SUBSEQUENT YEARS, A LIEN NOT YET DUE OR PAYABLE.
7. RESERVATIONS BY THE UNION PACIFIC RAILWAY COMPANY COMPANY OF: (1) ALL OIL, COAL AND OTHER MINERALS UNDERLYING SUBJECT PROPERTY, (2) THE EXCLUSIVE RIGHT TO PROSPECT FOR, MINE AND REMOVE OIL, COAL AND OTHER MINERALS, AND (3) THE RIGHT OF INGRESS AND EGRESS AND REGRESS TO PROSPECT FOR, MINE AND REMOVE OIL, COAL AND OTHER MINERALS, ALL AS CONTAINED IN DEED RECORDED SEPTEMBER 23 1895, IN BOOK A33 AT PAGE 222.
QUIT CLAIM DEED IN CONNECTION THEREWITH WAS RECORDED APRIL 14, 1971 IN BOOK 1684 AT PAGE 281.
RELINQUISHMENT AND QUIT CLAIM RECORDED NOVEMBER 18, 2004 UNDER RECEPTION NO. 20041118001168950.
8. RESERVATIONS AS CONTAINED IN INSTRUMENT RECORDED OCTOBER 23, 1922 IN BOOK 119 AT PAGE 5.
9. ANY TAX, LIEN, FEE, OR ASSESSMENT BY REASON OF INCLUSION OF SUBJECT PROPERTY IN THE WEST ADAMS COUNTY FIRE PROTECTION DISTRICT AS EVIDENCED BY INSTRUMENT RECORDED DECEMBER 15, 1961, IN BOOK 955 AT PAGE 540.

10. UTILITY EASEMENT AS GRANTED TO UNION RURAL ELECTRIC ASSOCIATION INC. IN INSTRUMENT RECORDED JUNE 08, 1978, IN BOOK 2245 AT PAGE 660.
 11. REQUEST FOR NOTIFICATION OF SURFACE DEVELOPMENT RECORDED MAY 20, 2002 UNDER RECEPTION NO. C0971618.
 12. TERMS, CONDITIONS AND PROVISIONS OF ANNEXATION TO CITY OF THORNTON RECORDED DECEMBER 09, 2002 AT RECEPTION NO. C1064096.
 13. TERMS, CONDITIONS AND PROVISIONS OF ORDINANCE NO. 2743 APPROVING ANNEXATION RECORDED DECEMBER 9, 2002 UNDER RECEPTION NO. C1064097.
 14. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF QUEBEC HIGHLANDS FILING NO. 1 RECORDED JUNE 04, 2004 UNDER RECEPTION NO. 20040604000449520.
 15. REQUEST FOR NOTIFICATION OF SURFACE DEVELOPMENT AS EVIDENCED BY INSTRUMENT RECORDED MARCH 31, 2006 UNDER RECEPTION NO. 200603310000327190.
 16. EASEMENTS, CONDITIONS, COVENANTS, RESTRICTIONS, RESERVATIONS AND NOTES ON THE PLAT OF QUEBEC HIGHLANDS FILING NO. 1 THIRD AMENDMENT RECORDED JULY 03, 2007 UNDER RECEPTION NO. 2007000063994.
 17. REQUEST FOR NOTIFICATION OF SURFACE DEVELOPMENT AS EVIDENCED BY INSTRUMENT RECORDED AUGUST 07, 2007 UNDER RECEPTION NO. 2007000076064.
 18. REQUEST FOR NOTIFICATION OF SURFACE DEVELOPMENT AS EVIDENCED BY INSTRUMENT RECORDED JULY 13, 2016 UNDER RECEPTION NO. 2016000055794.
 19. OIL AND GAS LEASE BETWEEN QUADRANT OPPORTUNITY FUND II, LLC AND GRIZZLY PETROLEUM COMPANY, LLC, RECORDED APRIL 19, 2017 UNDER RECEPTION NO. 2017000033948 AND ANY AND ALL ASSIGNMENTS THEREOF, OR INTEREST THEREIN.
- AFFIDAVIT OF EXTENSION OF OIL AND GAS LEASES RECORDED OCTOBER 15, 2020 UNDER RECEPTION NO. 2020000104866.
20. OIL AND GAS LEASE BETWEEN THE CITY OF THORNTON AND GRIZZLY PETROLEUM COMPANY, LLC RECORDED MARCH 25, 2020 UNDER RECEPTION NO. 2020000027046 AND ANY AND ALL ASSIGNMENTS THEREOF, OR INTEREST THEREIN.
- AFFIDAVIT OF EXTENSION OF OIL AND GAS LEASES RECORDED OCTOBER 15, 2020 UNDER RECEPTION NO. 2020000104864.

