

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO**

Pursuant to section VII of the Service Plan for Johnstown Farms East Metropolitan District (the “District”), the District shall be responsible for submitting an annual report to the Town no later than August 1st of each year following the year in which the Order and Decree creating the District has been issued (the “report year”). The District makes the following report for the year ending December 31, 2021:

REPORTING OF SIGNIFICANT EVENTS (Section VII.B)

1. Narrative of the District’s progress in implementing the Service Plan and a summary of the development in the Project.

The developer within the District undertook the construction of public improvements, and in 2021, the District issued its General Obligation Limited Tax Bonds, Series 2021 in the principal amount of \$7,062,000. The District used proceeds from its 2021 bonds to reimburse the developer for the costs of public improvements in the District.

2. Boundary changes made or proposed.

There were no boundary changes made or proposed to the District’s boundaries during the Report Year.

3. Intergovernmental agreements executed.

The District did not enter into any intergovernmental agreements during the Report Year.

4. A summary of any litigation involving the District.

To our actual knowledge, based on review of the court records in Weld County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District as of December 31, 2021.

5. Proposed plans for the year immediately following the report year.

The District anticipates meeting its debt service obligations in 2022 through the imposition of a debt service mill levy and undertaking administrative and operations functions through the imposition of an operating mill levy, and the imposition of an operations fee. The District plans to engage a district manager, and over see covenant enforcement in the District.

6. Construction contracts executed and the name of the contractors as well as the principal of each contractor.

The District did not execute any construction contracts in 2021.

7. Status of the District’s Public Improvement construction schedule and the Public Improvement schedule for the following five years.

The District anticipates that the developer within the District will construct all public improvements within the District. All public improvements are expected to be construction within the next five years.

8. Notice of any uncured defaults of the Service Plan or any Debt.

To our knowledge, there are no uncured events of default by the District, which continue beyond a ninety (90) day period, under the Service Plan or any Debt instrument.

9. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the Town.

The Districts did not construct improvements in 2021. All public improvements within the District are to be constructed by the developer or homebuilders within the District.

10. If requested by the Town, copies of minutes of all meetings of the District’s board of directors.

As of the date of this report, the Town has not requested copies of minutes from meetings of the District’s board of directors.

11. The name, business address and telephone number of each member of the Board and its chief administrative officer and general counsel and the date, place and time of the regular meetings of the Board.

Board of Directors:

Craig Campbell
c/o White Bear Ankele Tanka & Waldron, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

Jack Hoagland
c/o White Bear Ankele Tanka & Waldron, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: 303-858-1800

General Counsel and Contact for the District:

Zachary P. White, Esq.
White Bear Ankele Tanka & Waldron, PC
2154 E. Commons Avenue, Suite 2000
Centennial, CO 80122
zwhite@wbapc.com

Phone: 303-858-1800

2022 Meeting Dates:

Regular meetings are scheduled for June 15 and October 15, 2022 at 10:30 a.m. at 400 South Parish Avenue, Johnstown, Colorado, and by telephone, electronic, or other means not including physical presence

12. Certification from the Board that the District is in compliance with all provisions of the Service Plan.

Please see the attached Certification of Compliance as **Exhibit A**.

13. Copies of any Agreements with the Developer entered into in the report year.

During the Report Year, the District and T.F. Johnstown Farms, L.P. entered into an Infrastructure Acquisition Agreement attached hereto as **Exhibit B**.

14. Copies of any Cost Verification Reports provided to the District in the report year.

During the Report Year, the Board accepted 7,289,314.31 A Resolution Regarding Acceptance of District Eligible Costs including Cost Verification Reports is attached hereto as **Exhibit C**.

REPORTING OF SIGNIFICANT EVENTS (Section VII.B)

Summary of Financial Information - The annual report shall include a summary of the following information for the report year:

1. Assessed value of Taxable Property within the District's boundaries.

The District's Assessed Valuation for 2021 was \$189,840.

2. Total acreage of property within the District's boundaries.

The area of the Initial District Boundaries includes approximately 90.563 acres.

3. Most recently filed audited financial statements of the District, to the extent audited financial statements are required by state law, or most recently filed audit exemption.

The District's 2021 Audit is in process and can be provided to the Town upon completion.

4. Annual budget of the District.

A copy of the District's 2022 Budget is attached hereto as **Exhibit D**.

5. Resolutions regarding issuance of Debt or other financial obligations, including relevant financing documents, credit agreements, and official statements.

During the report year, the District issued its General Obligation Limited Tax Bonds, Series 2021 in the principal amount of \$7,062,000. A copy of the Authorizing Resolution, Indenture of Trust, and Limited Offering Memorandum are included in **Exhibit E**.

6. Outstanding Debt (stated separately for each class of Debt).

General Obligation Limited Tax Bonds, Series 2021 in the principal amount of \$7,062,000.

7. Outstanding Debt service (stated separately for each class of Debt).

As of the close of the Report Year, there was \$7,062,000 outstanding on the Series 2021 Bonds.

8. The District's tax revenue.

The District collected \$13,432 in tax revenue during the Report Year. On December 15, 2021, the District imposed a total mill levy of 50.000 mills and anticipated the collection in 2022 of \$9,492 in property tax revenues.

9. Other revenues of the District.

Excluding proceeds from the 2021 Bonds, the District collected \$0.00 in other revenues during the Report Year. The District received advances from the developer in the Report Year to help meet its financial obligations.

10. The District's Public Improvements expenditures.

The District spent \$7,289,314.31 from proceeds of the 2021 Bonds in the Report Year.

11. The District's other expenditures.

The District incurred debt service costs in 2021 associated with the 2021 Bonds.

12. The District's inability to pay any financial obligations as they come due.

The District was able to pay its financial obligations in the Report Year.

13. The amount and terms of any new Debt issued.

During the Report Year, the District issued its General Obligation Limited Tax Bonds, Series 2021 in the principal amount of \$7,062,000.

14. Any Developer Debt.

During the Report Year, the District did not issue any debt to the developer.

During the Report Year, the District did not issue any debt to the developer.

EXHIBIT A
CERTIFICATE OF COMPLIANCE

EXHIBIT A

Certification of Compliance

By signature below, the President of the Board of Directors certifies that, to the best of his actual knowledge, the District is in compliance with all provisions of the Service Plan. This Certification is provided in relation to the Annual Report for the year 2021, as required under the Service Plan for the Johnstown Farms East Metropolitan District.

Craig Campbell

Craig Campbell (Jul 26, 2022 08:58 MDT)

By: Craig Campbell, President

Dated: 7/26/2022

EXHIBIT B
INFRASTRUCTURE ACQUISITION AND REIMBURSEMENT AGREEMENT WITH
DEVELOPER

INFRASTRUCTURE ACQUISITION AGREEMENT

This **INFRASTRUCTURE ACQUISITION AGREEMENT** (the “**Agreement**”) is made and entered into as of September 20, 2021, by and between **JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **TF JOHNSTOWN FARMS, L.P.**, a Delaware limited partnership (“**TFJF**”). The District and TFJF are collectively referred to herein as the “**Parties.**”

RECITALS

WHEREAS, the District has been duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the “**Special District Act**”), with the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Improvements**”), as described in the Special District Act, and as authorized in the Service Plan for the District (the “**Service Plan**”); and

WHEREAS, in accordance with the Special District Act and the Service Plan, the District has the power to acquire real and personal property, manage, control, and supervise the affairs of the District, including the acquisition, financing, construction, and installation of the Public Improvements, and to perform all other necessary and appropriate functions in furtherance of the Special District Act and Service Plan; and

WHEREAS, the District was organized to coordinate the acquisition, financing, construction, and installation of the Public Improvements in connection with development within the boundaries of the District (the “**Project**”); and

WHEREAS, the District is presently without sufficient funds to provide the Public Improvements in a timely manner to support the Project; and

WHEREAS, the District has determined that a delay in the provision of the Public Improvements will impair the successful development of the Project; and

WHEREAS, the Developer is party to that certain Joint Development Agreement with Lennar and Century dated as of December 15, 2020, where in Lennar and Century assigned their rights to reimbursement for Public Improvements to Developer; and

WHEREAS, TFJF has incurred, caused to be incurred, will incur, or will cause to be incurred, costs related to the financing, construction, and installation of Public Improvements that may be lawfully funded by the District under the Special District Act and the Service Plan, including without limitation: (a) the costs of labor and materials, furnishings and equipment; (b) the costs of insurance premiums, indemnity and fidelity bonds or other municipal or governmental charges lawfully levied or assessed; (c) the costs of surveys, appraisals, plans, designs, specifications, and estimates; (d) the costs, fees, and expenses of engineers, architects, construction management, financial consultants, accountants, legal advisors, or other agents or employees; (e) the costs of demolition, removal, and relocation; (f) the costs of organizing the District; and (g) all other lawful costs as determined by the Board (the “**District Eligible Costs**”); and

WHEREAS, District Eligible Costs shall become “**Certified District Eligible Costs**” after the District has adopted an Acceptance Resolution in accordance with the terms of this Agreement; and

WHEREAS, the Parties desire to establish the terms and conditions for the acquisition of certain Public Improvements constructed or caused to be constructed by TFJF to be owned by the District or other governmental entity, and the reimbursement of Certified District Eligible Costs; and

WHEREAS, the Public Improvements will benefit the public, is in the public interest, and will contribute to the health, safety and welfare of the public; and

WHEREAS, the District does not intend to direct the design or construction of any Public Improvements by way of this Agreement; and

WHEREAS, as of the date of this Agreement the exact scope of the Public Improvements which may be acquired by the District in accordance with § 32-1-1001(f), C.R.S., and subject to the terms and conditions set forth in this Agreement, is unknown; and

WHEREAS, the Parties do not intend hereby to enter into a public works contract as defined in § 24-91-103.5(1)(b), C.R.S.; and

WHEREAS, the Parties do not intend hereby to enter into a contract for work or materials in accordance with § 32-1-1001(1)(d)(I), C.R.S.; and

WHEREAS, pursuant to § 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District; and

WHEREAS, accordingly, the Board of Directors of the District (the “**Board**”) has determined that the best interests of the District, its property owners, and the public, would be served by entering into this Agreement; and

WHEREAS, the Board has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises expressed herein, the Parties hereby agree as follows:

COVENANTS AND AGREEMENTS

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated as part of this Agreement.

2. Purpose of Agreement. The Parties acknowledge that the District does not presently have the funds necessary for the acquisition, financing, construction, and installation of the Public Improvements, but in furtherance of the purposes of the District, this Agreement shall

establish the terms and conditions for the acquisition of certain Public Improvements financed and constructed or caused to be constructed by TFJF that is to be owned by the District, and the reimbursement to TFJF of Certified District Eligible Costs.

3. Reimbursement for District Eligible Costs. Pursuant to the terms of this Agreement, TFJF may be reimbursed for the following categories of District Eligible Costs.

a. Public Improvements which are intended to be conveyed to the District for ownership, operation and maintenance, only after the requirements of Section 8 and Section 9 have been met and the District issues a District Public Improvements Acquisition for such Public Improvements.

b. Public Improvements which are intended to be conveyed to another governmental entity with final, preliminary or conditional acceptance by the applicable governmental entity.

c. Public Improvements which are intended to be conveyed to another governmental entity without final, preliminary or conditional acceptance by such governmental entity upon submission of a copy of the developer's agreement (or equivalent agreement) with the applicable governmental entity requiring the completion and final acceptance of such Public Improvements and the means by which such completion and final acceptance (including any corrective work or punch list items) are secured.

d. Funds that TFJF has advanced to or on behalf of the District for District Eligible Costs (the "**Payment Advance**") by providing copies of all invoices or statements and evidence of payment thereof equal to the proposed Payment Advance, and copies of the applicable contract, agreement, or document evidencing the Payment Advance. Simple interest shall accrue at 6% per annum on each Payment Advance from the date of deposit into the District's account or from the date of direct payment by TFJF.

4. Item Required for Reimbursement of District Eligible Costs. The District shall review the follow items prior to the adoption of an Acceptance Resolution (defined below):

a. TFJF shall initiate a request for reimbursement of District Eligible Costs by submitting a completed "**Application for Acceptance of District Eligible Costs**" on the District's standard form, attached hereto and incorporated herein as **Exhibit A**;

b. The District's engineer shall review the invoices and other material presented to substantiate the District Eligible Costs and shall issue a cost certification in form and substance reasonably acceptable to the District declaring the total amount of District Eligible Costs associated with the Public Improvements proposed for acquisition and/or reimbursement, and that such costs are reasonable and appropriate for the type of Public Improvements being constructed (the "**Engineer's Cost Certification**");

c. The District's accountant shall review the Engineer's Cost Certification and invoices and other material presented to substantiate the District Eligible Costs and shall issue a cost certification in form and substance reasonably acceptable to the District declaring the total

amount of District Eligible Costs associated with the Public Improvements proposed for acquisition and/or reimbursement (the “**Accountant’s Cost Certification**”).

5. Acceptance Resolution.

a. No later than 45 days, unless the Parties mutually agree to extend the deadline, following receipt of a satisfactory Application for Acceptance of District Eligible Costs, Engineer’s Cost Certification, and Accountant Cost Certification, the District shall accept the District Eligible Costs by adopting a resolution declaring satisfaction of the conditions to acceptance as set forth in this Agreement, subject to any variances or waivers which the District may allow in its sole and absolute discretion, and with any reasonable conditions the District may specify (the “**Acceptance Resolution**”).

b. The District may, in its sole discretion, retain up to 5% of District Eligible Costs for Public Improvements which are intended to be conveyed to another governmental entity without final, preliminary or conditional acceptance by such governmental entity. If the District elects to retain any District Eligible Costs, interest shall not accrue on such District Eligible Costs and the retain amount shall be released upon final, preliminary or conditional acceptance as set forth in the related Acceptance Resolution.

6. Payment of Certified District Eligible Costs.

a. The Parties agree that no payment or reimbursement shall be required under this Agreement unless and until the District has adopted an Acceptance Resolution. Acceptance by the District of Certified District Eligible Costs as set forth in the Acceptance Resolution does NOT guarantee that the District does or shall in the future have the financial ability to pay the Certified District Eligible Costs in part or in full. It is the intent of the Parties that TFJF be reimbursed Certified District Eligible Costs from Proceeds (as defined below).

b. The District anticipates issuing bonds, loans or other obligations (the “**Bonds**”) in the Fall of 2021, and shall use the proceeds of the Bonds (the “**Proceeds**”) to reimburse TFJF for the Certified District Eligible Costs concurrently with or as soon as possible following closing of the Bonds. In the event that the District has not issued Bonds in an amount sufficient to reimburse TFJF under this Agreement by December 31, 2021, then as soon as possible thereafter, the District, at the request of TFJF, shall exercise commercially reasonable efforts to issue a promissory note or other privately placed debt instrument to TFJF for the Certified District Eligible Costs which have not been previously reimbursed with the Proceeds (a “**Reimbursement Obligation**”).

c. Notwithstanding the foregoing, to the extent Bonds have not been issued, the District may, in its sole discretion, make payments to TFJF from available funds after the payment of the District’s annual debt service, operations, maintenance and administrative expenses, subject to any Service Plan limits, electoral authorization, or debt instrument restriction or condition.

d. The obligations of the District in this Agreement are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the

District's electoral authorization and Service Plan. The determination to issue Bonds is a legislative function of the Board and is subject to constitutional, statutory, and regulatory procedures.

7. Interest on Certified District Eligible Costs. With respect to any Certified District Eligible Costs accepted in accordance with this Agreement, excluding Payment Advances, such Certified District Eligible Costs shall bear simple interest at a rate of 6% per annum from the effective date of the related Acceptance Resolution.

8. Items Required for Acquisition of Public Improvements by the District. The District shall acquire all or a portion of the Public Improvements which are intended to be conveyed to the District for ownership, operation and maintenance after receipt, review and approval by the District of the following:

a. A complete set of digital record drawings of the Public Infrastructure which are certified by a professional engineer registered in the State of Colorado or a licensed land surveyor, showing accurate dimensions and location of all Public Improvements. Such drawings shall be in form and content reasonably acceptable to the District;

b. Evidence that any underground facilities are electronically locatable (if applicable);

c. Test results for improvements conforming to industry standards (compaction test results, concrete tickets, hardscape test results, cut-sheets, etc.) (if applicable);

d. Pressure test results for any irrigation system (if applicable);

e. Assignment of any warranties or guaranties (if applicable);

f. Any operation and maintenance manuals;

g. An Indemnification Agreement, in the form attached hereto as **Exhibit B**, whereby TFJF agrees to indemnify the District for any mechanic or materialman's liens from suppliers and subcontractors, or lien waivers from each subcontractor verifying that all amounts due for such Public Improvements has been paid in full;

h. An executed Bill of Sale conveying the Public Improvements to the District;

i. If the District is to assume ownership of any real property, a Special Warranty Deed, in a form acceptable to the District, conveying the real property to the District; and

j. A warranty agreement (the "**Warranty Agreement**") addressing TFJF commitment to repair, replace or fund the repair or replacement of any defective portion of such Public Improvements during a period of two years from the date of District Public Improvements Acquisition (defined below). The District shall be responsible for operating and maintaining the Public Improvements in good condition and repair during the Warranty Period.

9. District Public Improvements Acquisition. Upon substantial completion of Public Improvements or a component thereof which is intended to be conveyed to the District for ownership, operation and maintenance, TFJF shall obtain District Public Improvements Acquisition by the District in accordance with the following procedures:

a. TFJF shall give written notice to the District requesting an inspection of the completed Public Improvements (the “**Inspection Notice**”) and concurrently therewith provide construction plans and any applicable construction standards;

b. The District’s engineer (who must be a civil engineer licensed in Colorado having experience in the design and construction of public improvements) and TFJF shall jointly inspect the Public Improvements within 21 days of the Inspection Notice (the “**Inspection**”), unless the Parties mutually agree to extend the deadline;

c. If the District’s engineer finds after Inspection that: (1) the Public Improvements (or its individual components and/or subsystems, if applicable) has been constructed in substantial accordance with the construction plans and any applicable construction standards (subject to any reasonable punch list items to correct any defective work); and (2) the Public Improvements is fit for its intended purpose, then within 14 days after the Inspection, unless the Parties mutually agree to extend the deadline, the District’s engineer shall notify the District in writing of its findings and provide certification of the same (the “**Engineer Certification**”);

d. If any defective work is identified during the Inspection, the District engineer will prepare a punch list of items requiring remedial action to correct any defective work. Such corrective work will be performed by TFJF within 60 days of the issuance of an Engineer Certification and in accordance with the Warranty Agreement.

e. Not later than 30 days following receipt of the Engineer Certification, unless the Parties mutually agree to extend the deadline, the District shall by adoption of a resolution acquire the Public Improvements and deliver to TFJF written notice of acquisition (“**District Public Improvements Acquisition**”). The District Public Improvements Acquisition shall not be arbitrarily, capriciously, or unreasonably withheld, conditioned, or delayed.

10. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party/Parties, after having given notice to the other Party and a 30-day period to cure said breach or default, shall be entitled to exercise all remedies available at law or in equity. In the event of any litigation, arbitration or other proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party/Parties in such proceeding shall obtain as part of its/their judgment or award its/their reasonable attorneys’ and expert witness fees and court costs.

11. Termination of Reimbursement Obligation.

a. Notwithstanding any provision herein to the contrary, the District’s obligation to reimburse TFJF for any and all District Eligible Costs or Certified District Eligible Costs shall terminate automatically and be of no further force or effect upon the occurrence of: (a) TFJF’s voluntary dissolution, liquidation and winding up; (b) administrative dissolution (or other legal process not initiated by TFJF, dissolving TFJF as a legal entity) that is not remedied or cured

within 60 days or the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to TFJF (whether voluntary or involuntary). The termination of the District's reimbursement obligations set forth in this Section shall be absolute and binding upon TFJF and its successors and assigns. TFJF, by its execution of this Agreement, waives and releases any and all claims and rights, whether existing now or in the future, against the District relating to or arising out of the District's reimbursement obligations under this Agreement, in the event that any of the occurrences described in this Section occur.

b. Furthermore, the District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Certified District Eligible Costs or 20 years from the execution date hereof. After 20 years from the execution of this Agreement, the Parties hereby agree and acknowledge that any obligation of the District to reimburse TFJF due and outstanding under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by TFJF and there shall be no further obligation of the District to pay or reimburse TFJF with respect to such amounts.

12. Notices and Place for Payments. All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent, addressed to the address of the intended recipient set forth below or such other address as a Party may designate by notice pursuant to this Section, by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, or (c) sent by confirmed facsimile transmission or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three days after being mailed as provided in clause (a) or (b) above, or upon confirmed delivery as provided in clause (c) above.

To the District: Johnstown Farms East Metropolitan District
 WHITE BEAR ANKELE TANAKA & WALDRON
 Attorneys at Law
 2154 East Commons Avenue, Suite 2000
 Centennial, Colorado 80122
 Attention: Zachary P. White
 (303) 858-1800 (phone)
 (303) 858-1801 (fax)
 zwhite@wbapc.com

To TFJF: TF Johnstown Farms, LP.
 c/o Starwood Land Ventures, L.L.C.
 6310 Capital Drive, Suite 130
 Lakewood Ranch, FL 34202
 Attention: CFO or CEO
 (941) 388-0707 (phone)
 (941) 907-3212 (fax)
 Email: mmoser@starwoodland.com
 lcolditz@starwoodland.com

13. Amendments. This Agreement may only be amended or modified by a writing executed by the Parties.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be illegal, void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such illegal, void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

15. Governing Law/Venue. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located.

16. Assignment. This Agreement may not be assigned by either Party and any attempt to do so shall be null and void.

17. Authority. By execution hereof, the District and TFJF represent and warrant that their representative signing hereunder has full power and lawful authority to execute this Agreement and to bind the respective Party to the terms hereof.

18. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the Parties with respect to the matters set forth herein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date set forth above.

19. Inurement. The terms of this Agreement shall be binding upon, and inure to the benefit of the Parties as well as their respective successors and permitted assigns.

20. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

21. Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

22. 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 Parties 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 Parties shall be for the sole and exclusive benefit of the Parties.

23. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

DISTRICT:

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado


Jack Hoagland (Oct 5, 2021 15:14 MDT)

Officer of the District

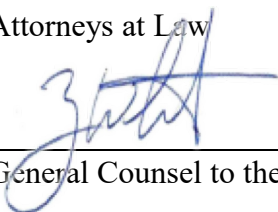
ATTEST:


Kurtis Jones (Oct 1, 2021 09:11 MDT)

Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law



General Counsel to the District

DEVELOPER:

TF JOHNSTOWN FARMS, L.P., a Delaware limited partnership

By: 
Craig Campbell (Oct 9, 2021 12:32 MDT)

Printed Name: Craig Campbell

Title: Authorized Signatory

EXHIBIT A

APPLICATION FOR ACCEPTANCE OF DISTRICT ELIGIBLE COSTS

Applicant Name: _____

Applicant Address: _____

Email: _____

Phone: _____

A narrative description and location of the corresponding Public Improvements: _____

Public Improvements Category and Costs:

Category	Entity that will own, operate, and/or maintain Public Improvements	Final, preliminary or conditional acceptance by the applicable governmental entity (Yes/No)	Hard Construction Costs (including Staking and Testing)	Soft Costs (Engineering, Legal, Planning, Landscape & Irrigation Design)
Street				
Parks and Recreation				
Water				
Sanitation/Storm Sewer				
Transportation				
Mosquito				
Safety Protection				
Fire Protection				
Television Relay and Translation				
Security				

Total Amount of District Eligible Costs: \$ _____

By its signature below, the Applicant certified that this Application and all documents submitted in support of this Application are true and correct, that the Applicant is authorize to sign this Application, and the costs submitted for reimbursement herein qualify at District Eligible Costs pursuant to the Public Improvement Acquisition and Reimbursement Agreement.

Signature: _____

Date: _____

EXHIBIT B

FORM OF INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (the “**Agreement**”) is entered into _____, by and between JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and TF JOHNSTOWN FARMS, LP, a Delaware limited partnership (“**TFJF**”) The District and TFJF are collectively referred to as the “**Parties**”.

RECITALS

WHEREAS, the District and TFJF entered into an Public Improvements Acquisition and Reimbursement Agreement dated [_____] (the “**Improvements Agreement**”); and

WHEREAS, TFJF has requested the District accept and acquire the improvements constructed by [_____] on Tracts [_____] of [_____] Subdivision recorded [_____] at Reception Number [_____] , County of Weld, State of Colorado as more particularly described on the attached **Exhibit A** (the “**Public Improvements**”); and

WHEREAS, pursuant to the Improvements Agreement, one condition precedent of the District’s acceptance of the Public Improvements is an Indemnification Agreement, whereby TFJF agrees to indemnify the District for any mechanic or materialman’s liens from suppliers and subcontractors for labor performed or materials used or furnished in the construction of the Public Improvements;

WHEREAS, the District and TFJF desire to enter into this Agreement whereby TFJF agrees to indemnify, defend, and hold harmless the District against any mechanics’ liens filed by contractors, subcontractors, material providers or suppliers that performed work on or provided materials for the Public Improvements.

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

COVENANTS AND AGREEMENTS

1. TFJF Representations. TFJF, to induce the District to acquire the Public Improvements, does hereby make the following representations to the District, with full knowledge and intent that the District will rely thereon:

a. There are no judgments, claims, or lawsuits against TFJF in relation to the Public Improvements as of the date first set forth above;

b. All contractors, subcontractors, material providers and suppliers who furnished services, labor or materials in connection with the construction of the Public Improvements up to and through the date first set forth above have been paid; and

2. Indemnification. TFJF shall at all times indemnify, defend and hold the District and its directors, officers, managers, agents and employees harmless against any liability for claims and/or liens for labor performed or materials used or furnished in the construction of the Public Improvements, including any costs and expenses incurred by the District in the defense of such claims and liens, reasonable attorneys' fees and any damages to the District resulting from such claims or liens. After written demand by the District, TFJF will immediately cause the effect of any suit or lien to be removed from the Public Improvements. In the event TFJF fails to do so, the District is authorized to use whatever means in its discretion it may deem appropriate to cause said lien or suit to be removed or dismissed, and the costs thereof, together with reasonable attorneys' fees, will be immediately due and payable by TFJF. In the event a suit on such claim or lien is brought, TFJF will, at the option of the District, defend the District in said suit at its own cost and expense, with counsel satisfactory to the District, and will pay and satisfy any such claim, lien, or judgment as may be established by the decision of the Court in such suit. TFJF may litigate any such lien or suit, provided TFJF causes the effect thereof to be removed promptly in advance from the Public Improvements. This indemnity coverage shall also cover the District's defense costs in the event that the District, in its sole discretion, elects to provide its own defense.

3. Governing Law/Disputes. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, forum non-conveniens or otherwise. At the District's request, TFJF shall carry on its duties and obligations under this Agreement during any legal proceedings until and unless this Agreement is otherwise terminated. In the event that it becomes necessary for either party to enforce the provisions of this Agreement or to obtain redress for the breach or violation of any of its provisions, whether by litigation, arbitration or other proceedings, the prevailing party shall recover from the other party all costs and expenses associated with such proceedings, including reasonable attorney's fees.

4. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

5. Severability. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained herein, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

6. Counterpart Execution. This Agreement may be executed in counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same

instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

EXHIBIT C

RESOLUTION REGARDING ACCEPTANCE OF DISTRICT ELIGIBLE COSTS

**RESOLUTION
OF THE BOARD OF DIRECTORS OF THE
JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT**

**REGARDING ACCEPTANCE OF DISTRICT ELIGIBLE COSTS AND
ACCEPTANCE OF PUBLIC IMPROVEMENTS**

(Certification No. 1, December 14, 2021)

WHEREAS, the Johnstown Farms East Metropolitan District (the “**District**”), Town of Johnstown, Weld County, State of Colorado, is a quasi-municipal corporation and political subdivision of the State of Colorado duly organized and existing as a metropolitan district under §§ 32-1-101, et seq., C.R.S. (the “**Special District Act**”); and

WHEREAS, the District has the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Infrastructure**”), as described in the Special District Act, and as authorized in the Service Plan for the District approved by the Town Board for the Town of Johnstown (the “**Service Plan**”); and

WHEREAS, the District was organized for the purpose of providing for the acquisition, financing, construction, and installation of the Public Infrastructure serving the property located within and without the District’s boundaries; and

WHEREAS, in accordance with § 32-1-1001(1)(f), C.R.S., the District has the power to acquire real and personal property, including rights and interests in property and easements necessary to its functions or operations; and

WHEREAS, the District and TF Johnstown Farms, LP (the “**Developer**”) are parties to an Infrastructure Acquisition and Reimbursement Agreement, effective September 20, 2021, (the “**Agreement**”); and

WHEREAS, the Agreement establishes the terms and conditions for the acquisition of certain Public Infrastructure financed and constructed or caused to be constructed by the Developer that is to be owned by the District or such other applicable governmental entity, and the reimbursement of Certified District Eligible Costs incurred by the Developer; and

WHEREAS, the Developer has funded certain costs related to the Public Improvements for the benefit of the District; and

WHEREAS, the Developer has conducted an initial acceptance walk with the Town on December 8, 2022 to begin the Town acceptance process for the Public Improvements to be dedicated to the Town; and

WHEREAS, the Agreement permits reimbursing the Developer for District Eligible Costs which are intended to be conveyed to another governmental entity without final, preliminary or conditional acceptance by such governmental entity upon submission of the Developer’s agreement (or equivalent agreement) requiring the completion and final acceptance

of such Public Improvements and the means by which such completion and final acceptance (including any corrective work or punch list items) are secured; and

WHEREAS, the Developer has provided its Subdivision Development and Improvement Agreement for Town of Johnstown (Johnstown Farms Filing No. 3) with the Town of Johnstown dated December 2, 2019, requiring the completion and final acceptance of such Public Improvements and the means by which such completion and final acceptance (including any corrective work or punch list items) are secured; and

WHEREAS, the Developer has furnished the payment information and all other additional information requested by the District; and

WHEREAS, the District has received satisfactory Engineer's Cost Certifications, Accountant's Cost Certification, and Design Certification (as applicable); and

WHEREAS, the Board of Directors (the "Board") of the District desires to adopt this resolution declaring satisfaction of the conditions to acceptance as set forth in the Agreement, subject to any variances or waivers which the Board may allow in its sole and absolute discretion, and with any reasonable conditions the Board may specify (hereinafter, the "**Acceptance Resolution**").

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. Incorporation of Recitals. The above recitals are hereby incorporated into and made a part of this Acceptance Resolution.
2. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Agreement; and
3. Acknowledgment of Documents Received. With respect to Dedicated Public Infrastructure, the Board makes the following findings.
 - a. IDES reviewed the invoices and other material presented to substantiate the District Eligible Costs and issued Engineer Cost Certifications and Engineer's Design Certifications (as applicable), attached hereto as **Exhibit A**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition and/or reimbursement to be \$7,984,822.37, that such costs are reasonable and appropriate for the type of Public Infrastructure being constructed, and that the Public Infrastructure is fit for its intended purpose and was constructed substantially in accordance with its design.
 - b. CliftonLarsonAllen LLP has reviewed the Engineer's Cost Certification, invoices and other material presented to substantiate the District Eligible Costs and has issued an Accountant Cost Certification, attached hereto as **Exhibit B**, declaring the total amount of District Eligible Costs associated with the Public Infrastructure proposed for acquisition/and or reimbursement to \$7,289,614,31. It is anticipated that CliftonLarsonAllen LLP will certify and additional \$695,208.06 in District Eligible Costs (the difference between the Engineer's

amount and the Accountant's amount) at a later date if they are able to verify proof of payment.

4. Acceptance of Certified District Eligible Costs. The Board, having reviewed the Engineer's Cost Certifications, Accountant's Cost Certification, and Design Certifications (as applicable), and all other information as deemed necessary and appropriate, finds and determines that the Certified District Eligible Costs to be accepted pursuant to this Acceptance Resolution is \$7,289,614.31. Based on the documentation received, the Board further finds that the applicable requirements set forth in the Agreement have been satisfied, and that Certified District Eligible Costs in the amount of \$7,289,614.31 are hereby accepted and approved for reimbursement by the District exclusively from proceeds available from Lot PIF.

5. Acquisition of Public Infrastructure. To the extent the District is acquiring Public Infrastructure, the Board, having reviewed the Design Certifications (as applicable) hereby finds that Developer has provided the information as required by the Agreement, as applicable, in form and substance satisfactory to the District (or has provided assurance acceptable to the District, that the Developer will provide such information) and the District hereby approves acquisition of the Public Infrastructure from the Developer.

6. Subject to Annual Appropriations. The obligations of the District pursuant to this Acceptance Resolution are subject to annual appropriation and shall not be deemed to be multiple fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution, and may not exceed amounts permitted by the District's electoral authorization and Service Plan.

Signature page follows.

APPROVED and ADOPTED this 14th day of December, 2021.

JOHNSTOWN FARMS EAST METROPOLITAN
DISTRICT, a quasi-municipal corporation and
political subdivision of the State of Colorado

Craig Campbell

Craig Campbell (Jul 28, 2022 09:44 MDT)

Officer of the District

ATTEST:

Jack Hoagland

Jack Hoagland (Jul 28, 2022 15:18 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

[Signature]

General Counsel to the District

EXHIBIT A

Engineer's Cost Certification and Design Certification

Johnstown Farms East Metropolitan District Cost Certification



Report #1
December 2021



1626 Cole Blvd, Suite 125
Lakewood, CO 80401

Johnstown Farms East Metropolitan District Cost Certification Report #1 *Table of Contents*

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December 10, 2021

Johnstown Farms East Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT COST CERTIFICATION REPORT #1

INTRODUCTION

Independent District Engineering Services, LLC (Engineer) was hired by the Johnstown Farms East Metropolitan District (District) to provide review of expenditures paid by TF Johnstown Farms, L.P. (Developer). This is to summarize and report the expenditures for the Johnstown Farms Filing No. 3 development located in the Town of Johnstown, Colorado (Project). This Cost Certification report summarizes the Engineer's approach and findings for the Project.

The expenditures for public improvements discussed in this report that were paid for by the Developer and are being accepted by other entities are certified as District eligible in the amount of **\$6,683,738.53**. Expenditure of public improvement being accepted by the District amount to **\$1,301,083.84**. The expenditures for public improvements, reviewed in this report, to be reimbursed by the District totaled **\$7,984,822.37**.

This report generally covers the areas shown on Attachment A.

GOVERNING DOCUMENTS

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

- Infrastructure Acquisition Agreement, between Johnstown Farms East Metropolitan District and Tf Johnstown Farms, L.P., dated September 20, 2021.
- Service Plan For Johnstown Farms East Metropolitan District, by White Bear Ankele Tanaka & Waldron, dated September 14, 2020

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

ACTIVITIES CONDUCTED

For this report, the following activities were performed:

- Governing documents provided by the District and the Developer were reviewed as the basis for recommendation for this report.
- Invoices provided by the Developer were reviewed. A summary was created and is attached as Attachment C.
- A site visit was conducted. Project improvements were photographed.
- Contact was made with Developer to verify knowledge of the work or services performed.
- Some contract unit items were compared to other projects constructed in the Denver Metropolitan Area.
- The plat was reviewed, and it appears improvements included in this report were constructed on public property or easements.

ASSUMPTIONS

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

- It is assumed that geotechnical pavement designs have been performed and followed. It is assumed materials testing was performed during construction.
- It is our understanding that the Developer will be responsible for all Storm Water Management Practice (SWMP) activities until the conditions of State and Local permits are met. No SWMP inspections or recommendations were conducted as part of this report.
- It is assumed that the contractors have obtained all SWMP permitting in the name of the Developer.
- It is our understanding that all local jurisdiction acceptances will be completed by the Developer as required by the Infrastructure Acquisition Agreement. The District shall have no obligations for local jurisdiction acceptance of infrastructure acquired by the District.
- It is assumed that the Developer has obtained or will obtain final unconditional lien waivers from all contractors performing work or consultants providing services for the Project. It is our recommendation these lien waivers be provided to the District.
- Costs presented do not represent the entire contract value, but rather a portion of the costs that are attributable to public improvements as defined in the Service Plan. Expenditures that pertain to both District land and private lots are based on land percentage area for the project area. See Attachment C for the percentages. These percentages were used for work such as earthwork, SWMP activities, and planning.
- Expenditures that did not have enough information to be verified with this report may be verified in a future report.
- Nothing in this report shall be construed as acceptance of any public infrastructure by any governmental entity, including but not limited to the District. The Developer remains responsible for completing public improvements according to plan and obtaining the proper acceptance by any applicable governmental entity.
- This report was prepared with a specific scope and an elaborate analysis was not performed, but rather a realistic and reasonable analysis to estimate the public expenditures for the invoices provided. A more detailed analysis or submission of additional expenditures may result in adjustments to our cost certification.

DISCUSSION

This report consists of expenditures provided between April of 2018 and October of 2021. The improvements reviewed are generally represented in Attachments A and C.

It is our understanding that the Developer has not yet achieved initial acceptance for the public improvements constructed. Legal counsel and the District Board (Board) have instructed the Engineer to move forward in determining the value of eligible improvements, reimbursable by the District, if initial acceptance was achieved. It is the engineers understanding that the Board will deviate from the Infrastructure Acquisition Agreement and reimburse for costs prior to acceptance by the appropriate entities.

Vendor Participation

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

Review of Invoices and Summary of Expenditures

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

SUMMARY OF EXPENDITURES BY CATEGORY AND SERVICE PLAN DIVISION

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

Cost Certification Category's for Improvements Being Accepted by the Town (Including All Soft Costs)		
Category	Amount	Percent
Water	\$1,410,992.84	21.11%
Sanitary Sewer	\$1,687,757.68	25.25%
Storm Sewer	\$911,103.94	13.63%
Street	\$2,666,083.16	39.89%
Safety Protection	\$7,800.91	0.12%
Total	\$6,683,738.53	100.00%

Cost Certification Category's for Improvements Being Accepted by the District		
Category	Amount	Percent
Storm Sewer	\$254,759.81	19.58%
Parks & Recreation	\$1,046,324.03	80.42%
Total	\$1,301,083.84	100.00%

FIELD INVESTIGATION RESULTS

A field investigation was conducted in December of 2021. Photos were taken of the Project to memorialize the construction of infrastructure and are included in Attachment D. From our visual inspection, it appears the completed improvements were constructed in a quality manner consistent with other similar projects and meeting generally accepted construction requirements.

RECOMMENDATION

In our professional opinion the expenditures for the improvements were reviewed and found to be reasonable. The costs of improvements are comparable to other similar projects in Colorado. At this time and based on the information provided, the Engineer certifies the expenditures provided by the Developer as District eligible expenditures as shown in Attachment C and subject to the level of review presented in this report. These expenditures are certified in the amount of **\$7,984,822.37**.

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

Respectfully Submitted,
Independent District Engineering Services, LLC

Brandon Collins, P.E.

Brandon Collins, PE

Attachments

Attachment A

Site Map

Attachment B

Vendor Participation

Attachment B

Vendor Participation

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

Aztec Consultants, Inc. Provided surveying services for the development. Costs related to surveying public improvements were considered eligible for public financing.

Century Link Data provider who owned overhead data lines running adjacent to the development. The Data lines were relocated underground as part of an agreement with the local jurisdiction. Costs related to relocating the data lines underground were considered eligible for public financing.

CMS Environmental Provided storm water inspections for the Development. Cost related to storm water inspections were considered eligible for public financing at the site percentage.

CTL Thompson Geotechnical engineering firm who provided compaction and materials testing for the development. Costs related to overlot compaction testing were considered eligible for public financing at the site percentage. CTL also provided subsurface soil exploration and a pavement design for the roadways. Costs related to the pavement design were considered eligible for public financing. Costs related to subsurface investigations for lots were considered non-eligible for public financing.

DCP Midstream Provided work related to the relocation on an existing pipeline. The pipeline was relocated to benefit the layout of the development. Costs related to the relocation of the pipeline were considered eligible for public financing.

EM Dub Design Provided planning services for the development. Costs related to planning were considered eligible for public financing at the site percent.

ERO Resource Corporation Environmental resource company who provided storm water management services for the development. Costs related to storm water management were considered eligible for public financing at the site percent. Cost related to the remediation of soils in filing 2 were not considered for District reimbursement at this time.

Fox Tuttle Transportation Group Transportation engineering firm who provided traffic impact studies for the development. Costs related to the traffic impact studies were considered eligible for public financing.

Hudick Excavating, Inc. Paving and utilities contractor who was responsible for the installation of public infrastructure. Costs related to grading were considered eligible at the site percent. Costs related to utilities were considered eligible for public financing. Sub excavation was for the benefit of the private lots and not considered eligible for District reimbursement.

Kennedy/Janks Consultants Provided design services related to the lift station that services the development. Costs related to the lift station were considered eligible for public financing.

Kerr-Mcgee Gathering LLC Company who required fees to relocate the existing onsite pipeline to make way for the development. Costs related to the relocation of the pipeline were considered eligible for public financing.

Loris and Associates, Inc Provided services related to the bridge used during construction of the site. Costs related to the bridge were considered eligible for public financing.

National Flood Insurance Program Entity were fees required by FEMA were paid. Costs were considered eligible for public financing.

Northern Engineering Provided supplemental surveying services for the development. Costs related to survey were considered eligible for District reimbursement at the site percent.

Omnitrax Holdings Combined, Inc. Fees were paid to Omnitrax to enter and cross the railroad ROW. Costs were considered eligible for District reimbursement.

Redland Engineering design firm who provided the plat and construction drawings for the development. Costs related to the plat and design were considered eligible for public financing at the site percent. Costs related to entitlement and developer due diligence were not considered eligible for District reimbursement.

State of Colorado - Department of Public Health and Environment Jurisdiction were fees were paid for state permits. Costs related to these permits were considered eligible for public financing.

Town of Johnstown Local town were fees and Cash-In-Lue payments were paid for the development. Costs related to the fees and Cash-in-Lue payments were considered eligible for District reimbursement. Costs related to tax of materials were not considered eligible for public financing.

Xcel Energy Power company who provided electrical and gas services for the development. Costs related to dry utilities were not considered for District reimbursement.

Attachment C

Expenditure Data

Attachment C

Johnstown Farms East Metropolitan District

Engineer's Summary for Cost Certification 1

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Involved Amount	Town Accepted Eligible Expenses	District Accepted Eligible Expenses	Non-Eligible Expenses	Notes
Aztec Consultants, Inc.										
65079	3/7/19	Yes	174	3/28/19	Survey and Planning Consultant	\$2,650.00	\$1,216.98	\$0.00	\$1,433.02	Control and staking test holes at site percent
78844	1/23/19	Yes	257	1/30/20	Survey and Planning Consultant	\$900.00	\$413.31	\$0.00	\$486.69	Staking at site percent
79092	12/30/19	Yes	257	1/30/20	Survey and Planning Consultant	\$75.00	\$34.44	\$0.00	\$40.56	Record easement at site percent
Subtotal Aztec Consultants, Inc.						\$3,625.00	\$1,664.74	\$0.00	\$1,960.26	
Century Link										
NB41041	4/13/21	Yes	379	5/6/21	Relocate overhead lines underground	\$8,188.07	\$8,188.07	\$0.00	\$0.00	Required by town
Subtotal Century Link						\$8,188.07	\$8,188.07	\$0.00	\$0.00	
CMS Environmental										
113899	01/06/2021	Yes	347	1/29/21	Storm Water Inspection Fees	\$390.00	\$179.10	\$0.00	\$210.90	Storm water management at site percent
114009	01/08/2021	Yes	347	1/29/21	Storm Water Inspection Fees	\$1,400.00	\$642.93	\$0.00	\$757.07	Storm water management at site percent
114092	02/01/2021	Yes	366	3/31/21	Storm Water Inspection Fees	\$375.00	\$172.21	\$0.00	\$202.79	Storm water management at site percent
115629	03/01/2021	Yes	371	4/8/21	Storm Water Inspection Fees	\$2,065.00	\$948.33	\$0.00	\$1,116.67	Storm water management at site percent
117070	04/01/2021	Yes	380	6/4/21	Storm Water Inspection Fees	\$845.00	\$388.06	\$0.00	\$456.94	Storm water management at site percent
118482	05/01/2021	Yes	391	6/4/21	Storm Water Inspection Fees	\$2,560.00	\$1,175.65	\$0.00	\$1,384.35	Storm water management at site percent
119813	06/01/2021	Yes	414	7/30/21	Storm Water Inspection Fees	\$570.00	\$261.77	\$0.00	\$308.23	Storm water management at site percent
121219	07/01/2021	Yes	425	9/9/21	Storm Water Inspection Fees	\$375.00	\$172.21	\$0.00	\$202.79	Storm water management at site percent
122470	08/01/2021	Yes	425	9/9/21	Storm Water Inspection Fees	\$375.00	\$172.21	\$0.00	\$202.79	Storm water management at site percent
123708	09/01/2021	Yes	435	10/7/21	Storm Water Inspection Fees	\$9,330.00	\$4,244.69	\$0.00	\$5,085.31	
Subtotal CMS Environmental						\$9,330.00	\$4,244.69	\$0.00	\$5,085.31	
CTL Thompson										
512250	5/31/19	Yes	197	6/27/19	Geologic/Prelim Geotech Investigation	\$12,000.00	\$5,510.85	\$0.00	\$6,489.15	Geotech at site percent
537859	2/29/20	Yes	275	3/31/20	Supplemental Geotech Investigation	\$8,500.00	\$0.00	\$0.00	\$8,500.00	Geotech investigation for lots not eligible
572331	2/28/21	Yes	363	5/31/21	Compaction Testing	\$1,163.24	\$1,163.24	\$1,430.20	\$3,042.06	Compaction testing at site percent
579156	4/30/21	Yes	383	5/27/21	Compaction/Backfill/Material Testing	\$10,899.50	\$2,942.56	\$3,285.86	\$4,611.08	Compaction testing at site percent
582143	5/31/21	Yes	396	6/29/21	Compaction/Backfill/Material Testing	\$6,017.00	\$637.99	\$4,213.13	\$1,165.88	Compaction testing at site percent
582144	5/31/21	Yes	396	6/29/21	Compaction Testing	\$990.00	\$249.15	\$249.15	\$529.85	Compaction testing at site percent
586480	6/30/21	Yes	407	7/30/21	Compaction/Backfill/Material Testing	\$8,703.00	\$1,548.61	\$5,748.14	\$1,406.25	Compaction testing at site percent
586481	6/30/21	Yes	407	7/30/21	Compaction Testing	\$1,176.00	\$241.08	\$298.98	\$635.94	Compaction testing at site percent
590197	7/31/21	Yes	418	8/27/21	Backfill and Material Testing	\$2,233.50	\$623.50	\$1,610.00	\$0.00	
598165	9/30/21	Yes	436	10/28/21	Pavement Design	\$14,850.00	\$14,850.00	\$0.00	\$0.00	
599245	9/30/21	Yes	436	10/28/21	Compaction/Backfill/Material Testing	\$17,445.50	\$15,535.64	\$792.38	\$1,117.49	Compaction testing at site percent
601845	10/31/21	Yes	445	11/29/21	Backfill/Material Testing	\$9,173.50	\$9,173.50	\$0.00	\$0.00	
Subtotal CTL Thompson						\$97,543.50	\$52,417.87	\$17,627.84	\$27,497.79	
DCP Midstream										
Invoice 51419	5/14/19	Yes	270	2/27/20	Existing Pipeline Relocation	\$315,568.00	\$315,568.00	\$0.00	\$0.00	
Subtotal DCP Midstream						\$315,568.00	\$315,568.00	\$0.00	\$0.00	
EM Dub Design										
18-011_01	5/4/18	Yes	122	7/10/18	Value Engineering	\$1,680.00	\$365.76	\$0.00	\$1,294.24	Value Engineering at site percent. F2 portion not certified
18-011_02	9/27/18	Yes	143	1/7/18	FDP and Planning Services	\$16,028.16	\$7,360.74	\$0.00	\$8,667.42	Tasks at site percent - Need Lien Waiver
18-011_03	11/29/18	Yes	154	12/31/18	FDP and Planning Services	\$4,085.00	\$1,875.99	\$0.00	\$2,209.01	Tasks at site percent
18-011_04	1/4/19	Yes	159	1/30/19	FDP and Planning Services	\$6,990.00	\$3,210.87	\$0.00	\$3,779.93	Tasks at site percent
18-011_05	2/6/19	Yes	168	2/27/19	FDP and Planning Services	\$7,165.25	\$3,613.64	\$0.00	\$3,491.61	Tasks at site percent
18-011_06	3/11/19	Yes	177	3/28/19	Irrigation CDs	\$12,204.63	\$0.00	\$12,204.63	\$0.00	
18-011_07	5/3/19	Yes	193	5/29/19	FDP and Planning Services	\$800.00	\$257.17	\$0.00	\$302.83	Tasks at site percent
18-011_08	7/1/19	Yes	206	7/30/19	FDP and Planning Services	\$900.00	\$367.39	\$0.00	\$432.61	Tasks at site percent
18-011_09	11/27/19	Yes	247	12/31/19	FDP and Planning Services/Irrigation CDs	\$4,454.96	\$1,469.14	\$1,255.88	\$1,729.94	Tasks at site percent
18-011_10	9/21/20	Yes	324	10/30/20	FDP and Planning Services/Irrigation CDs	\$7,097.25	\$2,698.60	\$1,221.00	\$3,177.65	Tasks at site percent
Subtotal EM Dub Design						\$61,065.45	\$21,298.49	\$14,881.71	\$25,085.25	
ERO Resource Corporation										
91222	10/12/18	Yes	146	11/28/18	Storm water management	\$635.99	\$184.84	\$0.00	\$451.15	Stormwater management at site percent. Filing 2 share not certified
91353	11/12/18	Yes	152	12/31/18	Storm water management	\$1,135.50	\$456.25	\$0.00	\$679.25	Stormwater management at site percent. Filing 2 share not certified
91633	12/13/18	Yes	152	12/31/18	Storm water management	\$1,549.45	\$711.57	\$0.00	\$837.88	Stormwater management at site percent
91816	2/27/19	Yes	166	2/27/19	Storm water management	\$1,379.00	\$633.29	\$0.00	\$745.71	Stormwater management at site percent
92002	2/11/19	Yes	166	2/27/19	Storm water management	\$3,278.75	\$1,505.73	\$0.00	\$1,773.02	Stormwater management at site percent
92344	4/10/19	Yes	187	4/30/19	Storm water management	\$393.75	\$180.82	\$0.00	\$212.93	Stormwater management at site percent
92507	5/10/19	Yes	190	5/29/19	Storm water management	\$431.25	\$198.05	\$0.00	\$233.20	Stormwater management at site percent
93069	8/13/19	Yes	222	9/26/19	Storm water management	\$412.50	\$189.44	\$0.00	\$223.06	Stormwater management at site percent
96313	1/15/21	Yes	354	2/25/21	Storm water management	\$830.75	\$190.76	\$0.00	\$639.99	Stormwater management at site percent. Filing 2 share not certified
96526	2/11/21	Yes	364	3/31/21	Storm water management	\$1,463.88	\$336.13	\$0.00	\$1,127.75	Stormwater management at site percent. Filing 2 share not certified
96567	2/11/21	Yes	364	3/31/21	Site remediation	\$6,890.64	\$0.00	\$0.00	\$6,890.64	Filing 2 remediation not certified
96687	3/10/21	Yes	373	4/29/21	Storm water management	\$2,910.57	\$668.32	\$0.00	\$1,817.45	Stormwater management at site percent. Filing 2 share not certified
96940	3/15/21	Yes	384	4/29/21	Storm water management	\$42,208.10	\$0.00	\$0.00	\$42,208.10	Filing 2 remediation not certified
97338	6/16/21	Yes	408	7/30/21	Storm water management	\$351.00	\$60.60	\$0.00	\$270.40	Stormwater management at site percent. Filing 2 share not certified
97450	7/10/21	Yes	408	7/30/21	Site remediation	\$2,561.93	\$0.00	\$0.00	\$2,561.93	Filing 2 remediation not certified
97668	8/12/21	Yes	413	8/5/21	Storm water management	\$452.75	\$103.86	\$0.00	\$348.79	Stormwater management at site percent. Filing 2 share not certified
97698	8/13/21	Yes	424	8/9/21	Site remediation	\$819.50	\$0.00	\$0.00	\$819.50	Filing 2 remediation not certified
97861	9/14/21	Yes	437	9/9/21	Storm water management	\$2,039.50	\$468.31	\$0.00	\$1,571.19	Stormwater management at site percent. Filing 2 share not certified
Subtotal ERO Resource Corporation						\$1,699.75	\$390.29	\$0.00	\$1,309.46	Stormwater management at site percent. Filing 2 share not certified