EXHIBIT E

Intergovernmental Agreement between the District and Thornton

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF THORNTON
AND QUEBEC HIGHLANDS METROPOLITAN DISTRICT REGARDING
THE SERVICE PLAN FOR THE DISTRICT**

THIS AGREEMENT is made and entered into as of this _____ day of _____, 2023, by and between the **City of Thornton**, State of Colorado (“City”) and the **Quebec Highlands Metropolitan District**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”). The City and the District are collectively referred to as the “Parties.”

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District’s Service Plan approved by the City on _____, 2023 (“Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the City and the District, as required by the Thornton City Code; and

WHEREAS, the City and the District have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (“Agreement”).

NOW THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The District shall dedicate the Public Improvements, as defined in the Service Plan, to the City or other appropriate jurisdiction or owners association in a manner consistent with the Approved Conceptual Site Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall not be authorized to operate and maintain any part or all of the Public Improvements without the consent of the City except as described in Section VI.I of the Service Plan. Notwithstanding the foregoing, the District shall own, operate and maintain, to applicable City Standards, internal roads within the District Boundaries not otherwise dedicated to the City and detention ponds within the District Boundaries. The District is required and obligated to operate and maintain park and recreation improvements within the District Boundaries, and all parks and trails shall be open to the general public free of charge.

2. Government Services Limitation. The District shall not be authorized to provide any ongoing governmental services without the consent of the City.

3. Fire Protection. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain fire protection facilities or

services without a modification of this Agreement by the Parties. The authority to plan for, design, acquire, construct, install, relocate, redevelop or finance fire hydrants and related improvements installed as part of the water system shall not be limited by this provision.

4. Television Relay and Translation. The District shall not be authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance, operate or maintain television relay and translation facilities and services without a modification of this Agreement by the Parties, except for the installation of conduit as a part of a street construction project.

5. Telecommunication Facilities. The District agrees that no telecommunication facilities owned, operated or otherwise allowed by the District shall affect the ability of the City to expand its public safety telecommunication facilities or impair existing telecommunication facilities.

6. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

7. Zoning and Land Use Requirements. The District agrees that it shall be subject to all of the City's zoning, subdivision, building code and other land use requirements.

8. Growth Limitations. The District acknowledges that the City shall not be limited in implementing City Council- or voter-approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue. Approval of the Service Plan does not constitute an approval of building permit allocations or building permits. The District expressly understands and acknowledges that any expenditure of funds for the construction and installation of any Public Improvements in the District prior to approval of building permit allocations or building permits is exclusively at the District's risk. The District shall be subject to any residential growth limitations, including enactment of any ordinances limiting or slowing down growth, moratoriums, water and/or wastewater tap limitations, building permit limitations, or any other growth management requirements. The City reserves the right, in exercise of its police power, to choose not to grant building permits, or otherwise restrict or condition the granting of building permits within the District based on current or future ordinances of the City. The City does not guarantee capacity in its water or wastewater systems for proposed or future developments. System capacity must be verified throughout the development entitlement process and can be affected by drought, emergency, or infrastructure constraints.

9. Conveyance. The District agrees to convey to the City, at no cost to the City, any real property owned by the District that is necessary, in the City's sole discretion, for any City capital improvement projects for transportation, utilities, or drainage, upon written notification.

10. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

11. Eminent Domain. The District agrees not to use eminent domain powers for any real property without a modification of this Agreement by the Parties.

12. Water Rights/Resources. The District agrees not to acquire, own, manage, adjudicate or develop water rights or resources without a modification of this Agreement by the Parties.

13. Inclusion Limitation. The District agrees not to include within any of its boundaries any property outside the Service Area without the prior written consent of the City Council. If an Inclusion Area is proposed, the District agrees not to include within any of its boundaries any property inside the Inclusion Area Boundaries without the prior written consent of the City Council except upon petition of the fee owner or owners of one hundred percent (100%) of such property as provided in Section 32-1-401(1)(a), C.R.S.

14. Exclusion Limitation. The District agrees not to exclude from its boundaries any property within the Service Area without the prior written consent of the City Council. The District also agrees to follow the procedure for exclusion of property as provided in Section 32-1-502, C.R.S.

15. Overlap Limitation. The District shall not consent to the organization of any other district organized under the Special District Act within the Service Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

16. Initial Debt. On or before the effective date of approval by the City of an Approved Conceptual Site Plan and approval and execution of this Agreement, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Fees used for the purpose of repayment of Debt.

17. Total Debt Issuance. The District shall not issue Debt in excess of Fifteen Million Eight Hundred Twenty-Eight Thousand Dollars (\$15,828,000).

18. Fee Limitation. The District may impose and collect Fees as a source of revenue for repayment of Debt, capital costs, and/or for operations and maintenance until Taxable Property is owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property. No Fee related to the repayment of, or intended to repay, Debt shall be imposed upon or collected from Taxable Property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property. No Fee related to funding operation and maintenance costs shall be imposed upon or collected from Taxable Property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said Taxable Property unless and until the majority of the Board are Residents, and a majority of the Board has voted in favor of imposing and collecting Fees for the purpose of funding operation and maintenance costs of the District.

19. Public Improvement Fee Limitation. The District shall not impose, collect, receive, spend or pledge to any Debt any fee, assessment, tax or charge which is collected by a retailer in the District on the sale of goods or services by such retailer and which is measured by the sales price of such goods or services, without a modification of this Agreement by the Parties.

20. Sales and Use Taxes. The District shall not exercise its City sales and use tax exemption.

21. Costs to be assumed by the City. The City will not be responsible for payment of any costs of construction of the Public Improvements within the District Boundaries.

22. Monies from Other Governmental Sources. The District agrees not to apply for or accept Conservation Trust Funds, Great Outdoors Colorado Trust Funds, or other funds available from or through governmental or non-profit entities that the City is eligible to apply for without a modification of this Agreement by the Parties. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the district without any limitation.

23. Consolidation. The District shall not file a request with any Court to consolidate with another Title 32 district without prior approval of the City Council as evidenced by a resolution after a public hearing thereon.

24. Bankruptcy. All of the limitations contained in this Service Plan, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

- (a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan Amendment; and
- (b) Are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Service Plan pursuant to Section 32-1-207, C.R.S. and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Service Plan Amendment. The City shall be entitled to all remedies available at law to enjoin such actions of the District.

25. Reimbursement Agreements. If the District utilizes reimbursement agreements to obtain reimbursements from third-party developers or adjacent landowners, for costs of improvements that benefit third-party landowners, such agreements shall be done in accordance with City Code. All reimbursements shall be deposited in the District's Debt service fund and used for the purposes of retiring the District's Debt.

26. Community Engagement. To ensure Residents within the boundaries of a Residential District have an adequate opportunity to participate in the District and remain apprised of the District's operations and functions, the District shall:

- (a) In accordance with the requirements of Section 32-1-104.5, C.R.S., as amended from time to time, within twelve (12) months of the date of District formation, establish, maintain and annually update a public website or provide information on a shared community website, on which the District will timely post all information and documents required by Section 32-1-104.5, C.R.S., as amended from time to time; and
- (b) Within twelve (12) months after the issuance of the first certificate of occupancy within the District Boundaries, hold all regular and special Board meetings at a location within a five (5) mile radius of the District Boundaries or within the jurisdictional limits of the City if no feasible meeting venue is available within a five (5) mile radius. If a Board meeting is held virtually using an online computer application, the District shall provide information on the District website accessible to all Residents on how to access and participate in the virtual meeting. If the District utilizes email to communicate with Residents, the District shall also send notification of the virtual meeting by email. The District shall provide notification via the District website and, if applicable, email, at least ten (10) days prior to the virtual Board meeting. If the Board schedules a virtual special meeting that will be convened in fewer than ten (10) days, the District shall provide notification via the District website and, if applicable, email, as soon as possible after scheduling the special meeting.