Attachment C

Johnstown Farms East Metropolitan District

Engineer's Summary for Cost Certification 1

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Involved Amount	Town Accepted Eligible Expenses	District Accepted Eligible Expenses	Non-Eligible Expenses	Notes
56121	10/13/21	Yes	446	11/29/21	Storm water management	\$293.00	\$134.56	\$0.00	\$158.44	Storm water management at site percent
Subtotal						\$73,385.01	\$6,432.90	\$0.00	\$66,922.11	
Fox Tuttle Transportation Group										
180683-1	10/16/18	Yes	149	11/28/18	Traffic Impact Study	\$5,867.83	\$5,867.83	\$0.00	\$0.00	
180683-2	12/20/18	Yes	161	1/30/19	Traffic Impact Study	\$170.00	\$170.00	\$0.00	\$0.00	
180683-3	1/16/19	Yes	170	2/17/19	Traffic Impact Study	\$510.00	\$510.00	\$0.00	\$0.00	
Subtotal						\$6,547.83	\$6,547.83	\$0.00	\$0.00	
Hudick Excavating, Inc.										
Payapp 1	1/31/21	Yes	355	2/25/21	Paving and Utilities Contractor	\$4,027,788.25	\$7,795.67	\$52,344.64	\$276,647.94	Erosion Control, Grading, & Survey at site Percent. Subex not eligible
Payapp 2	2/28/21	Yes	365	3/31/21	Paving and Utilities Contractor	\$551,053.12	\$190,979.53	\$94,669.32	\$265,404.27	Erosion Control, Grading, & Survey at site Percent. Subex not eligible
Payapp 3	3/31/21	Yes	374	4/29/21	Paving and Utilities Contractor	\$700,465.06	\$412,177.62	\$54,165.41	\$234,112.03	Erosion Control, Grading, & Survey at site Percent. Subex not eligible
Payapp 4	3/26/21	Yes	374	4/29/21	Permit Fees	\$23,650.00	\$10,860.97	\$0.00	\$12,789.03	Permit fees at site percent
Payapp 5	4/30/21	Yes	385	5/27/21	Paving and Utilities Contractor	\$1,395,927.02	\$603,603.58	\$345,979.78	\$446,343.66	Erosion Control, Grading, & Survey at site Percent. Subex not eligible
Payapp 6	6/30/21	Yes	397	6/29/21	Paving and Utilities Contractor	\$1,147,496.29	\$584,372.96	\$355,327.83	\$207,795.50	Grading & Survey at site Percent. Subex not eligible
Payapp 7	7/31/21	Yes	409	7/30/21	Paving and Utilities Contractor	\$785,620.44	\$477,219.06	\$139,205.79	\$169,195.59	Grading & Survey at site Percent. Subex and San services not eligible
Payapp 8	8/31/21	Yes	419	8/27/21	Paving and Utilities Contractor	\$804,129.28	\$585,377.92	\$12,881.98	\$205,869.38	Grading & Survey at site Percent. Subex. San/Water services not eligible
Payapp 9	9/30/21	Yes	428	9/29/21	Paving and Utilities Contractor	\$716,730.70	\$421,219.59	\$118,679.67	\$176,831.44	Grading & Survey at site Percent. Subex. San/Water services not eligible
Payapp 10	10/31/21	Yes	438	10/28/21	Paving and Utilities Contractor	\$1,028,178.54	\$766,564.41	\$89,262.89	\$152,351.23	Grading, Erosion Control, & Survey at site Percent. San/Water services not eligible
Subtotal						\$8,345,578.00	\$4,709,061.37	\$1,267,866.02	\$2,368,650.61	
Kennedy/Janks Consultants										
125394	10/17/18	Yes	150	11/28/18	Lift Station Design Services	\$501.63	\$501.63	\$0.00	\$0.00	
126113	1/15/18	Yes	156	12/31/18	Lift Station Design Services	\$3,193.00	\$3,193.00	\$0.00	\$0.00	
126668	1/21/18	Yes	162	1/30/19	Lift Station Design Services	\$3,176.40	\$3,176.40	\$0.00	\$0.00	
127248	1/11/19	Yes	171	2/27/19	Lift Station Design Services	\$4,709.68	\$4,709.68	\$0.00	\$0.00	
127954	2/13/19	Yes	179	3/28/19	Lift Station Design Services	\$3,784.22	\$3,784.22	\$0.00	\$0.00	
128710	3/15/19	Yes	186	4/30/19	Lift Station Design Services	\$2,092.40	\$2,092.40	\$0.00	\$0.00	
129116	4/9/19	Yes	189	4/30/19	Lift Station Design Services	\$3,675.81	\$3,675.81	\$0.00	\$0.00	
130099	5/21/19	Yes	200	6/27/19	Lift Station Design Services	\$2,081.98	\$2,081.98	\$0.00	\$0.00	
130670	6/14/19	Yes	208	7/30/19	Lift Station Design Services	\$996.01	\$996.01	\$0.00	\$0.00	
131437	7/15/19	Yes	217	8/28/19	Lift Station Design Services	\$14,661.79	\$14,661.79	\$0.00	\$0.00	
132285	8/18/19	Yes	225	9/26/19	Lift Station Design Services	\$1,853.92	\$1,853.92	\$0.00	\$0.00	
132865	9/23/19	Yes	234	10/30/19	Lift Station Design Services	\$8,435.70	\$8,435.70	\$0.00	\$0.00	
134584	11/19/19	Yes	251	12/31/19	Lift Station Design Services	\$1,621.74	\$1,621.74	\$0.00	\$0.00	
137243	3/17/20	Yes	288	4/29/2020	Lift Station Design Services	\$755.51	\$755.51	\$0.00	\$0.00	
Subtotal						\$51,529.79	\$51,529.79	\$0.00	\$0.00	
Kerr-McGee Gathering LLC										
Letter Agreement	4/1/19	No	256	1/20/20	Pipeline relocation fee	\$375,421.00	\$375,421.00	\$0.00	\$0.00	
Pipeline Relocation Agreement	6/21/21	No	393	6/25/21	Pipeline relocation agreement	\$45,000.00	\$45,000.00	\$0.00	\$0.00	
Subtotal						\$420,421.00	\$420,421.00	\$0.00	\$0.00	
Louis and Associates, Inc										
000051900038	5/2/19	Yes	195	5/29/19	Structural Engineering Bridge Services	\$2,374.30	\$2,374.30	\$0.00	\$0.00	
0000951900047	5/30/19	Yes	201	6/27/19	Structural Engineering Bridge Services	\$3,195.00	\$3,195.00	\$0.00	\$0.00	
000071900102	7/19/19	Yes	218	8/28/19	Structural Engineering Bridge Services	\$371.25	\$371.25	\$0.00	\$0.00	
Subtotal						\$5,940.55	\$5,940.55	\$0.00	\$0.00	
National Flood Insurance Program										
4/7/19 email	4/1/19	No	180	4/4/19	FEMA submittal fee	\$6,750.00	\$6,750.00	\$0.00	\$0.00	
Subtotal						\$6,750.00	\$6,750.00	\$0.00	\$0.00	
Northern Engineering										
1733-001/00004	8/17/21	Yes	433	9/29/21	Survey	\$854.86	\$175.25	\$217.34	\$462.28	Survey at site percent
1733-001/00005	9/22/21	Yes	444	10/28/21	Survey	\$1,562.50	\$318.27	\$394.70	\$839.53	Survey at site percent
1733-001/00006	10/15/21	Yes	456	11/29/21	Survey	\$1,165.21	\$238.87	\$296.24	\$630.10	Survey at site percent
Subtotal						\$3,572.57	\$732.39	\$908.27	\$1,931.91	
Omnitrax Holdings Combined, Inc.										
6/20/19 email	6/20/19	Yes	202	6/27/19	Railroad utility crossing fees	\$5,000.00	\$5,000.00	\$0.00	\$0.00	
1/25/21 email	1/25/21	Yes	350	1/29/2021	Railroad utility crossing fees	\$16,500.00	\$16,500.00	\$0.00	\$0.00	
Omnitrax Letter	7/8/21	Yes	405	7/8/21	Railroad crossing fees	\$4,000.00	\$4,000.00	\$0.00	\$0.00	
Subtotal						\$25,500.00	\$25,500.00	\$0.00	\$0.00	
Redland										
557/5	4/7/18	Yes	116	5/31/18	Land Planning and Design	\$4,855.00	\$0.00	\$0.00	\$4,855.00	design development not eligible
807/4	4/4/20	Yes	286	4/29/20	Land Planning and Design	\$677.66	\$1,475.61	\$0.00	\$797.95	Plat at site percent
568/1	5/11/18	Yes	120	6/22/18	Land Planning and Design	\$1,150.00	\$0.00	\$0.00	\$1,150.00	design development not eligible
598/0	7/14/18	Yes	133	8/31/18	Land Planning and Design	\$6,730.00	\$0.00	\$0.00	\$6,730.00	design development not eligible
850/0	8/22/20	Yes	320	10/2/20	Land Planning and Design	\$450.00	\$0.00	\$0.00	\$450.00	entitlement not eligible
590/3	8/25/18	Yes	132	9/28/18	Land Planning and Design	\$25,681.25	\$0.00	\$0.00	\$25,681.25	design development not eligible
601/0	10/31/18	Yes	146	10/31/18	Land Planning and Design	\$45,352.68	\$18,919.53	\$0.00	\$25,013.15	Entitlement not eligible, design and plat at site percent
614/6	11/28/18	Yes	148	11/28/18	Land Planning and Design	\$36,946.83	\$7,452.45	\$0.00	\$31,514.38	Entitlement not eligible, design at site percent
621/8	11/17/18	Yes	155	12/31/18	Land Planning and Design	\$30,114.61	\$12,284.43	\$0.00	\$17,830.18	Entitlement not eligible, design and plat at site percent

Attachment C

Johnstown Farms East Metropolitan District

Engineer's Summary for Cost Certification 1

Invoice #	Invoice Date	Invoice Provided	Check #	Check Date	Description	Involved Amount	Town Accepted Eligible Expenses	District Accepted Eligible Expenses	Non-Eligible Expenses	Notes
6594	1/21/19	Yes	160	1/30/19	Land Planning and Design	\$57,441.94	\$24,804.21	\$0.00	\$32,637.73	Entitlement not eligible, design at site percent
6598	1/12/19	Yes	169	2/27/19	Land Planning and Design	\$67,025.71	\$30,202.09	\$0.00	\$36,823.62	Entitlement not eligible, design and plat at site percent
6624	2/9/19	Yes	178	3/28/19	Land Planning and Design	\$61,916.92	\$27,353.08	\$0.00	\$34,563.84	Entitlement not eligible, design and plat at site percent
6683	3/9/19	Yes	185	4/30/19	Land Planning and Design	\$24,346.26	\$10,234.69	\$0.00	\$14,111.57	Entitlement not eligible, design and plat at site percent
6771	4/6/19	Yes	188	4/30/19	Land Planning and Design	\$18,799.53	\$7,657.57	\$0.00	\$11,141.96	Entitlement not eligible, design at site percent
6800	5/4/19	Yes	194	5/29/19	Land Planning and Design	\$9,508.66	\$3,953.42	\$0.00	\$5,555.24	Entitlement not eligible, design and plat at site percent
7070	6/15/19	Yes	207	7/30/19	Land Planning and Design	\$29,674.34	\$11,424.37	\$0.00	\$17,249.97	Entitlement not eligible, design at site percent
7105	7/27/19	Yes	216	8/28/19	Land Planning and Design	\$27,136.71	\$11,473.37	\$0.00	\$15,663.34	Entitlement not eligible, design at site percent
7315	8/24/19	Yes	224	9/26/19	Land Planning and Design	\$14,879.20	\$6,465.70	\$0.00	\$8,413.50	Entitlement not eligible, design at site percent
7398	9/21/19	Yes	233	10/30/19	Land Planning and Design	\$20,008.35	\$8,175.97	\$0.00	\$11,832.38	Entitlement not eligible, design at site percent
7512	10/19/19	Yes	241	11/27/19	Land Planning and Design	\$7,935.58	\$3,233.30	\$0.00	\$4,702.28	Entitlement not eligible, design and plat at site percent
7638	11/16/19	Yes	253	1/8/20	Land Planning and Design	\$18,602.12	\$7,656.47	\$0.00	\$10,945.65	Entitlement not eligible, design and plat at site percent
7704	12/14/19	Yes	268	1/30/20	Land Planning and Design	\$13,449.92	\$5,993.02	\$0.00	\$7,456.90	Entitlement not eligible, design and plat at site percent
7833	1/11/20	Yes	268	2/27/20	Land Planning and Design	\$10,434.41	\$4,481.89	\$0.00	\$5,952.52	Entitlement not eligible, design and plat at site percent
8162	2/8/20	Yes	272	3/5/20	Land Planning and Design	\$3,396.58	\$957.09	\$0.00	\$2,439.49	Entitlement not eligible, design at site percent
8226	5/2/20	Yes	294	5/29/20	Land Planning and Design	\$9,137.50	\$1,349.01	\$0.00	\$7,788.49	Entitlement not eligible, design and plat at site percent, sub ex plans not eligible
8301	6/13/20	Yes	308	8/13/20	Land Planning and Design	\$4,890.00	\$0.00	\$0.00	\$4,890.00	sub ex plans not eligible
8663	7/25/20	Yes	313	8/28/20	Land Planning and Design	\$3,540.00	\$1,951.76	\$0.00	\$1,588.24	Entitlement not eligible, plat at site percent
8401	10/17/20	Yes	331	11/30/20	Land Planning and Design	\$3,595.00	\$1,650.96	\$0.00	\$1,944.04	Plat at site percent
8663	1/9/21	Yes	358	2/25/21	Land Planning and Design	\$770.00	\$353.61	\$0.00	\$416.39	design at site percent
8077	2/6/21	Yes	359	3/11/21	Land Planning and Design	\$1,775.00	\$753.48	\$0.00	\$1,021.52	Entitlement not eligible, design at site percent
8136	3/6/21	Yes	378	4/29/21	Land Planning and Design	\$749.00	\$368.21	\$0.00	\$380.79	design at site percent
8326	4/9/21	Yes	376	5/27/21	Land Planning and Design	\$3,943.00	\$1,450.04	\$0.00	\$2,492.96	Entitlement not eligible, design at site percent
8426	5/1/21	Yes	386	6/27/21	Land Planning and Design	\$1,285.00	\$491.36	\$0.00	\$793.64	Entitlement not eligible, design at site percent
8506	5/29/21	Yes	400	6/29/21	Land Planning and Design	\$1,220.00	\$500.21	\$0.00	\$719.79	design at site percent
9681	7/10/21	Yes	422	8/27/21	Land Planning and Design	\$2,145.00	\$0.00	\$0.00	\$2,145.00	
9712	8/21/21	Yes	431	9/29/21	Land Planning and Design	\$2,145.00	\$0.00	\$0.00	\$2,145.00	
Subtotal Redland						\$576,142.17	\$215,754.09	\$0.00	\$360,388.08	
State of Colorado - Department of Public Health and Environment										
FG01_COR411101	1/27/21	Yes	351	2/11/21	WQCD Permit	\$270.00	\$270.00	\$0.00	\$0.00	
FG01_COG080211	4/13/21	Yes	378	5/6/21	WQCD Permit	\$410.00	\$410.00	\$0.00	\$0.00	
FG01_COR411101	4/13/21	Yes	378	5/6/21	WQCD Permit Modification	\$135.00	\$135.00	\$0.00	\$0.00	
FEH2100274	5/28/21	Yes	403	6/29/21	Hazardous Waste Program	\$1,500.00	\$1,500.00	\$0.00	\$0.00	
Subtotal State of Colorado - Department of Public Health and Environment						\$2,315.00	\$2,315.00	\$0.00	\$0.00	
Town of Johnstown										
40010	5/9/18	No	113	5/9/18	Local Jurisdiction (Plat Fee)	\$20,000.00	\$4,592.38	\$0.00	\$15,407.62	Plat fee at site percent, F2 portion not eligible
730/19 email	7/23/19	Yes	210	8/12/19	Local Jurisdiction (Development Fees)	\$5,000.00	\$2,296.19	\$0.00	\$2,703.81	Town review fees at site percent
990030	7/23/19	Yes	211	8/12/19	Filing 2 fees	\$1,033.00	\$0.00	\$0.00	\$1,033.00	Filing 2 fees not reimbursed
Letter from TOJ	8/13/19	Yes	228	10/3/19	Local Jurisdiction (Development Fees)	\$5,000.00	\$2,296.19	\$0.00	\$2,703.81	Town review fees at site percent
40010	12/10/19	No	254	1/8/20	Local Jurisdiction (Plat Fee)	\$99,619.30	\$45,748.94	\$0.00	\$53,870.36	Plat Fee at site percent
12/9/19 email	12/9/19	No	454	11/29/2021	Railroad crossing Fee	\$150,000.00	\$0.00	\$0.00	\$150,000.00	
175/438.14	12/9/19	No	455	11/29/2021	Offsite Roadway Improvement (Cash-In-Lu)	\$275,000.00	\$0.00	\$0.00	\$275,000.00	
175/438.14	12/9/19	No	453	11/29/2021	Underground Electrical (Cash-In-Lu)	\$270,208.06	\$0.00	\$0.00	\$270,208.06	
12/10/19 email	12/10/19	No	243	12/18/19	water service agreement	\$79,200.00	\$79,200.00	\$0.00	\$0.00	
11/3/2021 email	1/13/21	No	345	1/14/2021	Permit Fees	\$49,529.16	\$0.00	\$0.00	\$49,529.16	Tax not eligible
175/438.14	1/13/21	No	404	7/8/2021	Permit Fees	\$28,668.13	\$0.00	\$0.00	\$28,668.13	Tax not eligible
Subtotal Town of Johnstown						\$953,247.65	\$829,341.75	\$0.00	\$123,905.90	
Xcel Energy										
717292640	1/22/21	Yes	356	2/25/21	Gas backbone system	\$146,663.45	\$0.00	\$0.00	\$146,663.45	New gas distribution system not eligible
733459515	5/25/21	Yes	392	6/17/21	Electrical backbone system	\$420,053.00	\$0.00	\$0.00	\$420,053.00	electrical backbone system not eligible
746061733	8/30/21	Yes	440	10/28/21	Gas backbone system	\$179,820.00	\$0.00	\$0.00	\$179,820.00	New gas distribution system not eligible
125536897	10/11/21	Yes	440	10/28/21	Electrical backbone system	\$144,100.00	\$0.00	\$0.00	\$144,100.00	electrical backbone system not eligible
Subtotal Xcel Energy						\$890,636.45	\$0.00	\$0.00	\$890,636.45	
Total						\$11,886,846.04	\$6,683,738.53	\$1,301,083.84	\$3,902,023.67	

"Town Accepted Eligible Expenses" and "District Accepted Eligible Expenses" are the amounts being recommended for reimbursement from the District

"Non Eligible Expenses" is the difference between the Invoiced Amount and the District Portion

These amounts do not include interest

Work that is both District and Non Eligible in nature was prorated at the Site % of 45.92% District eligible based on area percentage.

Attachment D

Project Photos

Johnstown Farms East Metropolitan District Site Photos



Filing 3 Overview



Filing 3 Roadways



Filing 3 Haul Road



Filing 3 Storm Improvement



Filing 3 Roadways



Filing 3 Roadway



Filing 3 Retaining Walls



Filing 3 Retaining Walls

EXHIBIT B

Accountant's Cost Certification



CliftonLarsonAllen LLP
8390 East Crescent Pkwy., Suite 300
Greenwood Village, CO 80111
phone 303-779-5710 fax 303-779-0348
CLAconnect.com

December 14, 2021

Board of Directors
Johnstown Farms East Metropolitan District
Weld County, Colorado

Re: Public Improvements Costs Review

This report summarizes the results of supplementary procedures we performed related to disbursements made by TF Johnstown Farms, L.P. (Developer) in connection with the construction and installation of public improvements within the boundaries of Johnstown Farms East Metropolitan District (District), which public improvements will be acquired by the District or by other entities.

We were requested to read and summarize documentation supporting payments made by the Developer to various consultants and/or contractors. The documentation we received included copies of invoices, pay applications, checks, and bank statements. We did not review the contracts and did not evaluate quantity and quality measurements of the product or the services which we assumed are covered in the independent Engineer's Certification.

Upon review of the documentation, we have determined that \$7,289,614.31 (out of the \$7,984,822.37 certified by the Engineer) have been paid by the Developer as summarized in the attachments. We will look at the remaining balance of \$695,208.06 when complete documentation is available.

We were not engaged to, and did not, conduct an examination in accordance with generally accepted auditing standards in the United States of America, the objective of which would be the expression of an opinion on the financial statements of the District. Accordingly, we do not express such an opinion. Further, our report should not be considered as final authorization for reimbursement. We performed our engagement as a consulting service under the American Institute of Certified Public Accountants' ("AICPA") Statement of Standards for Consulting Services. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are not independent with respect to the District.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Greenwood Village, Colorado

Attachment



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

EXHIBIT D
DISTRICT BUDGETS

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 942
REVENUE			
Property taxes	-	13,432	9,492
Specific ownership taxes	-	648	475
Interest income	-	181	-
Bond issuance - Series 2021	-	7,062,000	-
Developer advance	-	7,323,614	10,065,000
Other revenue	-	1	1,026
Total revenue	-	14,399,876	10,075,993
Total funds available	-	14,399,876	10,076,935
EXPENDITURES			
General Fund	-	35,875	65,000
Debt Service Fund	-	11,264	9,000
Capital Projects Fund	-	14,351,795	10,000,000
Total expenditures	-	14,398,934	10,074,000
Total expenditures and transfers out requiring appropriation	-	14,398,934	10,074,000
ENDING FUND BALANCES	\$ -	\$ 942	\$ 2,935
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Agricultural	\$ -	\$ 2,860	\$ 2,570
State assessed	-	-	54,970
Vacant land	-	-	1,810
Oil and Gas	-	265,780	130,490
	-	268,640	189,840
Adjustments	-	-	-
Certified Assessed Value	\$ -	\$ 268,640	\$ 189,840
MILL LEVY			
General	0.000	10.000	10.000
Debt Service	0.000	40.000	40.000
Total mill levy	0.000	50.000	50.000
PROPERTY TAXES			
General	\$ -	\$ 2,686	\$ 1,898
Debt Service	-	10,746	7,594
Budgeted property taxes	\$ -	\$ 13,432	\$ 9,492
BUDGETED PROPERTY TAXES			
General	\$ -	\$ 2,686	\$ 1,898
Debt Service	-	10,746	7,594
	\$ -	\$ 13,432	\$ 9,492

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 942
REVENUE			
Property taxes	-	2,686	1,898
Specific ownership taxes	-	130	95
Developer advance	-	34,000	65,000
Other revenue	-	1	-
Total revenue	<u>-</u>	<u>36,817</u>	<u>66,993</u>
Total funds available	<u>-</u>	<u>36,817</u>	<u>67,935</u>
EXPENDITURES			
General and administrative			
Accounting	-	15,000	25,000
Audit	-	-	5,500
Contingency	-	-	1,222
County Treasurer's fee	-	40	28
Dues	-	201	500
Insurance	-	634	2,750
Legal	-	20,000	30,000
Total expenditures	<u>-</u>	<u>35,875</u>	<u>65,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>35,875</u>	<u>65,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ 2,935</u>
EMERGENCY RESERVE	\$ -	\$ 100	\$ 100

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Property taxes	-	10,746	7,594
Specific ownership taxes	-	518	380
Other revenue	-	-	1,026
Total revenue	<u>-</u>	<u>11,264</u>	<u>9,000</u>
Total funds available	<u>-</u>	<u>11,264</u>	<u>9,000</u>
EXPENDITURES			
Debt Service			
Contingency	-	-	1,026
County Treasurer's fee	-	161	114
Bond interest - Series 2021	-	11,103	7,860
Total expenditures	<u>-</u>	<u>11,264</u>	<u>9,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>11,264</u>	<u>9,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/14/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUE			
Interest income	-	181	-
Developer advance	-	7,289,614	10,000,000
Bond issuance - Series 2021	-	7,062,000	-
Total revenue	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
Total funds available	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
EXPENDITURES			
Capital Projects			
Repay Developer advance	-	6,685,065	-
Bond issue costs	-	377,116	-
Capital outlay	-	7,289,614	10,000,000
Total expenditures	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>14,351,795</u>	<u>10,000,000</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Johnstown Farms East Metropolitan District (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order of the District Court in Weld County on November 30, 2020, and is governed pursuant to provisions of the Colorado Special District Act, Title 32, Article I, Colorado Revised Statutes. The District's service area is located in Weld County. The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services.

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$12,500,000. In the future, the District may issue a portion or all of the authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this budget, the amount and timing of any debt issuances is not determinable.

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

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

Revenues

Developer Advances

The District's general and administrative costs in 2022 will be funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bonds proceeds (if applicable) and other legally available revenue.

Property Taxes

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

The calculation of the taxes levied is displayed on the property tax summary information page of the budget.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.10%.

Expenditures

General and Administrative Expenditures

General and administrative expenditures include the estimated cost of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, membership dues, election and other administrative expenditures.

Debt Service

There is no debt amortization schedule provided for the Series 2021 Bonds (Described under Debt and Leases) as the Bonds are cash flow bonds and the timing of the payments are unknown.

Capital Outlay

The District anticipates capital outlay as outlined in the Capital Project Fund.

Debt and Leases

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

Bond Proceeds

The District issued the Bonds on October 13, 2021, in the par amount of \$7,062,000. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements related to a residential development that is planned to be located within the boundaries of the District and to pay costs of issuance of the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.000% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Details of the Bonds (Continued)

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2060, such amounts shall be extinguished and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows: The District has no debt, nor any capital and operating leases.

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the Capital Fees, if any; (c) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 40.000 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement after September 21, 2020) or such lesser amount which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Capital Fees means all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future.

Reserves

Emergency Reserve

TABOR requires local governments to establish emergency reserve. This reserve must be at least 3% of fiscal year spending. The District has provided for this reserve.

This information is an integral part of the accompanying budget.

EXHIBIT E
DISTRICT BONDS

CERTIFIED RECORD

OF

PROCEEDINGS

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT

TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO

RELATING TO

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021

(Attach copy of notice of meeting, as posted)

**NOTICE OF SPECIAL MEETING
RELATING TO THE AUTHORIZATION AND ISSUANCE OF INDEBTEDNESS**

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
IN THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO**

NOTICE IS HEREBY GIVEN that the Board of Directors (the “**Board**”) of Johnstown Farms East Metropolitan District (the “**District**”), in the Town of Johnstown, Colorado, will hold a special meeting on Monday, September 20, 2021 at 10:30 A.M., at 400 S. Parish Ave., Johnstown, Colorado 80534. Persons wishing to attend the meeting via teleconference may do so through the directions below:

<https://us06web.zoom.us/j/81028384744?pwd=Q2YyclNTWUxxeVVuM281NmM4WU03QT09>

Meeting ID: 810 2838 4744

Passcode: 543318

Call-In Number: 720-707-2699

NOTICE IS FURTHER GIVEN THAT at such meeting the Board of the District intends to make a final determination to issue or refund general obligation indebtedness consisting of its General Obligation Limited Tax Bonds, Series 2021 for the purpose of paying or reimbursing the costs of public improvements for the District, in the maximum principal amount of \$8,000,000, which amount is subject to increase or decrease as determined by the Board, or as otherwise permitted by any resolution adopted by the Board at such meeting, and, in connection therewith, the Board will consider a resolution: authorizing the issuance of such indebtedness; approving, ratifying and confirming the execution of certain documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions.

NOTICE IS FURTHER GIVEN THAT pursuant to the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of such bonds may be commenced more than thirty days after the authorization of such bonds pursuant to the aforementioned resolution.

The Board will also take up such other business as may come before the Board. The meeting is open to the public.

Pursuant to the provisions of the Supplemental Public Securities Act, one or more members of the Board may participate in this meeting and may vote on the foregoing matters through the use of a conference telephone or other telecommunications device. There will be at least one person present at the physical location posted on this notice.

This notice is given by order of the Board of the District, and shall be posted at one public place within the District, not less than 24 hours prior to the meeting.

/s/ **BOARD OF DIRECTORS
JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO**

STATE OF COLORADO)
)
WELD COUNTY)
)
JOHNSTOWN FARMS EAST METROPOLITAN)
DISTRICT)

The Board of Directors of Johnstown Farms East Metropolitan District, Town of Johnstown, Town of Johnstown, Weld County, Colorado, met in special session at 400 S. Parish Ave., in Johnstown, Colorado 80534, on Monday, the 20th day of September, 2021, at the hour of 10:30 a.m.

In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

The following members of the Board of Directors were present, constituting a quorum:

President and Chairman:	Craig Campbell
Secretary/Treasurer:	Kurtis Jones
Assistant Secretaries:	Jack Hoagland Michael Pietschmann

Absent: Mary Kirschner, Assistant Secretary

Thereupon there was introduced the following resolution:

RESOLUTION

WHEREAS, Johnstown Farms East Metropolitan District, Town of Johnstown, Weld County, Colorado (the “District”), is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to the constitution and laws of the State of Colorado; and

WHEREAS, at a special election of the eligible electors of the District, duly called and held on Tuesday, November 3, 2020 (the “2020 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2020 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness for the purpose of providing public improvements; and

WHEREAS, the returns of the 2020 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2020 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S. within forty-five days after the election; and

WHEREAS, the District has not issued any bonds or other obligations using the authorization of the 2020 Election; and

WHEREAS, the Board of Directors of the District (the “Board”) has determined and does hereby determine that it is necessary to pay the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved at the 2020 Election (the “Project”); and

WHEREAS, the Board has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Project be financed by the issuance of bonds; and

WHEREAS, for the purpose of paying the costs of the Project, the Board has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the District should issue its General Obligation Limited Tax Bonds, Series 2021, in the maximum aggregate principal amount of \$8,000,000 (the “Bonds”); and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds will be issued and secured by that certain Indenture of Trust (the “Indenture”), between the District and UMB Bank, n.a., as trustee (the “Trustee”); and

WHEREAS, the Bonds shall be limited mill levy obligations of the District, payable solely from the Pledged Revenue, all as defined and described in the Indenture; and

WHEREAS, the Bonds are being issued only to financial institutions or institutional investors within the meaning of §32-1-1101 (6)(a)(IV), C.R.S., and thus are permitted pursuant to such statute; and

WHEREAS, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and not less than five days prior to the date of issuance of the Bonds, the District filed for an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act based upon the foregoing, and the Bonds are thus exempt from registration under such act; and

WHEREAS, the allocation of the Bonds to the authorized but unissued indebtedness from the 2020 Election shall be as set forth in the Indenture, and shall be determined based upon the expected use of the proceeds thereof as of the date of issuance of the Bonds; and

WHEREAS, the Board has been presented with a proposal in the form of a Bond Purchase Agreement (the “Bond Purchase Agreement”) from Hilltop Securities Inc., of Denver, Colorado (the “Underwriter”), to purchase the Bonds; and

WHEREAS, after consideration, the Board has determined that the sale of the Bonds to the Underwriter is in the best interests of the District and the residents thereof; and

WHEREAS, pursuant to §32-1-902(3), C.R.S., and §18-8-308, C.R.S., all known potential conflicting interests of the Directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with §24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, said officials have stated for the record immediately prior to the adoption of this Bond Resolution the fact that they have said interests and the summary nature of such interests and the participation of said officials is necessary to obtain a quorum or otherwise enable the Board to act; and

WHEREAS, there has been presented to this meeting of the Board the current forms of the “Financing Documents” as defined hereafter; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the Financing Documents;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Indenture, and the following capitalized terms shall have the respective meanings set forth below:

Authorized Officer: the person or persons authorized to sign the Indenture and the Bond Purchase Agreement pursuant to the Delegated Authority, and to sign other documents pertaining to the Bonds as provided in this Bond Resolution, which shall be any member of the Board.

Bond Resolution: this resolution which authorizes the issuance of the Bonds and the execution of the Indenture, and any amendment or supplement lawfully made hereto.