The District shall be exempt from the community engagement requirements set forth in this Section 26 so long as it is an Inactive District.

27. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall dissolution occur until the District has provided for the payment or

discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

28. Disclosure to Purchasers. The District will use reasonable efforts and due diligence to cause each developer and home builder to provide a written notice of disclosure to all initial purchasers of property in the District that describes the general purpose of the District and financial impact on each residential property at the time of entering into the purchase contract. Specifically, the written notice of disclosure shall provide the information required by the Colorado Revised Statutes, including without limitation Section 38-35.7-110, C.R.S., as amended from time to time. The District will use reasonable efforts and due diligence to cause each developer and home builder to require that each home buyer acknowledge receipt of such notice of disclosure at the time of entering into the purchase contract. The form of notice shall be substantially in the form of Exhibit G of the Service Plan. The District shall record the notice of disclosure in the form of Exhibit G of the Service Plan for each property within the District with Adams County at the time the subdivision plat is recorded, or record the notice of disclosure for each property prior to any building permits for the subdivision being issued if the subdivision plat has already been filed. The District shall provide the City with a copy of the recorded notice of disclosure.

29. Disclosure to Potential Residential Buyers. The District will also provide the information required by Section 28 of this Agreement to the developer or home builders for prominent display at all sales offices, and inspect the sales offices within the District Boundaries on a quarterly basis to assure the information provided is accurate and prominently displayed.

30. Service Plan Amendment Requirement. Material modifications of the Service Plan may be made by the District only by petition to and approval by City Council. Such approval of modifications shall be required with regard to any changes of a basic or essential nature that the City deems, in its sole discretion, a material modification, whether or not they are deemed to be immaterial by the District, and shall include but not be limited to changes to the limitations set forth in Sections V.A.1-26 or VI.B-J of the Service Plan. Changes to the Service Plan of a minor technical nature may be approved administratively by the City. The City shall determine if a change is minor or technical in nature.

31. City Remedies for Material Departure from Service Plan. Pursuant to Section 32-1-207(3), C.R.S., as may be amended from time to time, the City may seek to enjoin any material departure from the Service Plan that the City deems, in its sole discretion, a material modification of this Service Plan. References to material modifications in the Service Plan, or District actions or inactions that expressly constitute material modifications pursuant to the terms of the Service Plan or the Special District Act, shall not limit the City's ability to enforce the entirety of the Service Plan, and the City may seek to enjoin any material departure as a material modification. Notwithstanding the foregoing, injunctive relief shall not be the City's exclusive remedy for a material departure the City deems a material modification of the Service Plan, and the City shall be entitled to exercise all remedies available by law or in equity, specifically including the remedies set forth in the City Code, and suits for specific performance and/or monetary damages.

32. Maximum Debt Mill Levy. The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

- (a) If the total amount of aggregate District Debt exceeds fifty percent (50%) of the District’s assessed valuation, the Maximum Debt Mill Levy shall be fifty (50) mills; provided, however, that if the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is changed by law; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date upon which the City Council approves this Service Plan, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.
- (b) For Residential Districts, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the Board, prior to being comprised of a Resident majority, may request City Council approval of a Service Plan Amendment to allow that the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate. As part of the Service Plan Amendment request, the Board shall submit detailed justification demonstrating how an unlimited Debt Mill Levy will result in a net present value savings for repayment of District Debt and benefit taxpayers within the District.
- (c) For Residential Districts, at such time that the majority of the Board is comprised of Residents of the District, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the Board may make a determination by majority vote at a properly noticed Board meeting, without City Council approval, that the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.
- (d) For Commercial Districts, if the total amount of aggregate District Debt is equal to or less than fifty percent (50%) of the District’s assessed valuation, either on the date of issuance or at any time thereafter, the mill levy to be imposed to repay such portion of Debt shall not be subject to the Maximum Debt Mill Levy and, as a result, the mill levy may be such amount as is necessary to pay the Debt service on such Debt, without limitation of rate.

- (e) For purposes of the foregoing, once the conditions described in Section 32(a), 32(b) or 32(c) have been met, so that the District is entitled to pledge to its payment an unlimited ad valorem mill levy, the District may provide that such Debt shall remain secured by such unlimited mill levy, notwithstanding any subsequent change in the District's Debt to assessed ratio. All Debt issued by the District must be issued in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law.

To the extent that the District is composed of or subsequently organized into one or more subdistricts as permitted under Section 32-1-1101, C.R.S., the term "District" as used herein shall be deemed to refer to the District and to each such subdistrict separately, so that each of the subdistricts shall be treated as a separate, independent district for purposes of the application of this definition.

33. Maximum Debt Mill Levy Imposition Term. There shall be no Maximum Debt Mill Levy Imposition Term in the District because it is a Commercial District. In the event that any of the property contained within the District is rezoned to residential use, then the District shall not impose a mill levy for repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) that exceeds forty (40) years after the year that the initial District Debt is issued unless a majority of the Board are Residents of the District and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings as set forth in Section 11-56-101, *et seq.*, C.R.S.

34. Maximum Operating Mill Levy. The "Maximum Operating Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Debt, and shall be determined as follows:

- (a) If the District is a Residential District, unless and until the conditions of Sections 34(b) or 34(c) below are met, the Maximum Operating Mill Levy shall be 10 mills provided that if the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is changed by law, the Maximum Operating Mill Levy may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after the date upon which the City Council approved the Service Plan, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.
- (b) If the District is a Residential District, prior to the Board being comprised of a Resident majority, the Board may request City Council approval of a Service Plan Amendment and an amendment to this Agreement to increase the Maximum Operating Mill Levy to a specified amount necessary to fund eligible expenses for ongoing administration, operation and maintenance as described in Section VI.I of the Service Plan. The Board shall provide detailed justification for the increase as

part of the amendment request. The Maximum Operating Mill Levy shall not exceed 10 mills without City Council approval of the amendment or until the conditions of Section 34(c) below are met.

- (c) If the District is a Residential District, at such time that the majority of the Board is comprised of Residents of the District, the Board may make a determination by majority vote at a properly noticed Board meeting, without City Council approval, to increase the Maximum Operating Mill Levy to any amount necessary to fund eligible expenses for ongoing administration, operation and maintenance as described in Section VI.I of the Service Plan.
- (d) If the District is a Commercial District, it shall not be subject to a Maximum Operating Mill Levy.

35. Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the District: Quebec Highlands Metropolitan District
 c/o WHITE BEAR ANKELE TANAKA & WALDRON
 2154 E. Commons Ave., Suite 2000
 Attn: Jennifer Gruber Tanaka, Esq.
 Phone: (303) 858-1800
 Fax: (303) 858-1801
 E-mail: jtanaka@wbapc.com

To the City: City of Thornton
 9500 Civic Center Drive
 Thornton, CO 80229
 Attn: City Development Department
 Phone: 303-538-7295
 Fax: 303-538-7373

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

36. Amendment. This Agreement may be amended, modified, changed or terminated in whole or in part by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Service Plan.

37. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

38. Default/Remedies. Upon the occurrence of any event of breach or default by either party, the non-defaulting party shall provide written notice to the other party. The defaulting party shall immediately proceed to cure or remedy such breach or default, and in any event, such breach or default shall be cured within 15 days after receipt of the notice. Following the cure period in the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available by law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

39. Governing Law and Venue. This agreement shall be governed and construed under the laws of the State of Colorado.

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

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

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

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

44. Annual and Continued Five Year Review. The District shall submit an annual report to the City in every year following the year in which the Order and Decree creating the District has been issued until the year following the dissolution of the District. Such annual report shall be submitted electronically by October 1 of each year for the preceding calendar year, and shall include all information required pursuant to the Special District Act. If the District is an Inactive District, it shall not be required to submit an annual report for any year in which the District was in inactive status for the entire year pursuant to the Colorado Revised Statutes and the Service

Plan. The District shall submit an application every five years for a finding of reasonable diligence in accordance with Section 32-1-1101.5. C.R.S., to the City.