Continuing Disclosure Obligation: an agreement, certificate, or undertaking of the District to provide certain post-issuance information as described in the Limited Offering Memorandum.

Delegated Authority: the authority delegated by this Bond Resolution to any Authorized Officer to sign the Bond Purchase Agreement and to make the following determinations with respect to the Bonds in the Indenture, which determinations shall be subject to the restrictions and parameters set forth below:

- (1) the rate or rates of interest on the Bonds;
- (2) the conditions on which and the prices at which the Bonds may be redeemed before maturity;
- (3) the existence and amount of any capitalized interest or reserve funds;
- (4) the price or prices at which the Bonds will be sold;
- (5) the principal amount and denominations of the Bonds;
- (6) the amount of principal maturing in any particular year; and
- (7) the dates on which principal and interest shall be paid.

The foregoing authority shall be subject to the following restrictions and parameters:

- (1) the interest rate or rates on the Bonds shall be such that the Bonds bear interest at a net effective interest rate which does not exceed 12%;
- (2) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the 2020 Election;
- (3) the sale price of the Bonds shall be an amount not less than 95% of the aggregate principal amount of the Bonds;
- (4) the Bonds shall mature not later than December 1, 2053; and
- (5) the principal amount of the Bonds shall not exceed \$8,000,000.

Financing Documents: collectively, the Indenture, the Continuing Disclosure Obligation, the Letter of Representations, and the Bond Purchase Agreement.

Letter of Representations: the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

Limited Offering Memorandum: the final version of the Preliminary Limited Offering Memorandum.

Preliminary Limited Offering Memorandum: the document of that name concerning the Bonds and the District, which will be used to market the Bonds to investors.

Section 2. Approvals, Authorizations, and Amendments. The Financing Documents are incorporated herein by reference and are hereby approved. All Authorized Officers are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and further to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue and secure the Bonds. Such documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Bond Resolution. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution and delivery of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The proper officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by an authorized officer of the District in connection with the issuance, sale, or delivery of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization. In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; the 2020 Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purpose of: (i) paying the Project Costs; and (ii) paying issuance and other costs in connection with the Bonds. The Bonds shall constitute limited tax obligations of the District as provided in the Indenture. The District hereby elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 4. Bond Details; Delegated Authority. The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of

each Bond preceded by “R-”. The Bonds shall be dated as of the date of issuance, and shall be payable at such time or times, shall be subject to redemption prior to maturity, and otherwise shall be as determined in the Indenture. Pursuant to §11-57-205, C.R.S., of the Supplemental Act the Board hereby delegates the Delegated Authority to an Authorized Officer and authorizes the signing of the Indenture and the Bond Purchase Agreement pursuant thereto.

Section 5. Permitted Amendments to Bond Resolution. The District may amend this Bond Resolution in the same manner and subject to the same terms and conditions as apply to an amendment or supplement to the Indenture.

Section 6. Authorization to Execute Documents. The officers of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Bond Resolution, including but not limited to the execution of such certificates and affidavits as may be reasonably required by the Underwriter.

Section 7. Appointment of District Representative. Craig Campbell is hereby appointed District Representative, as defined in the Indenture. A different District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 8. Bank Qualification. The District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Section 9. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 10. Acceptance of Bond Purchase Agreement. The Board hereby reaffirms its determination to accept the Bond Purchase Agreement as submitted by the Underwriter, and to sell the Bonds to the Underwriter upon the terms, conditions, and provisions as set forth in the Bond Purchase Agreement, subject to the Delegated Authority. All Authorized Officers are hereby authorized to execute the Bond Purchase Agreement and to attest to such execution, all on behalf of the District.

Section 11. Limited Offering Memorandum. The draft of the Preliminary Limited Offering Memorandum is hereby authorized and approved in the form presented to the Board at this meeting. The Board hereby authorizes the finalization and posting of the Preliminary Limited Offering Memorandum, the use and distribution by the Underwriter of the Preliminary Limited Offering Memorandum in connection with the marketing of the Bonds, and the preparation and distribution of a final Limited Offering Memorandum in conjunction with an offer of the Bonds to investors. The final Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. All Authorized Officers are hereby authorized to execute copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum on behalf of the District.

Section 12. Ratification and Approval of Prior Actions. All actions heretofore taken by any Authorized Officer or the officers, agents, attorneys, or employees of the District, not inconsistent with the provisions of this Bond Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, are hereby ratified, approved, and confirmed.

Section 13. Bond Resolution Irrepealable. After any of the Bonds have been issued, this Bond Resolution shall constitute a contract between the Owners and the District, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged in accordance with the Indenture.

Section 14. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Bond Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 15. Severability. If any section, paragraph, clause, or provision of this Bond Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution, the intent being that the same are severable.

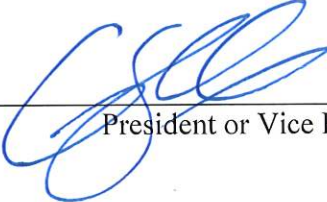
Section 16. Effective Date. This Bond Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 20th day of September, 2021.



ATTESTED:


Secretary or Assistant Secretary



President or Vice President

Thereupon, Director Michael Pietschmann moved the adoption of the foregoing resolution. The motion to adopt the resolution was duly seconded by Director Kurtis Jones, put to a vote, and carried on the following recorded vote:

Those voting AYE:

Craig Campbell
Kurtis Jones
Jack Hoagland
Michael Pietschmann

Those voting NAY:

NONE

Thereupon the President, as Chairman of the meeting, declared the Bond Resolution duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

Thereupon, after consideration of other business before the Board, the meeting was adjourned.

STATE OF COLORADO)
)
WELD COUNTY)
)
JOHNSTOWN FARMS EAST METROPOLITAN)
DISTRICT)

The undersigned, as the Secretary or an Assistant Secretary of Johnstown Farms East Metropolitan District, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the issuance of its General Obligation Limited Tax Bonds, Series 2021, adopted at a special meeting of the Board held at 400 S. Parish Ave., in Johnstown, Colorado 80534, on Monday, the 20th day of September, 2021, at the hour of 10:30 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place, and purpose of the special meeting; and that a notice of meeting, in the form herein set forth at page 1, was posted at one public place within the District not less than 24 hours prior to the meeting, in accordance with law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the District, as of the 20th day of September, 2021.



Kurti Jones

Secretary or Assistant Secretary

INDENTURE OF TRUST

DATED AS OF OCTOBER 13, 2021

BETWEEN

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO**

AND

**UMB BANK, N.A.
DENVER, COLORADO
AS TRUSTEE**

RELATING TO

**GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$7,062,000**

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INDENTURE OF TRUST (the “Indenture”) dated as of October 13, 2021, between **JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT, TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO**, a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “District”), and **UMB BANK, N.A.**, a banking institution authorized to accept and execute trusts of the character herein set out, having corporate trust offices in Denver, Colorado, as Trustee (the “Trustee”).

RECITALS

WHEREAS, the District is a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32, Article 1, C.R.S.; and

WHEREAS, at an election of the eligible electors of the District, duly called and held on Tuesday, November 3, 2020 (the “2020 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2020 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities, the questions relating thereto being as set forth in Exhibit A attached hereto; and

WHEREAS, the returns of the 2020 Election were duly canvassed and the result thereof duly declared; and

WHEREAS, the result of the 2020 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S., within forty-five days after the election; and

WHEREAS, the District has not heretofore issued any indebtedness authorized by the 2020 Election; and

WHEREAS, the Board of Directors of the District (the “Board”) has heretofore determined that it is necessary to pay or reimburse the costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved by the 2020 Election (the “Project”); and

WHEREAS, the Board has determined that it is in the best interests of the District, and the residents and taxpayers thereof, that the Project be financed by the issuance of bonds, and that for such purpose there shall be issued bonds of the District in the total principal amount of \$7,062,000 (as more particularly defined hereafter, the “Bonds”); and

WHEREAS, the Bonds shall be limited mill levy obligations of the District and shall be payable solely from the Pledged Revenue (as defined herein); and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds are being issued only to financial institutions or institutional investors within the meaning of §32-1-1101 (6)(a)(IV), C.R.S., and thus are permitted pursuant to such statute; and

WHEREAS, the Bonds initially shall be issued in denominations of \$500,000 each, and in integral multiples above \$500,000 of not less than \$1,000 each, and not less than five days prior to the date of issuance of the Bonds, the District filed for an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act based upon the foregoing, and the Bonds are thus exempt from registration under such act; and

WHEREAS, based upon the anticipated uses of the proceeds of the Bonds, the Board hereby determines to allocate the principal amount thereof to the 2020 Election in accordance with the following; provided that such allocation is based upon the Board’s estimates of the use of proceeds at the time of issuance of the Bonds, that actual uses of proceeds may vary from this estimate within the limitations of the 2020 Election, and that such variance shall not require an amendment to this Indenture or notice to or consent of any person:

Authorization Used and Remaining From 2020 Election¹			
Purpose	Principal Amount Voted	Principal Amount Used by Series 2021 Bonds	Principal Amount Remaining
Streets	\$ 15,000,000	(\$3,018,622)	\$11,981,378
Parks and recreation	15,000,000	(0)	15,000,000
Water	15,000,000	(1,690,775)	13,309,225
Sanitation	15,000,000	(2,352,603)	12,647,397
Transportation	15,000,000	(0)	15,000,000
Mosquito control	15,000,000	(0)	15,000,000
Safety protection	15,000,000	(0)	15,000,000
Fire protection	15,000,000	(0)	15,000,000
Television relay	15,000,000	(0)	15,000,000
Security	15,000,000	(0)	15,000,000
Public transportation	15,000,000	(0)	15,000,000
Directional drilling	15,000,000	(0)	15,000,000
Refunding	165,000,000	(0)	165,000,000
TOTAL	\$345,000,000	\$-7,062,000	\$337,938,000

WHEREAS, for purposes of the 2020 Election and the maximum annual repayment amounts and maximum total repayment amounts authorized thereby, it is hereby determined by the Board that the amount thereof which is allocated to the repayment of the Bonds shall be an amount which bears the same proportion to such maximum amounts as the principal amount of the Bonds for each purpose bears to the total principal amounts authorized by the 2020 Election for each purpose; and

¹ At the 2020 Election, a majority of those qualified to vote and voting at such election also voted in favor of, *inter alia*, general obligation indebtedness and the imposition of taxes for the payment thereof for the purpose of providing certain operations and maintenance, private agreement, and intergovernmental agreement debt. Such ballot questions are set forth in Exhibit A hereto.

WHEREAS, the District has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, the valid obligations of the District, and to make this Indenture a valid agreement of the District, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium if any, and interest on the Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds, the Bond Resolution, and this Indenture of Trust, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant to the Trustee, and to its successors in trust, and to them and their assigns forever, the following (as more particularly defined hereafter, the "Trust Estate"):

GRANTING CLAUSE FIRST:

The Pledged Revenue, the Project Fund, the Bond Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by or owed to the Trustee under the terms of this Indenture, and a security interest therein; and

GRANTING CLAUSE SECOND:

All right, title, and interest of the District in any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the District as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, as their respective interests may appear; and the property granted herein is also granted for the equal benefit, of all present and future Owners of the Bonds as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds;

PROVIDED, HOWEVER, that if the District, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE ONE
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION

Section 1.01. Definitions. In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

2020 Election: the election held within the District on November 3, 2020.

Act: Title 32, Article 1, Colorado Revised Statutes.

Additional Bonds: (1) all obligations of the District for borrowed money and reimbursement obligations, (2) all obligations of the District constituting a lien upon any ad valorem tax revenues of the District or any part of the Pledged Revenue, (3) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, (4) all obligations of the District to pay the deferred purchase price of property or services, (5) all obligations of the District as lessee under leases, but excluding such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed

\$500,000, or consist of payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District, and (6) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term “Additional Bonds” does not include:

(a) obligations the repayment of which is contingent upon the District’s annual determination to appropriate moneys therefor, other than leases as set forth in (5) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(b) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(c) obligations payable solely from periodic, recurring service charges (*e.g.*, not including Capital Fees) imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law; and

(d) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (i) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any bonds, notes, or other obligations of the District permitted to be issued hereunder, and (ii) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements.

Authorized Denominations: initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof.

Beneficial Owner: any person for which a Participant acquires an interest in the Bonds.

Board: the Board of Directors of the District.

Bond Fund: the “Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021, Bond Fund”, established by the provisions hereof for the purposes set forth herein.

Bond Resolution: the resolution authorizing the issuance of the Bonds and the execution of this Indenture, certified by the Secretary or an Assistant Secretary of the District to

have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

Bond Year: the period from December 2 of any calendar year to December 1 of the following calendar year.

Bonds: the General Obligation Limited Tax Bonds, Series 2021, in the aggregate principal amount of \$7,062,000, issued by the District pursuant to this Indenture and the Bond Resolution.

Capital Fees: all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District or any District-owned “enterprise” under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Certified Public Accountant: a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

Code: the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

Consent Party: the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond. The District may at its option determine whether the Owner or the Participant is the Consent Party with respect to any particular amendment or other matter hereunder.

Counsel: a person, or firm of which such a person is a member, authorized in any state to practice law.

County: means Weld County, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

Depository: any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

District: Johnstown Farms East Metropolitan District, Town of Johnstown, Weld County, Colorado, and its successors and assigns.

District Representative: the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President or Vice President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Event of Default: any one or more of the events set forth in the Section 8.01 hereof.

Federal Securities: direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

Indenture: this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

Maximum Debt Mill Levy Imposition Term: this term shall have the meaning ascribed thereto by the Service Plan.

Net Effective Interest Rate: shall have the meaning set forth in §32-1-103, C.R.S., provided that: such calculation shall assume the payment of principal due as a result of mandatory sinking fund redemption, which mandatory sinking fund redemption dates shall be deemed a maturity of the stated mandatory sinking fund redemption amount for purposes of this definition; and, for the avoidance of doubt, for any obligation without a schedule of mandatory principal redemption (e.g., a “cash flow obligation”), 100% of the then-outstanding principal amount of such an obligation shall be assumed to mature at the stated maturity date for purposes of this definition.

Outstanding or Outstanding Bonds: as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

Owner(s) or Owner(s) of Bonds: the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee.

Parity Bonds: the Bonds and any Additional Bonds having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds, payable in whole or in part from moneys described in SECOND of the Section hereof entitled “Flow of Funds”. For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon the District’s ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

Participants: any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

Permitted Investments: shall mean any investment or deposit the District is permitted to make under then applicable law.

Permitted Refunding Bonds: Parity Bonds issued solely for the purpose of refunding or refinancing all or any portion of the Bonds and any other Parity Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, similar funds, and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing, so long as each of the following conditions are met:

(a) the Net Effective Interest Rate of such Permitted Refunding Bonds will be at least 25 basis points less than the Net Effective Interest Rate of the obligations being refunded (calculated as of the date of such issuance of such Permitted Refunding Bonds); and

(b) the maximum ad valorem mill levy, if any, pledged to the payment of such Permitted Refunding Bonds, together with the Required Mill Levy imposed hereunder, shall not be higher than the maximum mill levy set forth in the definition of Required Mill Levy herein, and the resolution, indenture or other document pursuant to which such Permitted Refunding Bonds are issued shall provide that any ad valorem property taxes imposed for the payment of such Permitted Refunding Bonds shall be applied in the same manner and priority as provided in the Section hereof entitled “Flow of Funds”.

PILOT: an agreement or other arrangement which provides for a tax equivalency payment or similar payment in lieu of taxes against any property which would be subject to the Required Mill Levy but for the fact that it is classified by the county assessor as exempt from ad valorem property taxation, which agreement or other arrangement complies with the requirements set forth in Treasury Regulation §1.141-4(e)(5).

Pledged Revenue: the moneys derived by the District from the following sources:

- (1) the Required Mill Levy;
- (2) the Capital Fees, if any;
- (3) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and

(4) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Project: the acquisition, construction, and installation of public facilities the debt for which was approved at the 2020 Election, including without limitation necessary or appropriate equipment.

Project Costs: the District's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;

(e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

(f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;

(g) the costs of publishing, reproducing, posting, mailing, or recording documents;

(h) the costs of contingencies or reserves;

(i) the costs of issuing the Bonds;

(j) the costs of amending this Indenture, the Bond Resolution, or any other instrument relating to the Bonds or the Project;

(k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;

(m) the costs of demolition, removal, and relocation; and

(n) all other lawful costs as determined by the Board.

Project Fund: the “Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021, Project Fund”, established by the provisions hereof for the purpose of paying the Project Costs.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date.

Required Mill Levy: shall have the following meaning, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of 40 mills, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that if, on or after September 21, 2020, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided herein shall 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 September 21, 2020, 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) Notwithstanding anything herein to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Service Plan: the service plan for the District, as approved pursuant to the Act, including all amendments and supplements made thereto as of the date hereof.

Special Record Date: the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to this Indenture.

Specific Ownership Tax: the specific ownership tax which is collected by the county and remitted to the District pursuant to §42-3-107, C.R.S., or any successor statute.

State: State of Colorado.

Subordinate Bonds: Additional Bonds having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, payable in whole or in part from moneys described in THIRD of the Section hereof entitled “Flow of Funds”, but having no claim on moneys described in SECOND of such Section. For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon, the District’s ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part

thereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

Supplemental Act: the “Supplemental Public Securities Act”, being Title 11, Article 57, Part 2, C.R.S.

Tax Certificate: the certificate to be signed by the District relating to the requirements of Sections 103 and 141-150 of the Code.

Termination Date: December 2, 2060, being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

Trust Estate: the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses hereof.

Trustee: UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee hereunder, or any successor trustee appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture.

Trustee Fees: means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties rendered hereunder (and under any other indenture entered into by the District in connection with the issuance of Parity Bonds or Subordinate Bonds), as the same become due and payable as described in Section 9.02 (a) hereof, but not in excess of \$4,000 annually per bond issue; provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in Section 9.02 (b) hereof, which expenses shall be payable by the District in accordance with the provisions thereof.

Underwriter: Hilltop Securities Inc., of Denver, Colorado.

Section 1.02. Interpretation. In this Indenture, unless the context otherwise requires:

(a) the terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar term, refer to this Indenture as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of this Indenture, the term “now” means at the date of execution of this Indenture, and the term “hereafter” means after the date of execution of this Indenture;

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word “person” or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Indenture;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

(e) all exhibits referred to herein are incorporated herein by reference.

Section 1.03. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (i) the principal of and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (ii) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

Section 1.04. Exclusion of Bonds Held By The District. In determining whether the Consent Parties with respect to the requisite principal amount of the Outstanding Bonds have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds for which the District is the Consent Party or the entity entitled to direct the actions of the Consent Party shall be disregarded and deemed not to be Outstanding.

Section 1.05. Certificates and Opinions.

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the District may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District

stating that the information with respect to such factual matters is in the possession of the District, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

Section 1.06. Acts of Consent Parties.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Consent Parties may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Consent Party in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the District. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in paragraph (b) hereof shall be sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the District.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Consent Parties with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive and binding upon all present and future Owners and Consent Parties if the Consent Parties with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Consent Party (notwithstanding whether such action was also taken by any other Owner or Consent Party) shall bind the Owner and the Consent Party, and the Owner of and Consent Party with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

Section 1.07. Notices for Bonds Held by a Depository. Notwithstanding the provisions hereof which provide for notices to Owners by mail, so long as the Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Section 1.08. PILOT Revenue. Any revenue received by the District from any PILOT as a result of the imposition of the Required Mill Levy shall be pledged and treated hereunder in the same fashion as ad valorem mill levy revenues derived from the Required Mill Levy.

Section 1.09. Indenture to Constitute Contract. This Indenture shall constitute a contract among the District, the Trustee, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding hereunder.

ARTICLE TWO **THE BONDS**

Section 2.01. Authorization, Terms, Payment, and Form of Bonds; Termination Date.

(a) In accordance with the Constitution of the State of Colorado; the 2020 Election; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purposes hereinafter stated. The aggregate principal amount of the Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed \$7,062,000, except as provided in Section 2.06 and Section 2.09 hereof.

(b) The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "R-".

(c) The Bonds shall be dated as of the date of issuance, and shall bear interest at the rate of 5.00% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available therefor on each December 1, commencing on December 1, 2021, and shall mature on December 1, 2051.

(d) The maximum net effective interest rate authorized for this issue of Bonds is 12%, and the actual net effective interest rate of the Bonds does not exceed such maximum rate. The maximum repayment costs of the Bonds do not exceed the limitations of the 2020 Election. The maximum annual debt service on the Bonds does not exceed the maximum annual tax increases authorized in the 2020 Election.

(e) The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for

payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

(f) Interest payments shall be paid by check or draft of the Trustee mailed on or before the interest payment date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the District shall not be required to incur any expenses in connection with such alternative means of payment.

(g) Notwithstanding anything herein to the contrary, all of the Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing shall not relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required herein prior to the Termination Date.

(h) To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until the earlier of its payment or the Termination Date and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

(i) Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in Exhibit B attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. The District may cause a copy of the text of the opinion of nationally recognized municipal bond Counsel to be printed on the Bonds. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02. Purpose of Issuance of Bonds. The Bonds are being issued for the purpose of: (i) paying or reimbursing the Project Costs; and (ii) paying other costs incurred in connection with the issuance of the Bonds. The Owners of the Bonds shall not be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

Section 2.03. Trustee as Paying Agent and Bond Registrar.

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The District shall cause the Underwriter to provide the Trustee with an initial registry of the Owners within a reasonable time prior to delivery of the Bonds. The District shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the District.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively “transfer”) the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Midwest, New York, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) The District shall furnish the Trustee with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the District in the manner set forth herein.

(e) In the event the District receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

Section 2.04. Execution of Bonds; Signatures. The Bonds shall be executed on behalf of the District by the manual, electronic, or facsimile signature of the President or Vice President of the District, sealed with a manual, electronic, or facsimile impression of its corporate seal, and attested by the manual, electronic, or facsimile signature of the Secretary or an Assistant Secretary of the District. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the District before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the District, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Persons Treated as Owners. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Trustee shall be affected by notice to the contrary.

Section 2.06. Lost, Stolen, Destroyed, or Mutilated Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, and present such proof of ownership and loss as may be required by applicable law, or in the absence of specific requirements, as may be required by the Trustee. In the event any such lost, stolen, destroyed, or mutilated Bond shall have become due for payment, instead of issuing a replacement Bond as provided above, the Trustee may pay the same, and may charge the Owner the reasonable fees and expenses of the Trustee in connection therewith.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this Indenture, the District shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, as directed by the District and in accordance with a written certificate of the District.

Section 2.08. Trustee's Authentication Certificate. The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit B attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09. Registration, Exchange, and Transfer of Bonds.

(a) The Trustee shall act as bond registrar and maintain the books of the District for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same

maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The District and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date, or (b) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.10. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.11. Non-presentment of Bonds. In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Bond Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the District to the Owner or Owners thereof for the payment of such Bonds, shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, this Indenture. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of three years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the District the funds theretofore held by it for payment of such Bond and payment of such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the District. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

Section 2.12. Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the District nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the District determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE THREE
REVENUES AND FUNDS

Section 3.01. Source of Payment of Bonds. The Bonds shall constitute limited tax general obligations of the District. All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue and the moneys and earnings thereon held in the funds and accounts herein created, but not necessarily an exclusive such lien.

Section 3.02. Creation of Funds and Accounts. There are hereby created the following funds and accounts, which shall be held and maintained by the Trustee in accordance with the provisions of this Indenture:

- (a) the Project Fund; and
- (b) the Bond Fund.

Section 3.03. Initial Credits. Immediately upon issuance of the Bonds and from the proceeds thereof, and after payment of the Underwriter's discount, and the other costs of issuing the Bonds (which other costs may be retained by the Trustee in such account as it may determine, pursuant to any closing memorandum prepared by the Underwriter, which summarizes approved costs of issuance, and paid by the Trustee at closing and for a period of 90 days after closing, after which any remaining moneys shall be credited to the Project Fund), the District shall credit all of such proceeds to the Project Fund. In addition, upon issuance of the Bonds, the District shall transfer to the Trustee any moneys which it then holds which constitute Pledged Revenue hereunder.

Section 3.04. Project Fund.

(a) *In General* - So long as no Event of Default shall have occurred and be continuing, the Trustee will disburse funds from the Project Fund in accordance with requisitions in substantially the form set forth herein as Exhibit C, signed by the District Representative or the President or Vice President of the District. The Trustee may rely conclusively upon any such requisition received and shall have no obligation to make an independent investigation in connection therewith.

(b) *Termination of Project Fund* - Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Project Fund shall be credited to the Bond Fund. In addition, upon the Trustee's receipt of written notice of the District's determination that the funds in the Project Fund exceed the amount necessary to pay all Project Costs, such excess amount shall be credited to the Bond Fund in the amounts determined by the District. The Project Fund shall terminate at such time as no further moneys remain therein.

(c) *Event of Default* - Upon the occurrence and continuance of an Event of Default, the Trustee will cease disbursing moneys from the Project Fund, but instead shall apply such moneys in the manner provided by Article Eight hereof.

Section 3.05. Flow of Funds. The District shall transfer all amounts comprising Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District; provided, however, that in the event that the total amount of Pledged Revenue received by the District in a calendar month is less than \$50,000, the Pledged Revenue received during such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the District (i.e., no later than April 15th for Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May

or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any Additional Bonds, the District shall also transfer to the Trustee all moneys pledged to the payment of such Additional Bonds which are derived from ad valorem taxes of the District, Specific Ownership Taxes, or Capital Fees, and any such moneys shall constitute part of the Trust Estate. IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE. To the extent permitted by law, the Trustee shall apply the Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (i) the priorities established below are intended to create a tiered “waterfall” structure in which no Pledged Revenue flows to a lower priority until all of the higher priorities have been fully funded as provided herein; (ii) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other, and (iii) when credits are required to go to funds or accounts which are not held by the Trustee under this Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

- FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable;
- SECOND: To the credit of the Bond Fund the amounts required by the Section hereof entitled “Bond Fund; Mandatory Redemption”, and to the credit of any other similar fund or account established for the payment of the principal of, premium if any, and interest on any additional Parity Bonds, including any sinking fund, reserve fund, or similar fund or account established in connection with such additional Parity Bonds, the amounts required by resolution or other enactment authorizing issuance of such additional Parity Bonds; and
- THIRD: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose (including without limitation the payment of any Subordinate Bonds), any Pledged Revenue remaining after the payments and accumulations set forth above.

Section 3.06. Bond Fund; Mandatory Redemption.

(a) *Credit of Pledged Revenue* - For so long as the Bonds are the only Parity Bonds then Outstanding, all Pledged Revenue received by the Trustee shall be credited to the Bond Fund until the amount therein is sufficient to fully pay, satisfy, and discharge all of the Bonds. If any Parity Bonds other than the Bonds are issued, the District will so inform the Trustee in writing, and thereafter the Pledged Revenue shall be allocated between the Bonds and such other Parity Bonds on a *pro rata* basis, in accordance with the relative outstanding principal amounts of such issues.

(b) *Use of Moneys* - Moneys in the Bond Fund shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds, in the following order:

- (i) First, to the payment of interest due in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and
- (ii) Second, to the extent any moneys are remaining in the Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Bond Fund are insufficient for the payment of the principal of, premium if any, and interest due on the Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

- (i) First, the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond.
- (ii) Second, the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts, such payments to be in increments of \$1,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Bonds the principal of which is due and owing on the due date.

(c) *Mandatory Redemption* - On each October 16th, the Trustee shall determine the amount credited to the Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the Bonds due on the next succeeding interest payment date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Trustee shall promptly give such notice of redemption and take such other actions as necessary to redeem as many Bonds as can be redeemed with such excess moneys. Such redemptions shall be made by the Trustee on each December 1, and amounts insufficient to redeem at least one Bond in the denomination of \$1,000 will be retained in the Bond Fund. The mandatory redemption provided in this Section shall be made by the Trustee without further instruction from the District and notwithstanding any instructions from the District to the contrary. Notwithstanding anything herein to the contrary, it is understood and agreed that borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to this paragraph.

Section 3.07. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for moneys paid to the Trustee for its fees and expenses, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the

extent otherwise specifically provided in Article Seven, and Section 8.05 hereof, the District shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

Section 3.08. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bonds provided herein shall be governed by §11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The amounts pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge and the obligation to perform the contractual provisions hereof and of the Bond Resolution shall have priority over any and all other obligations and liabilities of the District, except as may be otherwise provided in the Supplemental Act, in this Indenture, in the Bond Resolution, or in any other instrument, but subject to any prior pledges and liens. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

ARTICLE FOUR **COVENANTS OF DISTRICT**

Section 4.01. Performance of Covenants, Authority. The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The District covenants that it is duly authorized under the constitution and laws of the State of Colorado, including, particularly and without limitation, the Act, to issue the Bonds and to execute this Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable obligations of the District according to the terms thereof.

Section 4.02. Instruments of Further Assurance. The District covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, and pledging unto the Trustee all and singular the Trust Estate.

Section 4.03. Covenant to Impose Required Mill Levy.

(a) For the purpose of paying the principal of, premium if any, and interest on the Bonds, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2021 to 2050, inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2050, but not beyond the Maximum Debt Mill Levy Imposition Term to the extent limited by the Service Plan) in the amount of the Required Mill Levy. Nothing herein shall be construed to require the District to levy an ad valorem property tax in an amount in excess of the Required Mill Levy.

(b) The foregoing provisions of this Indenture are hereby declared to be the certificate of the Board to the board or boards of county commissioners of each county in which

taxable real or personal property of the District is located, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purposes aforesaid.

(c) The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and to pay the principal of, premium if any, and interest on the Bonds when due are hereby appropriated for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

(d) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions hereof with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to this Indenture.

Section 4.04. Additional Bonds.

(a) *In General* - After issuance of the Bonds, no Additional Bonds may be issued except in accordance with the provisions of this Section. Nothing herein shall affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds hereunder; provided that notwithstanding the foregoing or anything herein to the contrary, the District shall not create, incur, assume, or suffer to exist any liens upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof superior to the lien thereon of the Bonds.

(b) *Permitted Refunding Bonds* - The District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion without compliance with any of the other terms and conditions of this Section.

(c) *Parity Bonds* - The District may issue additional Parity Bonds only if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then Outstanding.

(d) *Subordinate Bonds* - The District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

- (i) The maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than the maximum Required Mill Levy less the mill levy required to be imposed for the payment of any Parity Bonds;

- (ii) Such Subordinate Bonds shall be payable as to both principal and interest on an annual basis on or after December 15th of each calendar year, and the failure to make a payment when due on such Subordinate Bonds shall not constitute an event of default under the resolution, indenture or other documents authorizing the issuance of such Subordinate Bonds; and
- (iii) No amounts can be payable on the Subordinate Bonds so long as any Bonds are Outstanding.

(e) *District Certification* - A written certificate by the President or Vice President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth herein are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance herewith.

Section 4.05. Additional Covenants and Agreements. The District hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The District shall not dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided however, that the foregoing shall not prevent the District from dissolving pursuant to the provisions of the Act.

(b) If required by state statute, at least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its reasonable efforts to have such audit report completed no later than September 30 of the calendar year after the calendar year which is the subject of such audit. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and any audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials liability, and such other forms of insurance on insurable District property upon the terms and conditions, in such amounts, and issued by recognized insurance companies, as in the judgment of the District will protect the District and its operations.

(d) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) If the District imposes any Capital Fees, it will enforce the collection thereof in such time and manner as the District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. Nothing herein shall be construed to require the District to impose any Capital Fees.

ARTICLE FIVE
PRIOR REDEMPTION

Section 5.01. Prior Redemption.

(a) *Optional Redemption* - In addition to the mandatory redemption provided for in the Section hereof entitled “Bond Fund; Mandatory Redemption”, the Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Section 5.02. Redemption Procedure and Notice.

(a) If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Trustee shall determine. The Bonds shall be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid), not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by

the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

ARTICLE SIX **INVESTMENTS**

Section 6.01. Investments.

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, at the written direction of the District Representative, in Permitted Investments only.

(b) Such investments shall mature or be redeemable at the option of the owner thereof no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The District Representative may direct the Trustee to, or in the absence of direction, the Trustee shall, in accordance with this paragraph, invest and reinvest the moneys in any money market fund which is a Permitted Investment so that the maturity date, interest payment date, or date of redemption, at the option of the owner of such investment, shall coincide as nearly as practicable with the times at which money is needed to be so expended. The Trustee shall have no obligation to determine whether any investment directed by the District constitutes a Permitted Investment. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees, and it is specifically provided herein that the Trustee may purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation), (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States, and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the District shall be sufficient, unless the District notifies the Trustee in writing to the contrary within 30 days of the date of such statement.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

Section 6.02. Tax Matters.

(a) The District covenants for the benefit of the Owners that it will not take any action or omit to take any action with respect to the Bonds, any funds of the District, or any facilities financed with the proceeds of the Bonds, if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under

Section 103 of the Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the District under this Indenture, the District shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) The District specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(d) The District further covenants to pay from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Bonds from time to time. The payment of such rebate amounts as required by this paragraph supersedes all other provisions of this Indenture concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys set aside to pay such rebate amounts pursuant to this paragraph are not subject to any lien created hereunder for the benefit of the Owners. This covenant shall survive the payment in full or the defeasance of the Bonds.

(e) The covenants contained in this Section shall remain in full force and effect until the date on which all obligations of the District in fulfilling such covenants under the Code and Colorado law have been met, notwithstanding the payment in full or defeasance of the Bonds.

(f) The District hereby designates the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Section 6.03. Use of Interest Income. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee hereunder shall be credited to the fund or account from which the moneys invested were derived.

ARTICLE SEVEN **DISCHARGE OF LIEN**

Section 7.01. Discharge of the Lien of the Indenture.

(a) If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium if any, and interest to become due thereon at the times and in the manner stipulated herein, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be requisite to satisfy the lien hereof, and assign and deliver to the District any property at

the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the District under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 7.01 if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium if any, and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article Six hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of, premium if any, and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee may require and may rely upon: (i) an opinion of nationally recognized municipal bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with Section 6.02 hereof; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium if any, and interest on the Bonds when due.

(e) The release of the obligations of the District under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

Section 7.02. Continuing Role as Bond Registrar and Paying Agent.

Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture

as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

ARTICLE EIGHT
DEFAULT AND REMEDIES

Section 8.01. Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by this Indenture;

(b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in this Indenture or the Bond Resolution, other than as described in Section 8.01(a) hereof, and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder. WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, THE DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THIS INDENTURE AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THIS ARTICLE EIGHT. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE BONDS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

Section 8.02. Remedies on Occurrence of Event of Default.

(a) Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

- (i) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.
- (ii) *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Bonds, the Bond Resolution, this Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.
- (iii) *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

(b) No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

(c) If any Event of Default under Section 8.01(a) hereof shall have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof.

(d) Notwithstanding anything herein to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default.

Section 8.03. Control of Proceedings. The Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall

not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

Section 8.04. Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 9.01 hereof, or of which under that Section it is deemed to have notice, and unless such default shall have become an Event of Default and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, nor unless they have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate accounts or accounts created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds has been paid in full. Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee have been paid, any balance remaining in any of the funds held hereunder shall be paid to the District.

Section 8.06. Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 8.07. Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the District, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable

in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. No Waiver of One Default to Affect Another; Cumulative Remedies. No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 8.10. Discontinuance of Proceedings on Default. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to one hundred percent (100%) of the Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(a) hereof. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12. Notice of Default; Opportunity to Cure Defaults.

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to Section 9.01(h) hereof), within ninety (90) days after the occurrence of such Event of Default unless such Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under Section 8.01(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or

by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds Outstanding to the District, and the District shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

ARTICLE NINE **CONCERNING TRUSTEE**

Section 9.01. Acceptance of Trusts and Duties of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a reasonable and prudent trustee would exercise or use under the circumstances in the conduct of the affairs of another.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standards specified in Section 9.01(a) and (g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon the advice or opinion of such attorneys, agents, receivers, or employees chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the recording or filing of this Indenture, or for the validity of the execution by the District of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the District, except as expressly herein set forth; but the Trustee may require of the District full information and advice as to the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article Six hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the validity or sufficiency of this Indenture or of the Bonds.

The Trustee shall not be accountable for the use or application of any Bonds or the proceeds thereof (except for funds or investments held by the Trustee) or of any money paid to or upon the order of the District under any provision of this Indenture. The Trustee, in its individual or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee.

(e) The Trustee may rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to rely upon a certificate signed on behalf of the District by the District Representative or the District's President or Vice President or such other person as may be designated for such purpose by a certified resolution of the District as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct, and shall not be answerable for any negligent act of its attorneys, agents, or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder unless the Trustee shall be specifically notified in writing of such default by the District or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the District pertaining to the Bonds and the Pledged Revenue, and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the District.

(m) The Trustee shall not be required to advance its own funds, and before taking any action to enforce the terms of this Indenture against the District, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorney's fees, and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to give any bond or surety in respect to the execution of its trusts and powers hereunder or otherwise with respect to the Bonds.

Section 9.02. Fees and Expenses of the Trustee.

(a) The Trustee shall be entitled to payment and reimbursement of its fees and expenses for ordinary services rendered hereunder (which compensation is not intended by the parties hereto to be limited by any provision of law in regard to the compensation of a trustee of an express trust) as and when the same become due, and all advances, agent, and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services. The Trustee reserves the right to renegotiate its current fees for ordinary services to correspond with changing economic conditions, inflation and changing requirements relating to the Trustee's ordinary services.

(b) In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefore.

Section 9.03. Resignation or Replacement of Trustee.

(a) The Trustee may resign, subject to the appointment of a successor, by giving thirty (30) days' notice of such resignation to the District and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an

instrument in writing, executed by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the District so long as it is not in default hereunder; otherwise by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Consent Parties, or their attorneys-in-fact appointed; provided however, that even if the District is in default hereunder it may appoint a successor until a new successor shall be appointed by the District or the Consent Parties as herein authorized. The District, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to the address shown on the registration books maintained by the Trustee, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the District shall immediately and without further act be superseded by a successor appointed in the manner above provided by the District or the Consent Parties, as applicable.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital and surplus of not less than \$50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder, and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor and upon the payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the District is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those instruments shall be made, executed, acknowledged, and delivered by the District on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

Section 9.04. Conversion, Consolidation, or Merger of Trustee. Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or

filing of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

Section 9.05. Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein, and the Trustee shall not be required to make any independent investigation in connection therewith. Such resolutions, opinions, certificates, and other instruments shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the approval of any expert for any of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

ARTICLE TEN **SUPPLEMENTAL INDENTURES**

Section 10.01. Supplemental Indentures Not Requiring Consent. Subject to the provisions of this Article, the District and the Trustee may, without the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Owners of the Bonds;
- (b) To subject to this Indenture additional revenues, properties, or collateral;
- (c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and
- (d) To qualify this Indenture under the Trust Indenture Act of 1939.

Section 10.02. Supplemental Indentures Requiring Consent.

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, the Consent Parties with respect to a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering,

amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

- (i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;
- (ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;
- (iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or
- (iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

(c) If at any time the District shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given to each Owner of a Bond at the address shown on the registration books of the Trustee prior to the proposed date of execution and delivery of any such supplemental indenture. If the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture consent to the execution thereof, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indenture. The Trustee is authorized to join with the District in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the District may require and shall be fully protected in relying upon an opinion of nationally recognized municipal bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee and the District, to the effect that: (i) the supplement will

not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds; (ii) the District is permitted by the provisions hereof to enter into the supplement; and (iii) the supplement is a valid and binding obligation of the District, enforceable in accordance with its terms, subject to matters permitted by Section 1.05 hereof.

ARTICLE ELEVEN
MISCELLANEOUS

Section 11.01. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee, the Owners of the Bonds, and for Bonds held by a Depository, the Beneficial Owners and the Participants, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, the Owners of the Bonds, and for Bonds held by a Depository, the Beneficial Owners and the Participants.

Section 11.02. Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 11.03. Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State.

Section 11.04. Notices; Waiver.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person or by certified or registered mail, and if mailed, shall be deemed received three (3) days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:

Johnstown Farms East Metropolitan District
c/o White Bear Ankele Tanaka & Waldron P.C.
Attention: Zachary White, Esq.
2154 East Commons Avenue
Suite 2000
Centennial, Colorado 80122
Email: zwhite@wbapc.com
Facsimile: None

Trustee:

UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust & Escrow Services
Email: John.Wahl@umb.com
Facsimile: 303-839-2287

(b) In lieu of mailed notice to any person set forth above, the persons designated above may provide notice by email to any email address set forth above for any other person designated above, or by facsimile transmission to any facsimile number set forth above for such person, and any such notices shall be deemed received upon receipt by the sender of an email or facsimile transmission from such person confirming such receipt, or upon receipt by the sender of such other confirmation of receipt as may be reasonably reliable under the circumstances.

(c) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(d) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.05. Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee are located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.06. No Recourse against Officers and Agents. Pursuant to §11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 11.07. Conclusive Recital. Pursuant to §11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11.08. Limitation of Actions. Pursuant to §11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty days after the authorization of the Bonds.

Section 11.09. Execution in Counterparts; Electronic Signatures. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. To the fullest extent permitted by applicable law and except for the certificate of authentication on the Bonds (which must be manually signed by an authorized representative of the Trustee) and instruments of transfer of the Bonds, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Indenture.

Section 11.10. Electronic Storage. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

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IN WITNESS WHEREOF, JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT has caused this Indenture to be executed on its behalf by its President or Vice President and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, UMB BANK, N.A., Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.



**JOHNSTOWN FARMS EAST
METROPOLITAN DISTRICT**

President or Vice President

ATTESTED:

Secretary or Assistant Secretary

UMB BANK, N.A.
as Trustee

Authorized Officer

IN WITNESS WHEREOF, JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT has caused this Indenture to be executed on its behalf by its President or Vice President and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, UMB BANK, N.A., Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.



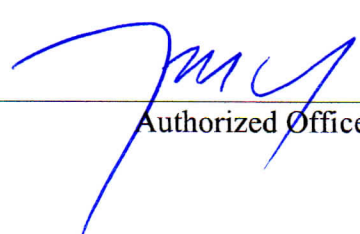
**JOHNSTOWN FARMS EAST
METROPOLITAN DISTRICT**

President or Vice President

ATTESTED:

Secretary or Assistant Secretary

UMB BANK, N.A.
as Trustee



Authorized Officer

EXHIBIT A

To

INDENTURE OF TRUST

(Ballot Questions from 2020 Election)

Ballot Issue A (Operations, Administration and Maintenance Mill Levy-Ad Valorem Taxes)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY, AND BY THE SAME AMOUNT AS ADJUSTED FOR INFLATION PLUS LOCAL GROWTH IN EACH SUBSEQUENT FISCAL YEAR THEREAFTER, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, COVENANT ENFORCEMENT, DESIGN REVIEW, OPERATIONS, MAINTENANCE, AND OTHER SIMILAR EXPENSES; AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue B (Capital Costs -Ad Valorem Taxes)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY FOR CAPITAL COSTS OF PUBLIC IMPROVEMENTS, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, TO PAY SUCH COSTS AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL

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

Ballot Issue C (Operations, Administration and Maintenance - Fees)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY TO PAY THE DISTRICT'S ADMINISTRATION, COVENANT ENFORCEMENT, DESIGN REVIEW, OPERATIONS, AND MAINTENANCE EXPENSES, BY THE IMPOSITION OF A FEE OR FEES IMPOSED, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, TO PAY SUCH EXPENSES AND SHALL THE PROCEEDS OF SUCH FEES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue D (Capital Costs - Fees)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY FOR THE PURPOSE OF PAYING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, BY THE IMPOSITION OF A FEE OR FEES IMPOSED, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, TO PAY SUCH COSTS AND SHALL THE PROCEEDS OF SUCH FEES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue E (Multiple Fiscal Year Intergovernmental Agreement Mill Levy Question)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS

NECESSARY FOR THE PAYMENT OF AMOUNTS DUE PURSUANT TO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S. IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue F (Regional Improvements)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY FOR THE PAYMENT OF AMOUNTS DUE FOR PAYMENT OF REGIONAL IMPROVEMENTS FOR WHICH THE DISTRICT IS AUTHORIZED OR OBLIGATED PURSUANT TO ITS SERVICE PLAN, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S. IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, ALL WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue G (Multiple Fiscal Year Private Agreement Mill Levy Question)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$10,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS NECESSARY FOR THE PAYMENT OF AMOUNTS DUE PURSUANT TO ONE OR MORE AGREEMENTS OR OTHER CONTRACTS WITH PRIVATE PARTIES, BY THE IMPOSITION OF AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR, WITHOUT LIMITATION AS TO RATE OR AMOUNT OR ANY OTHER CONDITION, AND SHALL THE PROCEEDS OF SUCH TAXES AND ANY INVESTMENT INCOME THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE

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

Ballot Issue H (De-TABOR)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT BE AUTHORIZED TO COLLECT, RETAIN, AND SPEND THE FULL AMOUNT OF ALL TAXES, TAX INCREMENT REVENUES, TAP FEES, PARK FEES, FACILITY FEES, SERVICE CHARGES, INSPECTION CHARGES, ADMINISTRATIVE CHARGES, GIFTS, GRANTS, INVESTMENT EARNINGS OR ANY OTHER FEE, RATE, TOLL, PENALTY, CHARGE OR OTHER INCOME AUTHORIZED BY LAW OR CONTRACT TO BE IMPOSED, COLLECTED OR RECEIVED BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER, SUCH AMOUNTS TO CONSTITUTE A VOTER-APPROVED REVENUE CHANGE AND BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN PROPERTY TAXATION BY SECTION 29-1-301, C.R.S. IN ANY SUBSEQUENT YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue I (In-District Special Assessment Debt)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE AFOREMENTIONED DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, BY THE IMPOSITION OF SPECIAL ASSESSMENTS UPON PROPERTY IN THE SPECIAL IMPROVEMENT DISTRICT, WHICH ASSESSMENTS ARE SUBJECT TO PREPAYMENT AT THE OPTION OF THE PROPERTY OWNER, SUCH DEBT TO CONSIST OF SPECIAL ASSESSMENT BONDS OR OTHER FINANCIAL OBLIGATIONS BEARING INTEREST AT A NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM; SUCH SPECIAL ASSESSMENT BONDS OR OTHER FINANCIAL OBLIGATIONS TO BE ISSUED TO PAY THE COSTS OF PROVIDING CERTAIN PUBLIC IMPROVEMENTS FOR SUCH SPECIAL ASSESSMENT DISTRICT, TO BE REPAYED FROM THE PROCEEDS OF SPECIAL ASSESSMENTS TO BE IMPOSED UPON THE PROPERTY INCLUDED WITHIN SUCH SPECIAL ASSESSMENT DISTRICT; SUCH

TAXES TO CONSIST OF THE AFOREMENTIONED SPECIAL ASSESSMENTS IMPOSED UPON THE PROPERTY FOR THE SPECIAL ASSESSMENT DISTRICT BENEFITED BY THE PUBLIC IMPROVEMENTS, ALL OF THE FOREGOING AS DETERMINED BY THE DISTRICT; AND SHALL THE PROCEEDS OF SUCH BONDS OR OTHER FINANCIAL OBLIGATIONS AND THE PROCEEDS OF SUCH ASSESSMENTS, AND INVESTMENT INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

Ballot Issue J (Streets)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, STREET IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO CURBS, GUTTERS, CULVERTS, AND OTHER DRAINAGE FACILITIES, UNDERGROUND CONDUITS, SIDEWALKS, TRAILS, PUBLIC PARKING LOTS, STRUCTURES AND FACILITIES, PAVING, LIGHTING, GRADING, LANDSCAPING, BIKE PATHS AND PEDESTRIAN WAYS, PEDESTRIAN OVERPASSES, RETAINING WALLS, FENCING, ENTRY MONUMENTATION, STREETSCAPING, BRIDGES, OVERPASSES, UNDERPASSES, INTERCHANGES, MEDIAN ISLANDS, IRRIGATION, AND A SAFETY PROTECTION SYSTEM THROUGH TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, SIGNALIZATION, SIGNING AND STRIPING, AREA IDENTIFICATION, DRIVER INFORMATION AND DIRECTIONAL ASSISTANCE SIGNS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND AND EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS

OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS; ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue K (Parks and Recreation)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, PARKS AND RECREATION FACILITIES, IMPROVEMENTS AND PROGRAMS, INCLUDING BUT NOT LIMITED TO COMMUNITY PARKS, BIKE PATHS AND PEDESTRIAN WAYS, FENCING, TRAILS, REGIONAL TRAILS, FIELDS, TOT LOTS, OPEN SPACE, CULTURAL ACTIVITIES, COMMON AREAS, COMMUNITY RECREATION CENTERS, TENNIS COURTS, OUTDOOR LIGHTING, EVENT FACILITIES, IRRIGATION FACILITIES, LAKES, WATER BODIES, SWIMMING POOLS, PUBLIC FOUNTAINS AND SCULPTURES, ART, GARDENS, LANDSCAPING, WEED CONTROL, AND OTHER ACTIVE AND PASSIVE RECREATIONAL FACILITIES, IMPROVEMENTS AND PROGRAMS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR

WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue L (Water)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A POTABLE AND NON-POTABLE WATER SUPPLY, STORAGE, TRANSMISSION AND DISTRIBUTION SYSTEM FOR DOMESTIC AND OTHER PUBLIC AND PRIVATE PURPOSES BY ANY AVAILABLE MEANS, AND TO PROVIDE ALL NECESSARY OR PROPER TREATMENT WORKS AND FACILITIES, EQUIPMENT, AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO WELLS, WATER PUMPS, WATER LINES, WATER FEATURES, PURIFICATION PLANTS, PUMP STATIONS, TRANSMISSION LINES, DISTRIBUTION MAINS AND LATERALS, FIRE HYDRANTS, METERS, WATER TAPS, IRRIGATION FACILITIES, CANALS, DITCHES, WATER RIGHTS, FLUMES, PARTIAL FLUMES, HEADGATES, DROP STRUCTURES, STORAGE RESERVOIRS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES,

EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue M (Sanitation/Storm Sewer)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SANITATION SYSTEM WHICH MAY CONSIST OF STORM OR SANITARY SEWERS, OR BOTH, FLOOD AND SURFACE DRAINAGE, TREATMENT AND DISPOSAL WORKS AND FACILITIES, OR SOLID WASTE DISPOSAL FACILITIES OR WASTE SERVICES, AND ALL NECESSARY OR PROPER EQUIPMENT AND APPURTENANCES INCIDENT THERETO, INCLUDING BUT NOT LIMITED TO

TREATMENT PLANTS AND FACILITIES, COLLECTION MAINS AND LATERALS, LIFT STATIONS, TRANSMISSION LINES, CANALS, SLUDGE HANDLING, REUSE AND DISPOSAL FACILITIES, AND/OR STORM SEWER, FLOOD AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, INCLUDING DETENTION/RETENTION PONDS, BOX CULVERTS AND ASSOCIATED IRRIGATION FACILITIES, EQUIPMENT, LAND, EASEMENTS AND SEWER TAPS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue N (Transportation)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE

BOUNDARIES OF THE DISTRICT, A SYSTEM TO TRANSPORT THE PUBLIC BY BUS, RAIL OR ANY OTHER MEANS OF CONVEYANCE, OR ANY COMBINATION THEREOF, OR PURSUANT TO CONTRACT, INCLUDING BUT NOT LIMITED TO PUBLIC TRANSPORTATION SYSTEM IMPROVEMENTS, TRANSPORTATION EQUIPMENT, PARK AND RIDE FACILITIES, PUBLIC PARKING LOTS, STRUCTURES, ROOFS, COVERS AND FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND ALL NECESSARY EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES OR SYSTEMS, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue O (Mosquito Control)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF

DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, MOSQUITO CONTROL AND ERADICATION FACILITIES, IMPROVEMENTS, PROGRAMS, EQUIPMENT AND SUPPLIES NECESSARY FOR THE ELIMINATION OF MOSQUITOES, INCLUDING BUT NOT LIMITED TO THE ELIMINATION OR TREATMENT OF BREEDING GROUNDS AND PURCHASE, LEASE, CONTRACTING OR OTHER USE OF EQUIPMENT OR SUPPLIES FOR MOSQUITO CONTROL WITHIN THE BOUNDARIES OF THE DISTRICT, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue P (Safety Protection)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT

AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A SAFETY PROTECTION SYSTEM OF TRAFFIC AND SAFETY CONTROLS AND DEVICES ON STREETS AND HIGHWAYS AND AT RAILROAD CROSSINGS, INCLUDING BUT NOT LIMITED TO TRAFFIC SIGNALS AND SIGNAGE, AND CONSTRUCTING UNDERPASSES OR OVERPASSES AT RAILROAD CROSSINGS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue Q (Fire Protection)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT

AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES, IMPROVEMENTS AND EQUIPMENT FOR FIRE PROTECTION, INCLUDING BUT NOT LIMITED TO FIRE STATIONS, AMBULANCE AND EMERGENCY MEDICAL RESPONSE AND RESCUE SERVICES AND DIVING AND GRAPPLING STATIONS, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue R (Television Relay and Translation)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING,

REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, TELEVISION RELAY AND TRANSLATION SYSTEM IMPROVEMENTS THROUGH ANY MEANS NECESSARY, INCLUDING BUT NOT LIMITED TO EQUIPMENT, FACILITIES AND STRUCTURES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue S (Security)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, LEASING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE COSTS OF

DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, SECURITY SERVICES AND IMPROVEMENTS INCLUDING PERIMETER AND INTERIOR SECURITY PATROLS, CONSTRUCTION OF SAFETY BARRIERS OR SIMILAR PROTECTIVE MEASURES, ACQUISITION OF SECURITY EQUIPMENT, PROTECTION OF DISTRICT PROPERTY FROM UNLAWFUL DAMAGE OR DESTRUCTION, AND OTHER SECURITY IMPROVEMENTS WHICH MAY BE NECESSARY FOR THE ORDERLY CONDUCT OF DISTRICT AFFAIRS AND FOR PROTECTION OF THE HEALTH, SAFETY, AND WELFARE OF THE DISTRICT RESIDENTS, OCCUPANTS, TAXPAYERS, OFFICERS, AND EMPLOYEES, INCLUSIVE OF THE GENERAL PUBLIC, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue T (Operations and Maintenance Debt)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE

THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, FINANCING OR REFINANCING ALL OR ANY PART OF THE DISTRICT'S OPERATING AND MAINTENANCE EXPENSES, OR ADVANCES OF OPERATING AND MAINTENANCE EXPENSES MADE TO THE DISTRICT, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, SUCH DEBT TO BE INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, AND TO MATURE, BE SUBJECT TO REDEMPTION, WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, AND TO CONTAIN SUCH TERMS, NOT INCONSISTENT HEREWITH, AND BE MADE PAYABLE FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING WITHOUT LIMITATION AD VALOREM PROPERTY TAXES LEVIED IN ANY YEAR OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, THE LIMITS IMPOSED ON INCREASES IN TAXATION BY SECTION 29-1-301, C.R.S., IN ANY YEAR, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue U (Refunding Debt)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$165,000,000 WITH A REPAYMENT COST OF \$1,353,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$1,353,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, BUT NOT TO EXCEED A MAXIMUM NET EFFECTIVE INTEREST RATE OF 18% PER ANNUM, SUCH DEBT TO BE IN ANY FORM DETERMINED BY THE DISTRICT AND ISSUED OR INCURRED FOR THE PURPOSE OF REFUNDING, REFINANCING OR DEFEASING ANY OR ALL OF THE DISTRICT'S DEBT,

SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF THE ABOVE AS DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE PRINCIPAL OF, PREMIUM IF ANY, AND INTEREST ON SUCH DEBT; AND SHALL THE PROCEEDS OF SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue V (District Intergovernmental Agreements as Debt)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO CONSIST OF INTERGOVERNMENTAL AGREEMENTS OR OTHER CONTRACTS WITHOUT LIMIT AS TO TERM WITH THE STATE, ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE, GOVERNMENTAL UNITS, GOVERNMENTALLY-OWNED ENTERPRISES, OR OTHER PUBLIC ENTITIES, WHICH CONTRACTS WILL CONSTITUTE MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS AND WHICH WILL OBLIGATE THE DISTRICT TO PAY, REIMBURSE, FINANCE OR REFINANCE THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, COMPLETING OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, ANY PUBLIC IMPROVEMENT WHICH THE DISTRICT IS LAWFULLY AUTHORIZED TO PROVIDE, OR FOR ANY OTHER LAWFUL ACTIVITY OF THE DISTRICT, CONTAINING SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE TO BE NECESSARY AND APPROPRIATE, ALL AS MAY BE PROVIDED IN SUCH ONE OR MORE INTERGOVERNMENTAL AGREEMENTS OR OTHER