45. No Liability of City. The City has no obligation whatsoever to construct any improvements that the District is required to construct, or pay any debt or liability of the District including any bonds.

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

47. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Service Plan.

[Remainder of Page Intentionally Left Blank].

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

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

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

CITY OF THORNTON

Name: Kevin S. Woods
Title: City Manager

ATTEST:

Kristen N. Rosenbaum, City Clerk

APPROVED AS TO FORM:

Tami Yellico, City Attorney

EXHIBIT F

Engineer's Estimate of Probable Cost

QUEBEC HIGHLANDS DEVELOPMENT: THORNTON, CO				
Hard Costs - Per GC bid				
CATEGORY		CURRENT GC SOV	METRO DISTRICT ALLOCATION	
Earthwork		\$ 1,403,185.50	\$ 346,037.25	24.66%
Pavement		\$ 1,159,587.71	\$ 1,159,587.71	
Offsite roadway Improvements		\$ 2,165,563.02	\$ 2,165,563.02	
Concrete Pavement and Curbs		\$ 1,296,138.55	\$ 1,296,138.55	
Sanitary Sewers		\$ 781,778.56	\$ 781,778.56	
Water Lines		\$ 1,029,954.86	\$ 1,029,954.86	
Storm Sewers		\$ 1,673,444.26	\$ 1,673,444.26	
Site Lighting		\$ 820,991.79	\$ 820,991.79	
Irrigation and landscaping		\$ 737,042.34	\$ 737,042.34	
Soft Costs - Summary				
Engineering		\$ 474,000.00	\$ 116,892.36	
Permits and Fees		\$ 87,000.00	\$ 21,454.93	
Survey		\$ 15,000.00	\$ 3,699.13	
Geotech		\$ 21,000.00	\$ 5,178.78	
	SUBTOTAL	\$ 11,067,686.59	\$ 10,157,763.53	
General Conditions	5%	\$ 553,384.33	\$ 136,464.58	
Insurance	1%	\$ 110,676.87	\$ 27,292.92	
OH/P	5%	\$ 553,384.33	\$ 136,464.58	
		TOTAL	\$ 10,457,985.59	
Total Size SF	1,105,360			
Less Infrastructure Tracts	272,591	24.66%		
Remaining Size	832,769	75.34%		
Tract A - Roadway	176,309			
Tract B - Roadway	9,817			
Tract C - Pond	86,465			
Total	272,591			

EXHIBIT G

Notice of Special District Disclosure

NOTICE OF SPECIAL DISTRICT DISCLOSURE

ATTENTION: You are purchasing a property that is located within **Quebec Highlands Metropolitan District**. This District has the authority to issue bonds or other debt to pay for development improvements and levy taxes and fees on all properties within the District for debt repayment and ongoing operations and maintenance.

Name of District:	Quebec Highlands Metropolitan District
Contact Information for District:	White Bear Ankele Tanaka & Waldron, P.C. Attention: Jennifer Gruber Tanaka, Esq. 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 (303) 858-1800 jtanaka@wbapc.com
District Website:	
District Boundaries:	See attached map.
Purpose of the District:	Metropolitan district organized pursuant to C.R.S. § 32-1-101 et seq. The District was created to assist with the planning, design, acquisition, construction, installation, operation, maintenance, relocation, and financing of certain public improvements serving the Quebec Highlands Metropolitan District located in Thornton, Adams County, Colorado and described further in the District's Service Plan. A copy of the District's Service Plan can be found on the District's website or by contacting the District at the District contact information above.
Authorized Types of District Taxes:	Debt Mill Levy and Operating Mill Levy These mill levies result in taxes you will owe to the District and are described further below.
District's Total Debt Issuance Authorized per District's Service Plan:	\$ 15,828,000
District Improvements Financed by Debt:	The District intends to, or has already issued debt to pay for earthwork, pavement, offsite roadway improvements, concrete pavement and curbs, sanitary sewers, water lines, storm sewers, site lighting, irrigation and landscaping.
Maximum Debt Mill Levy that	Maximum Debt Mill Levy: 50.000 Mills The Maximum Debt Mill Levy may fluctuate based on changes to residential assessment rates. A