CONTRACTS, SUCH AGREEMENTS AND CONTRACTS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM AND CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING THE OBLIGATIONS OF THE CONTRACTS WHEN DUE; AND SHALL THE PROCEEDS OF THE DEBT REPRESENTED BY SUCH CONTRACTS, THE REVENUES FROM ALL TAXES FROM REVENUE SHARING AGREEMENTS, ANY OTHER REVENUES USED TO PAY THE DEBT OBLIGATIONS REPRESENTED BY SUCH CONTRACTS, AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue W (District Private Agreements as Debt)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, SUCH DEBT TO CONSIST OF AGREEMENTS OR OTHER CONTRACTS WITHOUT LIMIT AS TO TERM WITH ONE OR MORE PRIVATE PARTIES, WHICH CONTRACTS WILL CONSTITUTE MULTIPLE FISCAL YEAR FINANCIAL OBLIGATIONS AND WHICH WILL OBLIGATE THE DISTRICT TO PAY, REIMBURSE OR FINANCE THE COSTS OF FINANCING, DESIGNING, ACQUIRING, CONSTRUCTING, COMPLETING OR OTHERWISE PROVIDING, AND THE COSTS OF OPERATING AND MAINTAINING, ANY PUBLIC IMPROVEMENT WHICH THE DISTRICT IS LAWFULLY AUTHORIZED TO PROVIDE, ALL AS MAY BE PROVIDED IN SUCH CONTRACTS, SUCH CONTRACTS TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM AND CONTAIN SUCH TERMS, NOT INCONSISTENT HERewith, AS THE DISTRICT BOARD OF DIRECTORS MAY DETERMINE; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED

FOR THE PURPOSE OF PAYING THE OBLIGATIONS OF THE CONTRACTS WHEN DUE, THE PROCEEDS OF THE CONTRACTS, THE REVENUES FROM ALL TAXES, FROM REVENUE SHARING AGREEMENTS, ANY OTHER REVENUES USED TO PAY THE CONTRACTS AND ANY EARNINGS FROM THE INVESTMENT OF SUCH PROCEEDS AND REVENUES BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue X (Directional Drilling)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT DEBT BE INCREASED BY \$15,000,000 WITH A REPAYMENT COST OF \$123,000,000; AND SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT TAXES BE INCREASED BY \$123,000,000 ANNUALLY OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, AT AN INTEREST RATE THAT IS EQUAL TO, LOWER OR HIGHER THAN THE INTEREST RATE ON THE REFUNDED DEBT, FOR THE PURPOSE OF PAYING, LEASING, FINANCING OR REIMBURSING ALL OR ANY PART OF THE COSTS OF DESIGNING, ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, FACILITIES AND IMPROVEMENTS FOR INCREMENTAL DIRECTIONAL DRILLING OF OIL AND GAS WELLS DRILLED WITHIN THE GREATER WATTENBERG AREA, AS THAT TERM IS DEFINED IN SECTION 24-65.5-102, C.R.S., AS IT CURRENTLY EXISTS OR MAY BE AMENDED IN THE FUTURE, TOGETHER WITH ALL NECESSARY, INCIDENTAL AND APPURTENANT FACILITIES, EQUIPMENT, LAND, EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SUCH FACILITIES, SUCH DEBT TO BEAR INTEREST AT A MAXIMUM NET EFFECTIVE INTEREST RATE NOT TO EXCEED 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES, AND WHICH MAY COMPOUND PERIODICALLY AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND SUCH DEBT TO MATURE, BE SUBJECT TO REDEMPTION WITH OR WITHOUT PREMIUM, AND BE ISSUED AND SOLD AT, ABOVE OR BELOW PAR, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME IN ONE SERIES OR MORE, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT, INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES OR SPECIAL ASSESSMENTS, ALL OF ABOVE AS MAY BE DETERMINED BY THE DISTRICT; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT, WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAX INCREASE SET FORTH ABOVE OR BY SUCH LESSER AMOUNT AS MAY BE NECESSARY, TO BE USED FOR THE PURPOSE OF PAYING SUCH DEBT; AND SHALL

THE PROCEEDS OF ANY SUCH DEBT AND THE REVENUE FROM SUCH TAXES, ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT IN FISCAL YEAR 2020 AND IN EACH FISCAL YEAR THEREAFTER AS A VOTER-APPROVED REVENUE CHANGE, WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, OR ANY OTHER LAW WHICH PURPORTS TO LIMIT THE DISTRICT'S REVENUES OR EXPENDITURES AS IT CURRENTLY EXISTS OR AS IT MAY BE AMENDED IN THE FUTURE, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED, RETAINED AND SPENT BY THE DISTRICT?

Ballot Issue Y (Mortgage)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT BE AUTHORIZED TO ISSUE, CREATE, EXECUTE, AND DELIVER MORTGAGES, DEEDS OF TRUST, LIENS, AND OTHER ENCUMBRANCES ON DISTRICT REAL AND PERSONAL PROPERTY, WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND INCLUDING WATER AND WATER RIGHTS, SUCH ENCUMBRANCES TO BE IN THE TOTAL PRINCIPAL AMOUNT OF NOT MORE THAN \$15,000,000, PLUS INTEREST THEREON AT A NET EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS TO BE NECESSARY OR APPROPRIATE IN CONNECTION WITH THE ISSUANCE OF BONDS, NOTES, CONTRACTS, OR OTHER FINANCIAL OBLIGATIONS OF THE DISTRICT; SUCH ENCUMBRANCES TO BE CREATED FOR THE PURPOSE OF PROVIDING ADDITIONAL SECURITY FOR DISTRICT FINANCIAL OBLIGATIONS, AND TO BE CREATED AT ONE TIME OR FROM TIME TO TIME; SUCH MORTGAGES, DEEDS OF TRUST, LIENS, OR OTHER ENCUMBRANCES TO ENTITLE THE OWNER OR BENEFICIARY THEREOF TO FORECLOSE UPON AND TAKE TITLE TO AND POSSESSION OF THE DISTRICT PROPERTY SO ENCUMBERED IN THE MANNER AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE SUCH COVENANTS REGARDING THE USE OF THE ENCUMBERED PROPERTY AND OTHER MATTERS ARISING UNDER THE ENCUMBRANCES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

Ballot Issue Z (Multiple Fiscal Year Intergovernmental Agreement)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE, ONE OR MORE POLITICAL SUBDIVISIONS OF THE STATE, A REGIONAL AUTHORITY, OR GOVERNMENTALLY-OWNED ENTERPRISES, FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS PUBLIC IMPROVEMENTS, FACILITIES AND PROPERTIES, OR FOR ANY OTHER LAWFUL ACTIVITY OF THE DISTRICT, CONTAINING SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE

TO BE NECESSARY AND APPROPRIATE, WHICH AGREEMENT MAY CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS?

Ballot Issue AA (Multiple Fiscal Year Private Agreement)

SHALL JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE AGREEMENTS WITH PRIVATE PARTIES FOR THE PURPOSE OF FINANCING THE COSTS OF ANY PUBLIC IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS PUBLIC IMPROVEMENTS, FACILITIES AND PROPERTIES, OR FOR ANY OTHER LAWFUL ACTIVITY OF THE DISTRICT, CONTAINING SUCH TERMS AND CONDITIONS AS THE DISTRICT MAY DETERMINE TO BE NECESSARY AND APPROPRIATE, WHICH AGREEMENT MAY CONSTITUTE A MULTIPLE FISCAL YEAR FINANCIAL OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BY LAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE DISTRICT BOARD OF DIRECTORS?

EXHIBIT B
To
INDENTURE OF TRUST
(Form of Bond)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R- _____

\$ _____

UNITED STATES OF AMERICA
STATE OF COLORADO
TOWN OF JOHNSTOWN, COUNTY OF WELD

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

Johnstown Farms East Metropolitan District (the “District”), a special district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the Pledged Revenue (as defined in the Indenture described below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 1, 2021, in which event this Bond shall bear interest from the original issue date specified above, at the interest rate per annum specified above, payable on December 1 each year, commencing on December 1, 2021, until the principal amount is paid at maturity or upon prior redemption.

Notwithstanding anything herein to the contrary, this Bond and interest hereon shall be deemed to be paid, satisfied, and discharged on December 2, 2060 (the “Termination Date”), regardless of the amount of principal and interest paid prior to the Termination Date.

To the extent principal of this Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date and shall continue to bear interest at the rate then borne by this Bond. To the extent interest on this Bond is not paid when due, such interest shall compound on each interest payment date, at the rate borne by this Bond; provided however, that notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount. The Bonds are issued

pursuant to that certain Indenture of Trust (the “Indenture”) between the District and UMB Bank, n.a., as trustee (the “Trustee”).

The principal of this Bond and premium, if any, are payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of the Trustee. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the Trustee at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the “Record Date”), and shall be paid by check or draft of the Trustee mailed on or before the interest payment date to such registered owner at his address as it appears on such registration books. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Trustee as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the “Special Record Date”) established for the payment of any unpaid interest. Notice of the Special Record Date and the date fixed for the payment of unpaid interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond is one of a series aggregating \$7,062,000 par value, all of like date, tenor, and effect, issued by the District for the purpose of paying the costs of providing certain public improvements for the District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, Part 11, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution (as defined in the Indenture) and the Indenture. Pursuant to §11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado; that at the election lawfully held within the District on November 3, 2020, the incurrence of the indebtedness represented by this Bond was duly authorized by a majority of the electors of the District qualified to vote and voting at said election; and that provision has been made for the levy and collection of an ad valorem tax on all of the taxable property within the District in the amount of the Required Mill Levy (as defined in the Indenture) for the purpose of paying the principal of and interest on this Bond as the same respectively become due.

The Bonds are payable solely from and to the extent of the Pledged Revenue (as defined by the Indenture), and the Pledged Revenue is pledged to the payment of the Bonds. The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien.

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

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.

Bonds of this issue are subject to redemption prior to maturity as provided in the Indenture. The Bonds will be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of this Bond is redeemed, the Trustee shall,

without charge to the registered owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice of prior redemption shall be given to the registered owner of this Bond not less than thirty (30) days prior to the date fixed for redemption in the manner set forth in the Indenture. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first business day following the ensuing interest payment date; or (b) during the period beginning at the opening of business on a date forty-five (45) days prior to the date of any redemption of Bonds and ending at the opening of business on the first business day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The District and the Trustee may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District or the Trustee.

This Bond may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Trustee of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Trustee shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

If the date for making any payment or performing any action shall be a legal holiday or a day on which the principal office of the Trustee is authorized or required by law to remain closed, such payment may be made or act performed on the next succeeding day which is not a legal holiday or a day on which the principal office of the Trustee is authorized or required by law to remain closed.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

(the remainder of this page is left blank intentionally)

IN TESTIMONY WHEREOF, the Board of Directors of Johnstown Farms East Metropolitan District has caused this Bond to be signed by the manual, electronic, or facsimile signature of the President or Vice President of the District, sealed with a manual, electronic, or facsimile impression of the seal of the District, and attested by the manual, electronic, or facsimile signature of the Secretary or Assistant Secretary thereof, all as of the original issue date specified above.

(S E A L)

**JOHNSTOWN FARMS EAST METROPOLITAN
DISTRICT**

President or Vice President

ATTEST:

Secretary or Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

Date of Registration and Authentication:

UMB BANK, N.A.
as Bond Registrar

Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

Name and address of Assignee:

Social Security or Federal Employer Identification
Number of Assignee:

the within Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature of Registered Owner:

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

(End of Form of Bond)

EXHIBIT C

To

INDENTURE OF TRUST

(Form of Project Fund Requisition)

Requisition No. _____

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
INDENTURE OF TRUST
DATED OCTOBER 13, 2021
GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021**

The undersigned District Representative (capitalized terms used herein shall have the meanings ascribed thereto by the above Indenture) hereby makes a requisition from the Project Fund held by UMB Bank, n.a., as trustee under the Indenture, and in support thereof states:

1. The amount to be paid or reimbursed pursuant hereto is \$_____.

2. The name and address of the person, firm, or corporation to whom payment is due or has been made is as follows:

3. Payment is due to the above person for (describe nature of the obligation)

_____.

4. The amount to be paid or reimbursed pursuant hereto shall be transmitted by the Trustee as follows (wire transfer or other transmission instructions):

5. The above payment obligations have been or will be properly incurred, is or will be a proper charge against the Project Fund, and have not been the basis of any previous withdrawal. The disbursement requested herein will be used solely for the payment of Project Costs. To the best knowledge of the undersigned, no Event of Default has occurred and is continuing.

6. With respect to the disbursement of funds by the Trustee from the Project Fund pursuant to this Project Fund Requisition, on behalf of the District, the undersigned District Representative or District President hereby: (a) certifies that the District has reviewed the wire instructions set forth in this Project Fund Requisition, and confirms that, to the best of the District's knowledge, such wire instructions are accurate; (b) agrees that, to the extent permitted by law and without waiving any rights or privileges under the Colorado Governmental Immunity Act (as may be amended), the District will indemnify and hold harmless the Trustee from and against any and all claims, demands, losses, liabilities, and expenses sustained, including, without limitation,

attorney fees, arising directly or indirectly from the Trustee's disbursement of funds from the Project Fund in accordance with this Project Fund Requisition and the wiring instructions provided herein; and (iii) agrees that the District will not seek recourse from the Trustee as a result of losses incurred by the District arising from the Trustee's disbursement of funds in accordance with this Project Fund Requisition.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

District Representative

CONTINUING DISCLOSURE AGREEMENT

\$7.062,000

**Johnstown Farms East Metropolitan District
In the Town of Johnstown, Weld County, Colorado
General Obligation Limited Tax Bonds
Series 2021**

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) is entered into on October 13, 2021, by and among **JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT**, in the Town of Johnstown, Weld County, Colorado (the “District”), **TF JOHNSTOWN FARMS, L.P.**, a Delaware limited partnership (the “Developer”), and **UMB BANK, N.A.**, Denver, Colorado, as trustee (the “Trustee”) for the above-captioned bonds (the “Bonds”).

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and to assist in the marketing of the Bonds by Hilltop Securities, Inc. (the “Underwriter”).

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

“*Annual Report*” has the meaning assigned to such term in Section 3 of this Agreement.

“*Audited Financial Statements*” means the most recent annual financial statements for the District prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Bond Resolution*” means the resolution or resolutions authorizing the issuance of the Bonds adopted by the Board of Directors of the District on September 20, 2021.

“*Development Substantial Completion Date*” has the meaning assigned to such term in Section 5 of this Agreement.

“*Indenture*” means the Indenture of Trust relating to the Bonds dated as of October 13, 2021, by and between the District and the Trustee, as such Indenture may be amended or supplemented from time to time.

“*Limited Offering Memorandum*” means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds, dated October 6, 2021.

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX MATTERS." The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Tax Code. See "FINANCIAL INSTITUTION INTEREST DEDUCTION."

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
(IN THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO)**

\$7,062,000

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021

This Limited Offering Memorandum describes the Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021 (the "Bonds"). The Bonds are issued as fully registered bonds in denominations of \$500,000 or any integral multiple of \$1,000 in excess thereof, pursuant to an Indenture of Trust (the "Indenture") between Johnstown Farms East Metropolitan District (the "District"), in the Town of Johnstown, Weld County, Colorado, and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee"). The Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interests in the Bonds. See "THE BONDS – Book-Entry Only System." Capitalized terms used on this cover page are defined in the "INTRODUCTION" section of in Appendix E.

The Bonds bear interest at the rate set forth below, payable (but only to the extent of Pledged Revenue available for such purpose) on December 1, 2021, and annually thereafter on December 1 of each year. See "THE BONDS."

MATURITY SCHEDULE

\$7,062,000 5.000% Term Bond Due December 1, 2051 - Price: 100% (CUSIP® Number: 47953A AA3)

Dated: Date of Delivery

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO A HIGH DEGREE OF INVESTMENT RISK. THE BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS AND ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS," AS DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES. REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS DEPENDENT UPON DEVELOPMENT OCCURRING WITHIN THE DISTRICT AND UPON FUTURE INCREASES IN THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT, NEITHER OF WHICH MAY OCCUR.

The Bonds constitute "cash flow" (meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment) limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue, which is defined generally in the Indenture as moneys derived by the District from the following sources: (i) the Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. **Principal is due on the Bonds on each December 1 only to the extent Pledged Revenue is available therefor, and there is no expectation that any principal on the Bonds will be paid until 2036, as projected in the Financial Forecast (defined herein), and failure to make such payments will not be considered an Event of Default under the Indenture. In the event any amounts due and owing on the Bonds remain outstanding after the application of all Pledged Revenue available therefor on December 2, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding.** The designation "(3)" in the title of the Bonds indicates that such bonds are being sized and priced based on an assumption that residential assessed values in the District will appreciate at an annual rate of 3% (6% biennially) throughout their term, which is not guaranteed to occur. See the Appreciation Analysis attached hereto as Exhibit B.

For further description of the security for the Bonds, see "SECURITY FOR THE BONDS." **The Bonds are not obligations of the Town of Johnstown, Weld County or the State of Colorado.**

The Bonds are subject to optional and mandatory redemption prior to maturity at the option of the District as described in the Indenture. See "THE BONDS – Prior Redemption."

Proceeds of the Bonds will be used to: (i) finance or reimburse the costs of certain public improvements related to a residential development that is planned to be located within the boundaries of the District; and (ii) pay certain costs of issuing the Bonds.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Limited Offering Memorandum to obtain information essential to making an informed investment decision, giving particular attention to the section entitled "RISK FACTORS."

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter subject to the approval of legality of the Bonds by Sherman & Howard L.L.C., Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., Denver, Colorado, is also acting as disclosure counsel to the District. Kutak Rock LLP, Denver, Colorado has acted as counsel to the Underwriter. Certain legal matters will be passed upon for the District by its general counsel, White Bear Ankele Tanaka & Waldron, Professional Corporation, Centennial, Colorado. MuniCap, Inc., Columbia, Maryland, has served as Municipal Advisor to the District in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about October 13, 2021.



This Limited Offering Memorandum is dated as of October 6, 2021.

USE OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum, which includes the cover page and the Appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Limited Offering Memorandum in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

The information set forth in this Limited Offering Memorandum has been obtained from the District, from the sources referenced throughout this Limited Offering Memorandum and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of information received from parties other than the District. In accordance with its responsibilities under federal securities laws, the Underwriter has reviewed the information in this Limited Offering Memorandum but does not guarantee its accuracy or completeness. This Limited Offering Memorandum contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Limited Offering Memorandum are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Limited Offering Memorandum.

This Limited Offering Memorandum has been prepared only in connection with the original offering of the Bonds and may not be used for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the District, the Bonds and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
(In the Town of Johnstown, Weld County, Colorado)**

Board of Directors

Craig Campbell, President
Kurtis Jones, Secretary and Treasurer
Jack Hoagland, Assistant Secretary
Mary Kirschner, Assistant Secretary
Michael Pietschmann, Assistant Secretary

Trustee, Registrar, and Paying Agent

UMB Bank, n.a.
Denver, Colorado

General Counsel

White Bear Ankele Tanaka & Waldron, Professional Corporation
Centennial, Colorado

Bond Counsel and Disclosure Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Municipal Advisor

MuniCap, Inc.
Baltimore, Maryland

Underwriter's Counsel

Kutak Rock LLP
Denver, Colorado

Underwriter

Hilltop Securities Inc.
Denver, Colorado

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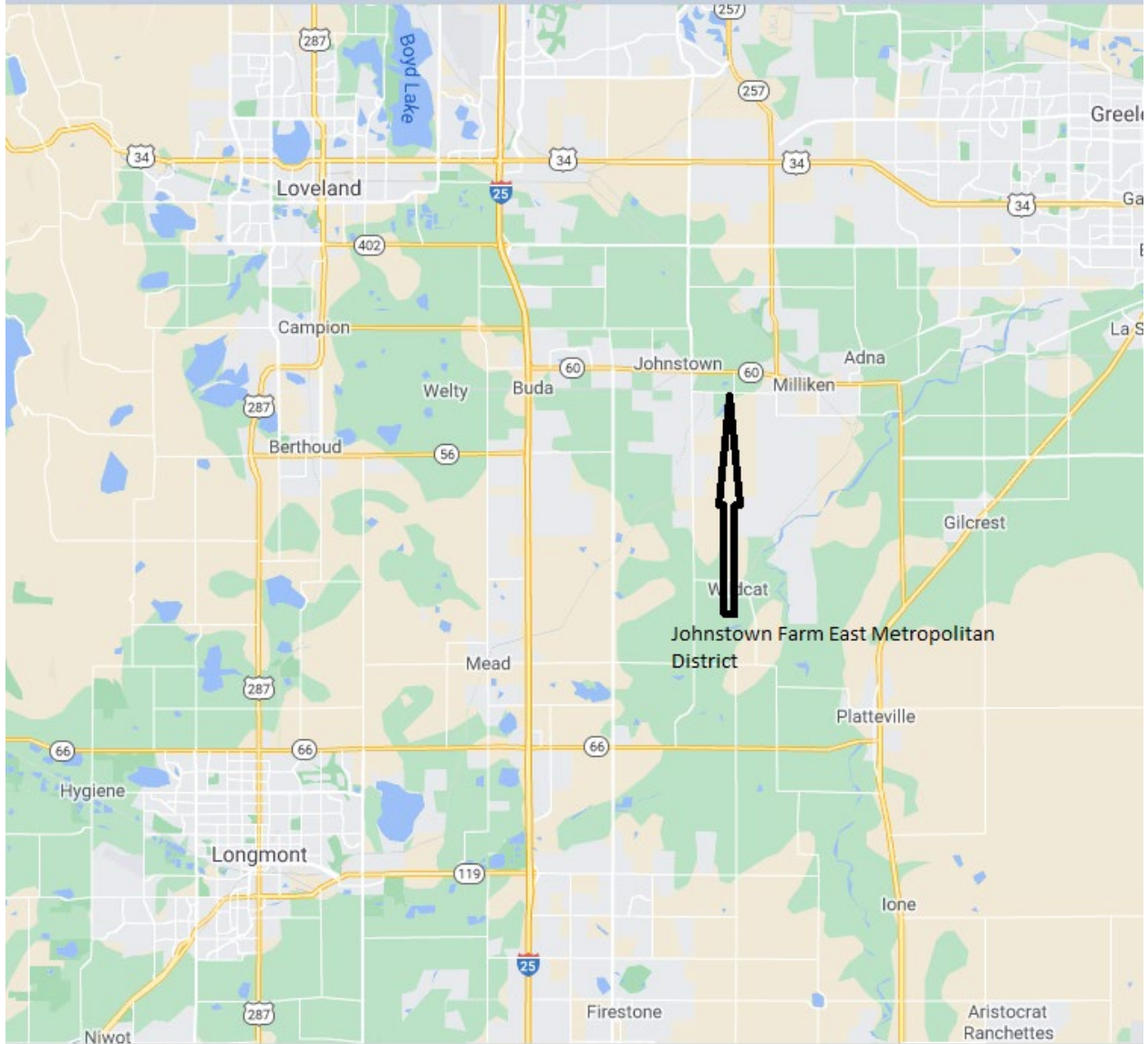
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NOTE: Tables marked with an (*) indicate information to be updated pursuant to the Continuing Disclosure Agreement. See “INTRODUCTION – Continuing Disclosure Undertaking” and Appendix F. *Only historical data in such tables as of the end of the prior fiscal year, and not budgeted, estimated, forecasted or subsequent information, is required to be updated. Additional limitations in the information to be updated are set forth in Appendix F.*

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VICINITY MAP



AERIAL VIEW OF THE DISTRICT



AERIAL VIEW OF THE DISTRICT



LIMITED OFFERING MEMORANDUM

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
(IN THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO)**

\$7,062,000

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021

INTRODUCTION

General

This Limited Offering Memorandum, which includes the cover page and the appendices, provides information in connection with the offer and sale of the Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021 (the “Bonds”), to be issued by Johnstown Farms East Metropolitan District (the “District”), in the Town of Johnstown (the “Town”), Weld County (the “County”), Colorado, a political subdivision of the State of Colorado (the “State”), in the total aggregate principal amount of \$7,062,000.

The Bonds will be issued pursuant to a resolution (the “Bond Resolution”) adopted by the Board of Directors of the District (the “Board”) prior to the issuance of the Bonds. The Bonds will also be issued pursuant to an Indenture of Trust between the District and UMB Bank, n.a. (the “Trustee”) Denver, Colorado, as trustee, dated as of the date of issuance of the Bonds (the “Indenture”).

The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein, particularly the section entitled “RISK FACTORS.” Detachment or other use of this “INTRODUCTION” without the entire Limited Offering Memorandum, including the cover page and appendices, is unauthorized. Undefined capitalized terms have the meanings given in the Indenture, as set forth in Appendix E.

The District

General. The District was formed pursuant to an Order and Decree entered by the District Court of Weld County, Colorado on November 30, 2020 and recorded in the real property records of the County on December 2, 2020. The District is a special district formed pursuant to Title 32, Article 1, Colorado Revised Statutes (“C.R.S.”) (the “Special District Act”) for the purpose of financing and constructing public improvements benefiting the inhabitants and taxpayers of the District and the public at large. Formation of the District was preceded by the approval by the Town Council of the Town of a Service Plan on September 21, 2020 (the “Service Plan”).

Boundaries and Location. The District consists of approximately 90.563 acres, all of which (other than property set aside for street rights-of-way, drainage, open space, park and recreation and similar public uses) is planned to be developed for residential uses. The District is located on the southeast corner of Weld County Roads 46½ and 17 in the Town. See “VICINITY MAP” and “AERIAL VIEW OF THE DISTRICT.”

Assessed Value of the District. The 2020 certified assessed valuation of the District is \$268,640, and the 2021 preliminary assessed valuation of the District is \$134,870 (subject to change until December 10, 2021). Pursuant to Section 39-1-105, C.R.S., all taxable property within the State is assessed as of January 1st of each year. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Tax Data.”

The Development

TF Johnstown Farms, L.P., a Delaware limited partnership (the “Developer”), is serving as the developer for a residential subdivision that is presently master planned to include 361 single-family detached homes to be located within the District and the Future Inclusion Area (defined herein) (as more fully described herein, the “Development”). *As more fully described herein, there is no guarantee that the Future Inclusion Area will ever be included within the boundaries of the District.*

The land area comprising Filing 3 of the Development is currently included within the boundaries of the District and encompasses 90.563 acres. As more fully described herein, the land area comprising Filing 3 of the Development has been platted into 119, 60-foot lots and 122, 50-foot lots for a total of 241 lots. Lennar Colorado, LLC, a Colorado limited liability company (“Lennar”), and Century Land Holdings, LLC, a Colorado limited liability company (“Century”), each of which are affiliates of national homebuilders, currently own 100% of the Filing 3 lots: Century owning 61 of the 50-foot lots and 60 of the 60-foot lots and Lennar owning 61 of the 50-foot lots and 59 of the 60-foot lots. No vertical construction has yet commenced within Filing 3 of the Development but certain horizontal infrastructure has been completed and is ongoing as described more fully below under “THE DEVELOPMENT – Public Improvements – Filing 3.” According to the Developer, Lennar and Century will begin model home construction in the first quarter of 2022 with home sales beginning shortly thereafter. Both builders anticipate their first home delivery in late 2022.

Additional information regarding the Development is set forth under “THE DEVELOPMENT.” *To date, no vertical construction has commenced within the Development.*

Security for the Bonds

General. The Bonds constitute “cash flow” (meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment) limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue as described herein. *Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.*

The Pledged Revenue may or may not be sufficient to pay the principal of and interest on the Bonds. *No representation is made by the District or the Underwriter that the Pledged Revenue will be sufficient to pay the principal of and interest on the Bonds. See “RISK FACTORS,” “SECURITY FOR THE BONDS” and “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT.”*

Pledged Revenue. The Indenture defines “Pledged Revenue” as the moneys derived by the District from the following sources: (i) the Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (iv) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. See Appendix E – Summary of Certain Definitions in the Indenture.

Required Mill Levy. The Indenture defines “Required Mill Levy” as the following, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of 40 mills, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that if, on or after September 21, 2020, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided in the Indenture shall 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 September 1, 2020, 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) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Capital Fees. The Indenture defines “Capital Fees” as all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District or any District-owned “enterprise” under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

Specific Ownership Tax. The Pledged Revenue includes the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy. Specific Ownership Tax is defined in the Indenture as the specific ownership tax which is collected by the county and remitted to the District pursuant to §42-3-107, C.R.S., or any successor statute.

No Regularly Scheduled Payments on the Bonds. The Bonds are structured as “cash flow” bonds, meaning that (a) principal on the Bonds is payable on each December 1 from, and only to the extent of, Pledged Revenue available therefor, if any, in accordance with the terms of the Indenture, pursuant to a mandatory redemption more particularly described in “THE BONDS - Prior Redemption - Mandatory Redemption” and (b) interest on the Bonds is payable on each December 1, but only from and to the extent of, Pledged Revenue available therefor. Unpaid interest will accrue and compound annually on each Interest Payment Date, at the rate of interest then borne by the Bonds until sufficient Pledged Revenue is available for payment. The failure to pay interest on each December 1 is not an Event of Default under the Indenture. The failure to pay principal on each December 1 or upon the maturity date also is not an Event of Default under the Indenture. See “SECURITY FOR THE BONDS – Events of Default and Remedies.” If, however, Pledged Revenue is available on any December 1, then all such revenue must be applied first to pay interest due on the Bonds and then to pay all or a portion of the principal amount of the Bonds, and such Bonds will be subject to mandatory redemption on that date in advance of their maturity date.

Discharge Date. In the event any amounts due and owing on the Bonds remain unpaid after the application of all Pledged Revenue available therefor on December 2, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding. See “RISK FACTORS – Discharge Date.”

Purpose

Proceeds of the Bonds will be used to (i) finance the costs of certain public improvements related to the Development; and (ii) pay certain costs of issuing the Bonds. See “USES OF PROCEEDS.”

The Bonds; Prior Redemption

The Bonds are issued solely as fully registered certificates in the denominations of \$500,000 or any integral multiple of \$1,000 in excess thereof. The Bonds mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page hereof. The payment of principal and interest on the Bonds is described in “THE BONDS – Payment of Principal and Interest; Record Date.” The Bonds are subject to optional and mandatory redemption, as more particularly described in “THE BONDS – Prior Redemption.”

Authority for Issuance

The Bonds are issued in full conformity with the constitution and laws of the State, particularly the Special District Act, Title 32, Article 1, Part 11, C.R.S., and Title 11,

Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), and pursuant to the Bond Resolution, the election of the District held on November 3, 2020 (the “Election”), and the Indenture.

Book-Entry Registration

The Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See “THE BONDS – Book-Entry Only System.”

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. See “TAX MATTERS” herein and the form of Bond Counsel opinion attached hereto as Appendix H.

Professionals

Sherman & Howard L.L.C., Denver, Colorado, is acting as Bond Counsel and Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado, is acting as counsel to the Underwriter. White Bear Ankele Tanaka & Waldron, Professional Corporation, Centennial, Colorado, represents the District as general counsel. UMB Bank, n.a., Denver, Colorado will act as the trustee, paying agent and registrar for the Bonds. Hilltop Securities Inc., Denver, Colorado, will act as the underwriter for the Bonds (the “Underwriter”). MuniCap, Inc., Columbia, Maryland, is serving as Municipal Advisor to the District in connection with the issuance of the Bonds. See “UNDERWRITING.”

Continuing Disclosure Undertaking

Continuing Disclosure Agreement. Although the Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, section 240.15c2-12) (the “Rule”), the District, the Developer, and UMB Bank, n.a., as Dissemination Agent, have agreed, pursuant to the provisions of the Continuing Disclosure Agreement dated as of the date of delivery of the Bonds (the “Continuing Disclosure Agreement”), to provide certain information to the Trustee on a quarterly and annual basis for dissemination to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access and to provide notice of certain material events. The form of the Continuing Disclosure Agreement is attached hereto as Appendix F.

No Prior Continuing Disclosure Undertakings. The District has never entered into a previous undertaking under the Rule or otherwise.

Delivery Information

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to: prior sale, the approving legal opinion of Bond Counsel (the form of such opinion is attached hereto as Appendix H), and certain other matters. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about October 13, 2021.

Additional Information

All references herein to the Indenture, the Bond Resolution, and other documents are qualified in their entirety by reference to such documents. Additional information and copies of the documents referred to herein are available from the following sources, as applicable:

The District:

Johnstown Farms East Metropolitan District
c/o White Bear Ankele Tanaka & Waldron,
Professional Corporation
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
Telephone: (303) 858-1800

The Underwriter:

Hilltop Securities Inc.
8055 East Tufts Avenue,
Suite 500
Denver, Colorado 80237
Telephone: (303) 248-2521

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, including but not limited to the Market Study attached as Appendix A, the Appreciation Analysis attached as Appendix B, and the Forecasted Surplus Cash Balances and Cash Receipts and Disbursements Report (the “Financial Forecast”) attached as Appendix C, and, without limitation, the information in “RISK FACTORS” and “INTRODUCTION – The Development” contains statements relating to future results that are “forward-looking statements.” When used in this Limited Offering Memorandum, the words “estimate,” “intend,” “expect,” “anticipate,” “plan,” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material. For a discussion of certain of such risks, see the following section, “RISK FACTORS.”

RISK FACTORS

Each prospective purchaser of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. The ability of the District to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Limited Offering Memorandum. Certain of such investment considerations are set forth below. This section of this Limited Offering Memorandum does not purport to summarize all of the risks. Investors should read this Limited Offering Memorandum in its entirety.

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser of the Bonds must be a “financial institution or institutional investor” within the meaning of Section 32-1-103(6.5), C.R.S (a “Financial Institution or Institutional Investor”). By their acceptance of the Bonds, each purchaser acknowledges that it is a Financial institution or Institutional Investor with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds, (2) it is acquiring the Bonds for its own account and not with a view to the further distribution thereof, and (3) the Bonds may be sold, transferred or otherwise disposed of only in minimum denominations of \$500,000 and any integral multiple of \$1,000 in excess thereof.

See “Secondary Market for the Bonds; No Rating; Investor Restrictions and Suitability” below.

Lack of Operating History

The District was formed in 2020 and has a very limited operating history. Until an adequate tax base is established within the District, the District will be reliant upon Developer advances to fund operations. See “THE DISTRICT – District Agreements.”

Limited Security for the Bonds

General. The Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue as described herein. The primary component of the Pledged Revenue is expected to be property tax revenues collected by the District and pledged to the payment of the Bonds pursuant to the Indenture. See “SECURITY FOR THE BONDS.” The District’s ability to retire the indebtedness created by the issuance of the Bonds is therefore dependent upon the establishment and maintenance of an adequate tax base within the District from which the District can collect sufficient property tax revenues from the imposition of the Required Mill Levy. ***Because the property within the District is currently within an early stage of Development, the District does not currently possess a material tax base from which such tax revenues may be generated. Development within the District will be necessary to generate such revenues.*** Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.

The Pledged Revenue may or may not be sufficient to pay the principal of and interest on the Bonds. *No representation is made by the District or the Underwriter that the Pledged Revenue will be sufficient to pay the principal of and interest on the Bonds. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT.”*

Limited Tax Pledge. The Required Mill Levy is limited to 40 mills (subject to adjustment as described herein). In the event that the Pledged Revenue is insufficient to pay the Bonds when due, the unpaid principal will remain Outstanding until paid, and the unpaid interest will compound annually on each interest payment date for the Bonds, at the rate then borne by the Bonds, until paid or until the total repayment obligation of the District for the Bonds equals the amount permitted by law and its electoral authorization or, as described herein, until December 2, 2060. *During this period of accrual, the District will not be in default on the payment of such principal and interest, and the Owners will have no recourse against the District to require such payments (other than to require the District to continue to assess, enforce and collect the Required Mill Levy under the circumstances set forth in the Indenture, and apply the other components of Pledged Revenue as required by the Indenture).* In addition, the District will not be liable to Owners for unpaid principal and interest beyond the amount permitted by law and its electoral authorization, and all Bonds will be deemed defeased and no longer outstanding upon the payment by the District of such amount. See “SECURITY FOR THE BONDS.”

No Regularly Scheduled Payments on the Bonds

The Bonds are structured as “cash flow” bonds, meaning that (a) principal on the Bonds is payable on the Mandatory Redemption Date(s) (each December 1) from, and only to

the extent of, Pledged Revenue available therefor, if any, in accordance with the terms of the Indenture, pursuant to a mandatory redemption more particularly described in “THE BONDS - Prior Redemption - Mandatory Redemption,” and (b) interest on the Bonds is payable on each December 1, but only from and to the extent of, Pledged Revenue available therefor. Unpaid interest will accrue and compound annually at the rate of interest on the Bonds until sufficient Pledged Revenue is available for payment, if ever. *The failure to pay interest each December 1 is not an Event of Default under the Indenture. The failure to pay principal on any Mandatory Redemption Date or upon the maturity date also is not an Event of Default under the Indenture.* See “SECURITY FOR THE BONDS – Events of Default and Remedies.” If, however, Pledged Revenue is available on a Mandatory Redemption Date, then all such revenue must be applied first to pay interest due on the Bonds and then to pay all or a portion of the principal amount of the Bonds, and such Bonds will be subject to mandatory redemption on that date in advance of their maturity date. See “THE BONDS - Prior Redemption – Mandatory Redemption.” *No representation is made by the District or the Underwriter that the Pledged Revenue will be sufficient to pay the principal of and interest on the Bonds.* See “SECURITY FOR THE BONDS.”

Discharge Date

The Indenture provides that notwithstanding any other provision therein, in the event any amounts due and owing on the Bonds remain unpaid after the application of all Pledged Revenue available therefor on December 2, 2060, such amounts shall be deemed discharged and shall no longer be due and outstanding, and the lien of the Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid.

Risks Related to Property Tax Revenues

Generally. The primary source of security for the Bonds is expected to be property taxes imposed by the District. The level of property tax revenues generated by the District’s imposition of the Required Mill Levy depends upon the assessed valuation of the property within the District and its ability to collect property taxes. This section describes certain risks related to such property tax revenues.

Valuation and Uses of Property. The assessed value of property in the District for ad valorem property tax purposes is determined according to a procedure described under “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes.” Assessed valuations may be affected by a number of factors beyond the control of the District. For example, property values may decline due to general economic conditions. Property owners are also entitled to challenge the valuations of their property. No assurance can be given that the owners of taxable property in the District will not seek to do so. Further, property used for tax-exempt purposes may not be subject to taxation by the District.

Should any events result in lower assessed valuations of property in the District, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the level at which property is assessed for tax purposes, the District's ability to enforce and collect the property tax is dependent upon the property in the District having sufficient fair market value to support the taxes which are imposed. *The property within the District is in a very early stage of Development. No assurance can be given as to the future market values of property in the District.* See “ - Development Not Assured, and “ - Risks Related to COVID-19 (Coronavirus)” below.

Dependence Upon Timely Payment of Property Tax; Tax Collections. Delinquency in the payment of property taxes by property owners within the District would impair the District's ability to meet debt service requirements on the Bonds in a timely manner. Property taxes do not constitute personal obligations of a property owner. While the current year's taxes constitute a lien upon assessed property and the County Treasurer required by statute to offer for sale delinquent property to satisfy the District's tax lien for the year in which the taxes are in default, this remedy can be time-consuming. Furthermore, any such tax sale would be only for the amount of taxes due and unpaid for the particular tax year in question.

In addition, the District's ability to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor's rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold only if the bankruptcy court approves the sale. No assurance is provided that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment. If the property taxes are not paid over a period of years, the District's ability to pay principal and interest on the Bonds could be materially adversely affected.

Concentration of Taxpayers Risks. All of the taxable land within the District is currently owned by three entities. Accordingly, the responsibility for payment of the District's property taxes is currently the responsibility of a limited number of landowners. Until such time as land within the District is sold to homeowners, the responsibility for the payment of all property taxes within the District will remain highly concentrated.

Risks Related to COVID-19 (Coronavirus)

The spread of the coronavirus disease 2019 (“COVID-19”) is currently altering the behavior of individuals and businesses in a manner that is having significant impacts on global, national, and local economies. State and local governments, including the State, have previously announced orders, recommendations and other measures intended to slow the spread of COVID-19, including the closing of businesses and “stay at home” orders. Currently, there are no capacity limitations or mask mandates in the County. These COVID-19 measures are changing rapidly and are subject to continual change. The Colorado Department of Public Health and Environment (“CDPHE”) provides information relating to COVID-19 and related developments in the State on its website, <https://colorado.gov/cdphe/>. *

* References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum.

Property Tax Orders and Legislation. On June 28, 2021, Governor Jared Polis signed Senate Bill 21-279 (“SB 21-279”). SB 21-279 allows a board of county commissioners or the Town Council of any city and county, with approval of the elected county treasurer, to reduce, waive, or suspend interest accrued on delinquent property tax payments for any period of time between June 16, 2021 and September 30, 2021. Such legislation is similar to legislation that was passed in 2020 (House Bill 20-1421, which has since expired). SB 21-279 further provides that if a local taxing jurisdiction (such as the District) is unable to meet bond payment obligations due to, and within the period, of the waiver or reduction of the interest rate, such jurisdiction is to provide notice to the applicable county and in such case, the applicable county is required to advance property tax amounts to the local taxing jurisdiction to pay bonded indebtedness or monthly operations costs. Such advance may not exceed 90% of the property tax due to the local taxing jurisdiction and may not exceed the shortfall. SB 21-279 is to be automatically repealed on December 31, 2021. Weld County has not yet elected to waive delinquent property tax interest in accordance with SB 21-279. See “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT — Ad Valorem Property Tax Data.”

Potential Impact on the District. The Pledged Revenue is derived primarily from ad valorem property taxes. Significant delays in the receipt of property taxes or material decreases in the amount of tax revenue generated by the District would affect the security for the Bonds. If Governor Polis issues additional executive orders or legislation is passed which authorizes or directs county treasurers to further extend payment deadlines, waive interest, or forgive liability for property taxes, there is no guarantee that such additional action would not adversely affect the amount or timing of the District’s property tax revenue. In addition, if retail and lodging property is constructed within the District, there is no assurance that retail sales and lodging activities will not be adversely impacted by COVID-19. There can be no assurance that the Pledged Revenue will be received in the amounts which are projected in the Financial Forecast.

The District cannot predict at this time the future impacts of COVID-19 on its financial conditions, if any.

General Economic Impact of COVID-19. It is unknown how extensive the spread of the COVID-19 disease will be in the nation or the State, how long the current restrictions will remain in place, or whether new restrictions will be put in place, and these things may change rapidly. There can be no assurance that the spread of the COVID-19 disease and the implementation of restrictions on a local, State and national level will not materially impact the local, State and national economies and, accordingly, there is no guarantee that such occurrences will not materially adversely affect the amount of the Pledged Revenue available for payment of the Bonds, or the timing of the receipt thereof. In particular, it is possible that the economic impact of COVID-19 could cause the assessed value of property in the District to decrease.

Furthermore, financial markets in the United States and globally may continue to experience significant volatility or declines in connection with the spread of COVID-19, which may have a material impact on the price of the Bonds in the secondary market. The District cannot predict the impact that COVID-19 will have in the short term or in the long term on the District’s financial condition or an investment in the Bonds. It is impossible to predict whether current economic conditions will continue or worsen, the duration of such changing conditions,

or how future short term and long-term economic conditions will affect the amount of the Pledged Revenue or District's finances in general.

Development Not Assured

No vertical construction has yet begun within the Development and, although Lennar and Century presently own 241 lots within Filing 3 of the Development, neither Lennar nor Century are under any obligation to construct any homes within the Development. Additionally, there is no guarantee that the Future Inclusion Area will ever be included within the boundaries of the District and, even if it is included: (i) the Future Inclusion Area is presently unentitled; (ii) the current owner of the Future Inclusion Area (i.e., Post Modern (as defined herein)) is not a homebuilder; and (iii) there can be no assurance that Post Modern will sell the Future Inclusion Area to a homebuilder and that such homebuilder will elect to construct homes within the Future Inclusion Area.

Risks Related to the Projections

The District has retained (i) THK Associates, Inc., Aurora, Colorado ("THK") to prepare a report titled "Residential Market and Absorption Analysis, Johnstown Farms, Johnstown, Colorado" dated August 25, 2021 (the "Market Study"), (ii) King & Associates, Inc. ("King & Associates") to prepare a report titled "Johnstown Farms East Metropolitan District – Appreciation Analysis" dated August 16, 2021 (the "Appreciation Analysis"), and (iii) the accounting firm of CliftonLarsonAllen LLP ("Clifton") to prepare a preliminary report titled "Forecasted Surplus Cash Balances and Cash Receipts and Disbursements" dated as of September 22, 2021 (the "Financial Forecast"). A final Financial Forecast is expected to be attached to the final Limited Offering Memorandum.

Market Study. The Market Study is attached hereto as Appendix A and should be read in its entirety. The primary purpose of the Market Study is to provide the District with an overview of the local market economy and the competitive market area of the Development and to provide THK's conclusions about the marketability, competitive positioning, product mix and absorption levels that should be achievable within the Development. The Market Study is dated August 25, 2021 and has not been reviewed or updated by THK since August 25, 2021. It is possible that conditions have changed in the District since the date of the report which would cause THK to change the Market Study. ***The Market Study is based on key assumptions made by THK and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. The Market Study provides a forecast and discussion related to both Filing 3 and the Future Inclusion Area. There is no guarantee that the Future Inclusion Area will be included within the boundaries of the District. There is also no guarantee that Filing 3 or the Future Inclusion Area, if it is ever included within the boundaries of the District, will be developed in the manner described in the Market Study. See "FORWARD-LOOKING STATEMENTS."***

Appreciation Analysis. The Appreciation Analysis is attached hereto as Appendix B and should be read in its entirety. The Appreciation Analysis contains certain projections regarding the appreciation of home values within the District, which are based on certain assumptions more particularly set forth therein. The Appreciation Analysis provides an

assessment of the current and future market values of the residential development in the Development based on current market conditions, which conditions are comprised solely of those specifically identified in the Appreciation Analysis. The Appreciation Analysis does not address or evaluate other factors which could impact whether the development appreciates in the manner contemplated therein, such as those matters described in “ – Development Not Assured” above. The Appreciation Analysis is dated August 16, 2021, and has not been reviewed or updated by King & Associates since that date. It is possible that conditions have changed in the District since the date of the report which would cause King & Associates to change the Appreciation Analysis. ***The Appreciation Analysis is based on key assumptions made by King & Associates and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. See “FORWARD-LOOKING STATEMENTS.”***

Financial Forecast. The Financial Forecast is attached hereto as Appendix C and should be read in its entirety. In the Financial Forecast, Clifton has used the results of the Market Study and the Appreciation Analysis and certain other assumptions to estimate the Pledged Revenue, and the Pledged Revenue available each year that the Bonds are expected to be outstanding, and has compared such projections with the debt service on the Bonds and provided an estimate of mandatory redemption payments and interest payments on the Bonds. The base case set forth in the Financial Forecast projects that interest will begin to be paid in 2021, principal will begin to be paid in 2036, and all principal and interest on the Bonds will be repaid by December 1, 2051. The Financial Forecast includes two hypothetical scenarios in Notes 14 and 15. In Note 14, the Financial Forecast assumes that the Future Inclusion Area is included within the boundaries of the District (which is not guaranteed to occur) and, under such a scenario, projects the Bonds to be repaid in full by December 1, 2042. In Note 15, the Financial Forecast assumes that the biennial reassessment rate is reduced to 4% from 6%, which results in the Bonds being projected to be repaid in full by December 1, 2057, which is three years prior to the Termination Date. ***The increases in assessed value forecasted in the Financial Forecast are directly related to forecasted development of the property in the District (and, with respect to Note 14, the Future Inclusion Area) and forecasted appreciation rates related to the home values in the Development, which are not assured. The Financial Forecast is based on key assumptions made by THK and Clifton and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. See “FORWARD-LOOKING STATEMENTS.”***

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the “Service”) implements a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of bond counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the

Bonds can be sold. The Indenture does not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the District, general counsel to the District, Bond Counsel, the Underwriter, nor counsel to the underwriter is obligated to pay or reimburse the owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service position, regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also “TAX MATTERS” herein.

Potential Conflicts of Interest

Pursuant to State law, directors are required to disqualify themselves from voting on any issue in which they have a conflict of interest unless the applicable director has disclosed the conflict in a certificate filed with the Colorado Secretary of State and the Board at least 72 hours in advance of any meeting of which the conflict may arise and unless his or her participation is necessary to obtain a quorum or otherwise enable to the Board to act. According to disclosure statements filed with the Secretary of State and the Board by directors prior to taking any official action relating to the Bonds, all of the Board members have disclosed any potential or existing financial, personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof.

Competition With Other Developments

The Development competes with other developments in the area, including some which are in near proximity to the Development. Competing residential subdivisions are described in the Market Study attached as Appendix A. The impact of this competition on future development within the District cannot be assessed at the present time because future demand cannot be predicted with accuracy and the factors influencing the success of each development are speculative.

Legal Constraints on Operations of the District

The District was formed in 2020 pursuant to statute and exercise only limited powers. Various Colorado laws and constitutional provisions govern the assessment and collection of general ad valorem property taxes, limit revenues and spending of the State and local governments, and limit rates, fees and charges imposed by such entities, including the District. There can be no assurance that the application of such provisions, or the adoption of

new provisions, will not have a material adverse effect on the affairs of the District. See “LEGAL MATTERS – Certain Constitutional Limitations.”

Environmental Matters

A Phase I Environmental Site Assessment dated January 11, 2001 (the “2001 Phase I”), was previously prepared with respect to the Development for a predecessor-in-interest to the Developer. The 2001 Phase I revealed no evidence of recognized environmental conditions in connection with the subject property, other than the potential concern associated with the oil and gas well and trash pit then observed adjacent to the site.

On November 24, 2020, CTL Thompson delivered a Phase I Environmental Site Assessment (the “2020 Phase I”) to a homebuilder. The 2020 Phase I revealed no evidence of recognized environmental conditions in connection with the subject property, other than the now plugged and abandoned oil and gas well located adjacent to the site. On January 20, 2021, CTL Thompson delivered a Limited Phase II Environmental Site Assessment (the “Phase II”) to the same homebuilder with respect to the referenced oil and gas well. The Phase II concluded that there was currently no indication that the subject site had been significantly impacted by the nearby (off-site) oil and gas well.

Oil and Gas Operations

Various oil and gas activities are presently occurring within a discrete area of the District that is not platted for vertical residential development. Oil and gas extraction is an inherently dangerous activity that can potentially lead to air and water contamination, fire, explosion or other hazards. While the State and private operators have regulations and procedures in place to mitigate these risks, there can be no guarantee that these safeguards will be effective in all cases with respect to the oil and gas activities in and around the District. Any incident resulting in injury or property damage within the District as a result of oil and gas activity could result in litigation or liability involving the District or could significantly affect property values within the District as well as the ability of homebuilders to successfully find buyers for additional homes within the Development. In addition, it is possible that the presence of oil and gas development in and around the District could have a negative impact on property values and home sales within the Development even if no such adverse event occurs. The potential risk of oil and gas development to homeowners is a regular subject of media and political discussion in the State.

Limitations on Remedies Available to Owners of Bonds

No Acceleration. Under the Indenture, there is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, remedies available to the owners of the Bonds under the Indenture may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds may be subject to the federal bankruptcy code (unless limited as described below), and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws

relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations, which could result in a lien on the Pledged Revenue, and/or the Pledged Revenue which is superior to the lien thereon of the Bonds and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings (if available) or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The Special District Act provides that Colorado special districts may not seek protection under the federal bankruptcy code unless the special district is unable to discharge its obligations as they become due by means of a mill levy of not less than 100 mills. The Required Mill Levy consist of a limited mill levy of the District. The Indenture only requires that the District levy the Required Mill Levy (which is defined as, generally, 40 mills, subject to adjustment). If the District's mill levy for all purposes exceeds 100 mills, bankruptcy protection may be available to the District. Bankruptcy protection may also be available to the District if the District's operational mill levy ever exceeds the difference between 100 mills and the Required Mill Levy or due to other unforeseen circumstances.

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the District, any homebuilder, or any other property owner in the District. See "LEGAL MATTERS – Certain Constitutional Limitations."

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

No Rating; Investor Restrictions and Suitability

The District has not submitted an application to any securities rating agency with respect to the Bonds. Therefore, the market for the Bonds, if any, is expected to be limited, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean that the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

USES OF PROCEEDS

General Description

Proceeds of the Bonds will be used to: (i) finance or reimburse the costs of certain public improvements related to the Development; and (ii) pay certain costs of issuing the Bonds.

Sources and Uses of Funds

The sources and uses of funds for the Bonds are anticipated to be as follows:

Sources and Uses of Funds

<u>Sources:</u>	<u>Bonds</u>
Bond proceeds.....	<u>\$7,062,000</u>
TOTAL	<u>\$7,062,000</u>
<u>Uses:</u>	
Deposit to Project Fund	\$6,684,884
Costs of issuance, underwriting discount (see "UNDERWRITING") and contingency	<u>\$377,116</u>
TOTAL	<u>\$7,062,000</u>

Source: The Underwriter.

THE BONDS

General Description

The Bonds are limited tax general obligations of the District payable from the Pledged Revenue provided in the Indenture. The maturity date and interest rate for the Bonds are set forth on the cover page hereof. For a complete statement of the details and conditions of the Bond issue, reference is made to the Indenture, copies of which are available from the Underwriter prior to delivery of the Bonds. Portions of the Indenture are described in “THE BONDS,” “SECURITY FOR THE BONDS” and Appendix E – Summary of Certain Definitions in the Indenture. Capitalized terms not otherwise defined below are defined in Appendix E.

No Regularly Scheduled Payments on the Bonds

The Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Bonds is payable from, and solely to the extent of, Pledged Revenue on deposit in the Bond Fund on October 16 each year after the payment of interest due on the Bonds (including current interest, accrued but unpaid interest, and interest due as a result of compounding), if any, pursuant to a mandatory redemption of as many Bonds as can be redeemed with such moneys following the notice of prior redemption as provided in the Indenture. See “ – Prior Redemption - Mandatory Redemption” below. *The Financial Forecast attached hereto as Appendix C projects that while Pledged Revenue will be available for payment of a portion of the interest on the Bonds due beginning in 2021, no Pledged Revenue will be available for payment of any principal on the Bonds until 2036. The Financial Forecast is based on certain assumptions more particularly set forth therein. There is no assurance that Pledged Revenue will be sufficient to make payment on the Bonds as projected in the Financial Forecast, or ever.* See also “RISK FACTORS – Risks Related to the Projections.”

Authorized Denominations

The Bonds are being issued in “Authorized Denominations,” defined in the Indenture to mean with respect to the Bonds: initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that: (a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof.

Payment of Principal and Interest; Record Date

The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date for the Bonds, irrespective of any transfer or exchange of such Bond subsequent to

such Record Date and prior to such interest payment date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on such Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Bonds not less than ten (10) days prior to such Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Interest payments shall be paid by check or draft of the Trustee mailed on or before the interest payment date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the District shall not be required to incur any expenses in connection with such alternative means of payment.

To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until the earlier of its payment or the Termination Date and shall continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond; provided however, that notwithstanding anything in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

Discharge Date

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon shall be deemed paid, satisfied, and discharged on December 2, 2060 (previously defined as the “Termination Date”), regardless of the amount of principal and interest paid prior to the Termination Date; provided, however, that the foregoing shall not relieve the District of its obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required by the Indenture prior to the Termination Date.

Prior Redemption

Optional Redemption. In addition to the mandatory redemption provided for in “ - Mandatory Redemption,” below, the Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium of a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

No Mandatory Sinking Fund Redemption. The Bonds are not subject to mandatory sinking fund redemption.