<p>may be levied annually on properties within the District to pay back debt:</p>	<p>change to the Maximum Debt Mill Levy may occur as a result of an approved amendment to the District’s Service Plan, or a resident-controlled Board may also approve a change to the mill levy.</p>		
<p>Ongoing Operations and Maintenance Services of the District:</p>	<p>The District intends to impose an Operating Mill Levy to pay for administrative, operation and maintenance costs.</p>		
<p>Maximum Operating Mill Levy that may be levied annually on properties within the District to pay for the ongoing operations and maintenance described above.</p>	<p>Maximum Operating Mill Levy: There is no Maximum Operating Mill Levy because the District is a Commercial District.</p> <p>The Operating Mill Levy is distinct from the Debt Mill Levy taxes and cannot be used to repay District Debt.</p>		
<p>Other Sources of District Revenue (Fees, Rates, Tolls, Penalties or Charges)</p>	<p>None.</p>		
<p>Other Taxing Entities to which you will pay taxes to:</p>	<p style="text-align: center;">Name</p>	<p style="text-align: center;">Tax Year</p>	<p style="text-align: center;">Mill Levy</p>
	<p>ADAMS COUNTY</p>	<p style="text-align: center;">2022</p>	<p style="text-align: center;">27.069</p>
	<p>RANGEVIEW LIBRARY DISTRICT</p>	<p style="text-align: center;">2022</p>	<p style="text-align: center;">3.689</p>
	<p>RTD</p>	<p style="text-align: center;">2022</p>	<p style="text-align: center;">0.000</p>

	School District 27-Brighton	2022	49.866
	THORNTON	2022	10.210
	URBAN DRAINAGE & FLOOD CONTROL	2022	0.900
	URBAN DRAINAGE SOUTH PLATTE	2022	0.100
	Total		91.834

Sample Calculation of Taxes Owed for a Commercial Property within the District:

Assumptions:

Market value of property is \$ _____

Debt Mill Levy is 50 mills

Operating Mill Levy is 10 mills (for demonstrative purposes)

Total Metropolitan District mill levies = 60 mills

Calculation of Metropolitan District Taxes:

\$ _____ x .029 [adjust as appropriate] = \$ _____ (Assessed Valuation)

\$ _____ x .060 mills = \$ _____ per year in taxes owed solely to the Metro District

Total Additional Mill Levies from Other Taxing Entities: _____ mills = \$ _____ annual taxes

TOTAL [YEAR] PROPERTY TAXES FOR A COMMERCIAL PROPERTY COSTING \$ _____ = \$ _____

THIS ESTIMATE ONLY PROVIDES AN ILLUSTRATION OF THE AMOUNT OF THE NEW PROPERTY TAXES THAT MAY BE DUE AND OWING AFTER THE PROPERTY HAS BEEN REASSESSED. THIS ESTIMATE IS NOT A STATEMENT OF THE ACTUAL AND FUTURE TAXES THAT MAY BE DUE. FIRST YEAR PROPERTY TAXES MAY BE BASED ON A PREVIOUS YEAR'S TAX CLASSIFICATION, WHICH MAY NOT INCLUDE THE FULL VALUE OF THE PROPERTY AND, CONSEQUENTLY, TAXES MAY BE HIGHER IN SUBSEQUENT YEARS. A SELLER HAS COMPLIED WITH THIS DISCLOSURE STATEMENT AS LONG AS THE DISCLOSURE IS BASED UPON A GOOD-FAITH EFFORT TO PROVIDE ACCURATE ESTIMATES AND INFORMATION.