Mandatory Redemption. The Bonds also are subject to mandatory redemption from Pledged Revenue from, and solely to the extent of, Pledged Revenue on deposit in the Bond Fund on October 16 each year after the payment of interest due on the Bonds (including current interest, accrued but unpaid interest, and interest due as a result of compounding), if any, and following notice of prior redemption as provided in the Indenture. See “Funds and Accounts - Bond Fund; Mandatory Redemption” below.

Redemption Procedure and Notice. If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Trustee shall determine. The Bonds shall be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid), not less than thirty (30) days prior to the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner of a Bond, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Funds and Accounts

The Indenture creates the following funds and accounts, which are to be held and maintained by the Trustee in accordance with the provisions of the Indenture: (a) the Project Fund; and (b) the Bond Fund.

Project Fund.

(a) *In General* - So long as no Event of Default under the Indenture shall have occurred and be continuing, the Trustee will disburse funds from the Project Fund in accordance with requisitions in substantially the form set forth in the Indenture, signed by the District Representative or the President or Vice President of the District. The Trustee may rely conclusively upon any such requisition received and shall have no obligation to make an independent investigation in connection therewith.

(b) *Termination of Project Fund* - Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, any balance remaining in the Project Fund shall be credited to the Bond Fund. In addition, upon the Trustee's receipt of written notice of the District's determination that the funds in the Project Fund exceed the amount necessary to pay all Project Costs, such excess amount shall be credited to the Bond Fund in the amounts determined by the District. The Project Fund shall terminate at such time as no further moneys remain therein.

(c) *Event of Default* - Upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee will cease disbursing moneys from the Project Fund, but instead shall apply such moneys in the manner provided by the Indenture.

Bond Fund; Mandatory Redemption.

(a) *Credit of Pledged Revenue.* For so long as the Bonds are the only Parity Bonds then Outstanding, all Pledged Revenue received by the Trustee shall be credited to the Bond Fund until the amount therein is sufficient to fully pay, satisfy, and discharge all of the Bonds. If any Parity Bonds other than the Bonds are issued, the District will so inform the Trustee in writing, and thereafter the Pledged Revenue shall be allocated between the Bonds and such other Bonds on a *pro rata* basis, in accordance with the relative outstanding principal amounts of such issues.

(b) *Use of Moneys.* Moneys in the Bond Fund shall be used by the Trustee solely to pay the principal of and interest on the Bonds, in the following order:

FIRST: to the payment of interest due in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and;

SECOND: to the extent any moneys are remaining in the Bond Fund after the payment of such interest, to the payment of the principal of the Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Bond Fund are insufficient for the payment of the principal of and interest due on the Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST: the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond.

SECOND: the Trustee shall apply any remaining amounts to the payment of the principal of as many Bonds as can be paid with such remaining amounts, such payments to be in increments of \$1,000 or any integral multiple thereof. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the Bonds the principal of which is due and owing on the due date.

(c) *Mandatory Redemption.* On each October 16 the Trustee shall determine the amount credited to the Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the Bonds due on the next succeeding interest payment date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Trustee shall promptly give notice of redemption and take such other actions as necessary to redeem as many Bonds as can be redeemed with such excess moneys. Such redemptions shall be made by the Trustee on the next succeeding December 1, and amounts insufficient to redeem at least one Bond in the denomination of \$1,000 will be retained in the Bond Fund. The mandatory redemption provided in the Indenture shall be made by the Trustee without further instruction from the District and notwithstanding any instructions from the District to the contrary. Notwithstanding anything in the Indenture to the contrary, it is understood and agreed that borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to this paragraph.

Flow of Funds

Pursuant to the Indenture, the District shall transfer all amounts comprising Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District; provided, however, that in the event that the total amount of Pledged Revenue received by the District in a calendar month is less than \$50,000, the Pledged Revenue received during such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the District (i.e., no later than April 15th for Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any Additional Bonds, the District shall also transfer or make available to the Trustee all moneys pledged to the payment of such Additional Bonds which are derived from ad valorem taxes of

the District, Specific Ownership Taxes, or Capital Fees, and any such moneys shall constitute part of the Trust Estate. IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE.

To the extent permitted by law, the Trustee shall apply the Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) the priorities established below are intended to create a tiered “waterfall” structure in which no Pledged Revenue flows to a lower priority until all of the higher priorities have been fully funded as provided in the Indenture; (b) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other, and (c) when credits are required to go to funds or accounts which are not held by the Trustee under the Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Trustee, an amount sufficient to pay the Trustee Fees then due and payable;

SECOND: To the credit of the Bond Fund, the amounts required by the Indenture and described in “THE BONDS - Funds and Accounts - Bond Fund; Mandatory Redemption,” and to the credit of any other similar fund or account established for the payment of the principal of, premium if any, and interest on any additional Parity Bonds, including any sinking fund, reserve fund, or similar fund or account established in connection with such additional Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of such additional Parity Bonds; and

THIRD: To the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose (including without limitation the payment of any Subordinate Bonds), any Pledged Revenue remaining after the payments and accumulations set forth above.

Book-Entry Only System

The Bonds will be available only in book-entry form in the principal amount of \$500,000 or any integral multiple of \$1,000 in excess thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity, as set forth on the cover page of this Limited Offering Memorandum, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix D – Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

Neither the District nor the Trustee will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined herein), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the Bonds as further described in Appendix D to this Limited Offering Memorandum.

SECURITY FOR THE BONDS

For capitalized terms not defined in this section, see Appendix E – Summary of Certain Provisions of the Indenture.

Limited Tax General Obligations

The Bonds constitute limited tax general obligations of the District payable solely from and to the extent of the Pledged Revenue as described herein. Principal of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts created in the Indenture, and the Pledged Revenue is pledged to the payment of the Bonds. *The Bonds are not obligations of the Town, the County, or the State.*

The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. The Bonds are secured by a lien on the Pledged Revenue on parity with the lien thereon of any other Parity Bonds issued in the future. See “RISK FACTORS – Limited Security for the Bonds” and “– Risks Related to Property Tax Revenues.”

The Bonds are not secured directly by any lien on property located within the District; rather they are secured by the District’s covenant to certify to the Board of County Commissioners of the County the Required Mill Levy. The Required Mill Levy creates a statutory tax lien which may be enforced to the extent that taxes are delinquent in a given year.

Pledged Revenue

The Indenture defines Pledged Revenue as the moneys derived by the District from the following sources: (i) the Required Mill Levy; (ii) the Capital Fees, if any; (iii) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (v) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. See Appendix E.

Required Mill Levy. The Indenture defines “Required Mill Levy” as the following, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of 40 mills, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that if, on or after September 21, 2020, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided in the Indenture shall 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 September 21, 2020, 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) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Covenant to Impose Required Mill Levy.

(a) For the purpose of paying the principal of, premium if any, and interest on the Bonds, the District covenants in the Indenture to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2021 to 2050, inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2050, but not beyond the Maximum Debt Mill Levy Imposition Term to the extent limited by the Service Plan) in the amount of the Required Mill Levy. Nothing in the Indenture shall be construed to require the District to levy an ad valorem property tax in an amount in excess of the Required Mill Levy.

(b) The foregoing provisions of the Indenture are declared to be the certificate of the Board to the board or boards of county commissioners of each county in which taxable real or personal property of the District is located, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purposes aforesaid.

(c) The amounts necessary to pay all costs and expenses incidental to the issuance of the Bonds and to pay the principal of, premium if any, and interest on the Bonds when due are appropriated in the Indenture for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the Bonds have been fully paid, satisfied, and discharged.

(d) It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Indenture with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State of Colorado, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to the Indenture.

Capital Fees. The Indenture defines "Capital Fees" as all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District or any District-owned "enterprise" under Article X, Section 20 of the Colorado

Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees. *No Capital Fees have been imposed by the District as of the date hereof.*

Specific Ownership Tax. The Pledged Revenue also includes the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy. Specific Ownership Tax is defined in the Indenture as the specific ownership tax which is collected by the county and remitted to the District pursuant to §42-3-107, C.R.S., or any successor statute.

The Specific Ownership Tax System in Colorado. The State Constitution requires the General Assembly to enact laws classifying motor vehicles and requiring payment of a graduated annual specific ownership tax thereon, which tax is to be in lieu of ad valorem property taxes on motor vehicles. Accordingly, the State imposes such a tax (the "S.O. Tax"), which is payable at a graduated rate which varies from 2.1% of taxable value in the first year of ownership, to \$3 per year in the tenth year of ownership and thereafter. The S.O. Tax is collected by each county clerk and recorder at the time of motor vehicle registration. Most S.O. Tax revenues (including revenues received from owners of passenger cars and trucks, which constitute the majority of S.O. Tax revenues) are paid directly to the county treasurer of the county in which the revenues are collected. S.O. Tax revenues on certain types of vehicles are paid by the counties to the State and are then distributed back to the counties in the proportion that the mileage of the State highway system located within the boundaries of each county bears to the total mileage of the State highway system.

Each county apportions its S.O. Tax revenue to each political subdivision in the county in the proportion that the amount of ad valorem property taxes levied by the political subdivision in the previous year bears to the total amount of ad valorem property taxes levied by all political subdivisions in the county in the previous year. Based upon these percentages, each county then distributes S.O. Tax revenue to each political subdivision on the tenth day of each month. The amount of Specific Ownership Tax which is received by the District depends in part upon the amount of the Required Mill Levy. S.O. Tax received by the District from any operation and maintenance mill levy will be used to pay operations and maintenance and is not pledged to the Bonds.

The District is not in control of the imposition, collection or distribution of the S.O. Tax, and therefore cannot assure any future amounts of Specific Ownership Tax.

Additional Obligations of the District

General. After issuance of the Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Indenture set forth below. Nothing in the Indenture shall affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds under the Indenture; provided that notwithstanding the foregoing or anything in the Indenture to the contrary, the District shall not create, incur, assume, or suffer to exist any liens

upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof superior to the lien thereon of the Bonds.

Permitted Refunding Bonds. The District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion without compliance with any of the other terms and conditions of the Indenture.

Parity Bonds. The District may issue additional Parity Bonds only if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then Outstanding.

Subordinate Bonds. The District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

(a) The maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than the maximum Required Mill Levy less the mill levy required to be imposed for the payment of any Parity Bonds.

(b) Such Subordinate Bonds shall be payable as to both principal and interest on an annual basis on or after December 15th of each calendar year, and the failure to make a payment when due on such Subordinate Bonds shall not constitute an event of default under the resolution, indenture or other documents authorizing the issuance of such Subordinate Bonds; and

(c) No amounts can be payable on the Subordinate Bonds so long as any Bonds are Outstanding.

District Certification. A written certificate by the President or Vice President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth in the Indenture are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance with Indenture.

Additional Covenants and Agreements

In the Indenture, the District irrevocably covenants and agrees with each and every Owner of the Indenture that so long as any of the Bonds remain Outstanding:

(a) The District shall not dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect the security provided for the payment of the Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations; provided however, that the foregoing shall not prevent the District from dissolving pursuant to the provisions of the Act.

(b) If required by state statute, at least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its reasonable efforts to have such audit report completed no later than September 30 of the calendar year after the calendar year which is the subject of such audit. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and any audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials liability, and such other forms of insurance on insurable District property upon the terms and conditions, in such amounts, and issued by recognized insurance companies, as in the judgment of the District will protect the District and its operations.

(d) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) If the District imposes any Capital Fees, it will enforce the collection thereof in such time and manner as the District reasonably determines will be most efficacious in collecting the same, including without limitation the bringing of an action to foreclose any statutory or contractual lien which may exist in connection therewith. Nothing in the Indenture requires the District to impose any Capital Fees.

Events of Default and Remedies under the Indenture

Events of Default under the Indenture. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default under the Indenture except as provided in this Section:

(a) The District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;

(b) The District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, other than as described in the immediately preceding subsection (i), and fails to remedy the same after notice thereof pursuant to the Indenture; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Bonds.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE SENIOR PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE INDENTURE. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF SENIOR PLEDGED REVENUE IN VIOLATION OF THE COVENANTS OF THE INDENTURE WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE BONDS. IN NO EVENT SHALL ANY PROVISION OF THE INDENTURE BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

Remedies on Occurrence of Event of Default under the Indenture.

Upon the occurrence and continuance of an Event of Default under the Indenture, the Trustee shall have the following rights and remedies which may be pursued:

Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners of the Bonds, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Indenture to, the Trustee.

Suit for Judgment. The Trustee may proceed to protect and enforce its rights and the rights of the Owners of the Bonds under the Act, the Bonds, the Bond Resolution, the Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

Mandamus or Other Suit. The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners of the Bonds.

No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the Indenture or any rights, powers, or remedies of the Trustee under the Indenture, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

If any Event of Default under subsection (i) under “ - Events of Default under the Indenture” above shall have occurred and if requested by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners of the Bonds; provided that the Trustee at its option shall be indemnified as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default under the Indenture.

Supplemental Indentures Not Requiring Consent

Subject to the provisions of the Indenture, the District and the Trustee may, without the consent of or notice to the Owners of the Bonds or the Consent Parties under the Indenture, enter into such indentures supplemental to the Indenture, which supplemental indentures shall thereafter form a part of the Indenture, for any one or more of the following purposes:

- (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds;
- (b) To subject to the Indenture additional revenues, properties, or collateral;
- (c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and
- (d) To qualify the Indenture under the Trust Indenture Act of 1939.

Supplemental Indentures Requiring Consent

(a) Except for supplemental indentures delivered pursuant to the Indenture described above in “ - Supplemental Indenture Not Requiring Consent” above, and subject to the provisions of the Indenture, the Consent Parties with respect to a majority (or for modifications of provisions of the Indenture which require the consent of a percentage of Owners of the Bonds or Consent Parties under the Indenture higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental to the Indenture as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing contained in the Indenture shall permit, or be construed as permitting:

(i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners of the Bonds to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of the Indenture described above, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under the Indenture of the District, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced thereunder, subject in all respects to such modifications and amendments.

(c) If at any time the District shall request the Trustee to enter into such supplemental indenture for any of the purposes of this section in the Indenture, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given to each Owner of a Bond at the address shown on the registration books of the Trustee prior to the proposed date of execution and delivery of any such supplemental indenture. If the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture consent to the execution thereof, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Discharge of the Lien of the Indenture

If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium, if any, and interest to become due thereon at the times and in the manner stipulated in the Indenture, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by the Indenture to be paid shall have been paid, then these presents and the estate and rights granted by the Indenture shall cease, determine, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the District such instruments in writing as shall be requisite to satisfy the lien thereof, and assign and deliver to the District any property at the time subject to the lien of the Indenture which may then be in its

possession, and deliver any amounts required to be paid to the District under the Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this section if, for the purpose of paying such Bond (a) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (b) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to the Indenture, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of the Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds.

Prior to the investment or reinvestment of such moneys or such Federal Securities as provided in the Indenture, the Trustee may require and may rely upon: (a) an opinion of nationally recognized municipal bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Indenture; and (b) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium if any, and interest on the Bonds when due.

The release of the obligations of the District under this section in the Indenture shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it thereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust thereby created, the exercise of its powers, and the performance of its duties thereunder.

ESTIMATED PAYMENTS ON THE BONDS

Set forth in the following chart are the estimated payments on the Bonds.

Estimated Payments on the Bonds⁽¹⁾

Year	Estimated Principal	Estimated Interest	Estimated Total
2021	--	\$11,163	\$11,163
2022	--	1,604	1,604
2023	--	89,644	89,644
2024	--	290,143	290,143
2025	--	382,150	382,150
2026	--	405,319	405,319
2027	--	405,319	405,319
2028	--	429,878	429,878
2029	--	429,878	429,878
2030	--	455,911	455,911
2031	--	455,911	455,911
2032	--	483,506	483,506
2033	--	483,506	483,506
2034	--	512,756	512,756
2035	--	512,756	512,756
2036	\$ 169,000	374,207	543,207
2037	199,000	344,650	543,650
2038	242,000	334,700	576,700
2039	254,000	322,600	576,600
2040	302,000	309,900	611,900
2041	316,000	294,800	610,800
2042	370,000	279,000	649,000
2043	388,000	260,500	648,500
2044	446,000	241,100	687,100
2045	469,000	218,800	687,800
2046	533,000	195,350	728,350
2047	561,000	168,700	729,700
2048	632,000	140,650	772,650
2049	664,000	109,050	773,050
2050	744,000	75,850	819,850
2051	773,000	38,650	811,650
TOTAL ⁽²⁾	\$7,062,000	\$9,057,952	\$16,119,952

(1) Includes the forecasted payment of principal and interest on December 1 of each year indicated. ***The Bonds have no fixed principal or interest payment schedule. The payments with respect to the Bonds shown above reflect the forecasted principal and interest payments shown in the Financial Forecast attached as Appendix C. These payments, however, are only forecasted amounts and no assurance is given that principal and interest on the Bonds will be paid as set forth in this table. See "RISK FACTORS – Risks Related to the Projections," and "THE BONDS – No Regularly Scheduled Payments on the Bonds."***

(2) Due to rounding, amounts may not total.

Source: The Financial Forecast attached as Appendix C.

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Property Subject to Taxation. Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or “TABOR,” described in “LEGAL MATTERS - Certain Constitutional Limitations”), the Board has the power to certify to the Board of County Commissioners of Weld County (the “Commissioners”) a levy for collection of ad valorem taxes against all taxable property of the District.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the District. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner’s land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the Weld County Assessor (the “County Assessor”) to determine its statutory “actual” value. This amount is then multiplied by the appropriate assessment percentage to determine each property’s assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory “actual” value of all taxable property within the applicable county as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a “level of value” ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor’s office every odd numbered year. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For

example, values for levy year 2018 (collection year 2019) are based on an analysis of sales and other information for the period January 1, 2015 to June 30, 2016. The following table sets forth the State Property Appraisal System for property tax levy years 2017 through 2021:

<u>Collection Year</u>	<u>Levy Year</u>	<u>Value Calculated As Of</u>	<u>Based on the Market Period</u>
2018	2017	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2019	2018	July 1, 2016	Jan. 1, 2015 to June 30, 2016
2020	2019	July 1, 2018	Jan. 1, 2017 to June 30, 2018
2021	2020	July 1, 2018	Jan. 1, 2017 to June 30, 2018
2022	2021	July 1, 2020	Jan. 1, 2019 to June 30, 2020

The Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility’s tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property.

Residential Property. For levy year 2021 (collection year 2022), residential property is assessed at 7.15%. Residential assessment rates may be changed by the Colorado General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR. Set forth below is a description of: (i) the Gallagher Amendment (defined below) which led to the reduction in residential assessment rates from 1982-2019 and which was repealed in November 2020, (ii) Initiative 27 (defined below), which if approved at the State-wide election in November 2021, would reduce the residential assessment rate on multi-family residential real property; and (iii) SB 293 (defined below) which became law in 2021 and which temporarily reduces the residential assessment rates on certain classes of residential real property.

Gallagher Amendment. From 1982 to 2020, the State constitution (in a provision referred to as the “Gallagher Amendment”) required the General Assembly to calculate and potentially adjust the residential assessment rate every two years. The most recent adjustments occurred in 2017 and in 2019. On June 5, 2017, the residential assessment rate was changed from 7.96% of statutory “actual” value to 7.20% of statutory “actual” value. On June 3, 2019, the residential assessment rate was changed from 7.20% of statutory “actual” value to

7.15% of statutory “actual” value. On November 3, 2020, however, Colorado voters approved an amendment to the Colorado Constitution which repealed the Gallagher Amendment. Accordingly, the General Assembly is no longer required to recalculate the residential assessment rate every two years.

Initiative 27 and SB 293. On April 30, 2021, the Colorado Ballot Title Setting Board approved the form of “Initiative 2021-2022 #27 – Property Tax Assessment Rate Reduction and Voter-Approved Revenue Change” (“Initiative 27”), which could potentially be presented to voters in a State-wide election on November 2, 2021. The proponents of Initiative 27 have gathered sufficient public signatures to place the initiative on the ballot but there is no guarantee it will be approved by voters. Initiative 27 seeks to reduce the assessment rate on all residential property from 7.15% to 6.5%.

On June 23, 2021, Senate Bill 21-293 (“SB 293”) became law. SB 293 classifies multi-family residential real property as a new subclass of residential real property and temporarily reduces residential assessment rates. SB 293 re-structures the law so that if Initiative 27 is approved, then Initiative 27 would apply only to multi-family residential real property. In accordance with SB 293, if Initiative 27 is approved by voters at the November 2, 2021, State-wide election, then the assessment rate for multi-family residential property will be indefinitely reduced from 7.15% to 6.50%. If Initiative 27 is not approved, then the assessment rate for multi-family residential property will be temporarily reduced from 7.15% to 6.80% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024. In accordance with SB 293, the assessment rate for all residential real property other than multi-family residential real property will be temporarily reduced from 7.15% to 6.95% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024.

The definition of Required Mill Levy under the Indenture requires the District to increase or decrease the Required Mill Levy to offset any changes in the method of calculating residential assessed valuation, beginning September 21, 2020. The District does not contain any residential property to date, however, so its debt service mill levy has not been adjusted above 40 mills. Based upon the assumption of residential property being developed in the District, the District’s accountant has forecasted that the Required Mill Levy to be imposed by the District will be increased in future years as described in the Financial Forecast. Beginning with levy year 2022, the District will be required by the Indenture to increase its debt service mill levy to offset changes to the residential assessment rate as a result of the Gallagher Amendment, SB 293, Initiative 27 (if approved) and any future legislative changes to the assessment rate. See “SECURITY FOR THE BONDS – Required Mill Levy.”

Non-residential property. For levy year 2021 (collection year 2022), all non-residential taxable real and personal property, with certain specified exceptions, is assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas. Non-residential assessment rates may be changed by the General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR.

Initiative 27 seeks to reduce the non-residential assessment rate from 29% to 26.4%, excluding producing mines and lands or leaseholds producing oil or gas. SB 293

classifies agricultural property, lodging property, and renewable energy production property as new subclasses of non-residential property, and temporarily reduces certain non-residential assessment rates. SB 293 restructures the law so that if Initiative 27 is approved, Initiative 27 would only apply to lodging property. In accordance with SB 293, if Initiative 27 is approved by voters at the November 2, 2021, State-wide election, then the assessment rate for lodging property will be reduced from 29% to 26.4%. If Initiative 27 is not approved, then the assessment rate for lodging property will remain at 29%. SB 293 also provides that the assessment rate for agricultural property and renewable energy production property will be temporarily reduced from 29% to 26.4% for levy years 2022 and 2023, and then indefinitely return to 29% in levy year 2024.

The definition of Required Mill Levy under the Indenture requires the District to increase or decrease the Required Mill Levy to offset any changes in the method of calculating non-residential assessed valuation, beginning September 21, 2020. No changes to such methods have occurred since September 21, 2020; however, the District will be required by the Indenture to increase its debt service mill levy to offset changes to the non-residential assessment rates as a result of SB 293, Initiative 27 (if approved) and any future legislative changes to the assessment rate. See “SECURITY FOR THE BONDS – Property Tax Revenues – Required Mill Levy.”

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the District’ assessed valuation may be subject to modification following any such annual assessment study.

Taxation Procedure. The County Assessor is required to certify to the District the preliminary assessed valuation of property subject to the District' mill levy no later than August 25th of each year. Preliminary assessed valuations are subject to change on or before December 10 of each year. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the District' property tax, and together with other legally available District revenues, will raise the amount required by the District in the upcoming fiscal year. The District subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The Commissioners levy the tax on all property subject to taxation by the District. By December 22nd of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the County. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County's treasurer (the "County Treasurer").

Adjustment of Taxes to Comply with Certain Limitations. Section 29-1-301, C.R.S., contains a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments). The District' electors have approved questions which exempt the District from this restriction.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in December 2020 are being collected in 2021. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the District on a monthly basis. The payments to the District must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month.

Enforcement. All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is

on a parity with the tax liens of other general taxes. It is the County Treasurer’s duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer’s personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the District and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the County and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Potential for Creation of Tax Increment Entity. Various Colorado statutes allow the formation of tax increment entities, such as urban renewal authorities, downtown development authorities and transportation authorities. Upon the inclusion of the property in the District within any such entity, the assessed valuation of the property in the District would not increase beyond the amount existing at the time of such inclusion (other than by means of the general reassessment). Any increase above this amount would be paid to the tax increment entity.

Ad Valorem Property Tax Data

A history of the District’s assessed valuations and mill levies is set forth in the following table.

History of Assessed Valuations and Mill Levies for the District

Levy/Collection Year	Assessed Valuation		Mill Levies		
	Valuation	Percent Change	General Fund	Bond Redemption	Total
2020/2021	\$268,640	--	10.000	40.00	50.000
2021/2022 ⁽¹⁾	134,870 ⁽³⁾	(49.8)%	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾

- (1) Assessed valuation is preliminary and subject to change on or before December 10, 2021.
- (2) The 2020 mill levies for collection of taxes in 2022 will not be certified until December 2021.
- (3) Assessed valuation reduction due primarily to a \$135,290 reduction in the assessed valuation of oil and gas interests in the District from certified 2020 assessed valuation to preliminary 2021 assessed valuation.

Sources: Weld County Assessor’s Office.

The following table sets forth a history of the District’s ad valorem property tax collections.

Property Tax Collections for the District

Levy/Collection Year	Taxes Levied ⁽¹⁾	Current Tax Collections ⁽²⁾	Collection Rate
2020/2021	\$13,432	\$13,432	100.00%

(1) Levied amounts do not reflect abatements or other adjustments.

(2) The County Treasurer’s collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.

Sources: The District and Weld County Treasurer’s Office.

Based upon the most recent information available from Weld County, the following table represents the owners of all taxable property within the District. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the District.

Owners of Taxable Property in the District

Taxpayer Name	2021 Preliminary Assessed Valuation	Percentage of Total Assessed Valuation ⁽¹⁾
Kerr-McGee Oil & Gas Onshore LP	\$101,840	75.51%
DCP Operating Company	28,650	21.24
TF Johnstown Farms LP	1,930	1.43
Century Land Holdings LLC	1,250	0.93
Lennar Colorado LLC	<u>1,200</u>	<u>0.89</u>
TOTAL	<u>\$134,870</u>	<u>100.00%</u>

(1) Assessed valuations are preliminary and subject to change on or before December 10, 2021.

(2) Based on a 2021 preliminary assessed valuation of \$134,870.

Source: Weld County Assessor’s Office.

The following table sets forth the current assessed valuation of specific classes of real and personal property within the District.

2021 Preliminary Assessed Valuation of Classes of Property in the District

<u>Property Class</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Percent of Total Assessed Valuation</u>
Oil & Gas	\$130,490	96.75%
Agricultural	2,570	1.91
Vacant	1,810	1.34
TOTAL	<u>\$134,870</u>	<u>100.00%</u>

(1) Assessed valuations are preliminary and subject to change on or before December 10, 2021

Source: Weld County Assessor's Office.

Mill Levy Affecting Property Owners Within the District

In addition to the District's ad valorem property tax levy, owners of property within the District are obligated to pay taxes to other taxing entities. The following table sets forth the mill levies that are imposed on properties within the District by other taxing entities.

2020 Mill Levies Affecting District Property Owners

<u>Taxing Entity⁽¹⁾</u>	<u>Mill Levy</u>
Weld County School District Re-5J	47.809
Johnstown Farms Metropolitan District ⁽²⁾	43.593
Town of Johnstown	23.947
Weld County	15.038
Front Range Fire Rescue Fire Protection District	11.524
Aims Junior College	6.305
Northern Colorado Water Conservancy District	<u>1.000</u>
Total Overlapping Mill Levy	149.216
District	<u>50.000</u>
Total Sample Mill Levy	<u>199.216</u>

(1) One mill equals 1/10 of one cent. Mill levies certified in 2020 are for the collection of ad valorem property taxes in 2021.

(2) *The boundaries of the District were excluded from the boundaries of Johnstown Farm Metropolitan District by order of the Weld County District Court dated August 12, 2020 and recorded August 24, 2020. Consequently, although overlapping entities will not certify their respective mill levies until December 2021, the mill levy of Johnstown Farms will not overlap the District in levy year 2021 and after.*

Source: Weld County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt chargeable to property owners within the District as of the date of this Official Statement. Additional taxing entities may overlap the District in the future.

Estimated Overlapping General Obligation Debt

Entity ⁽¹⁾	2021 Preliminary Assessed Valuation ⁽²⁾	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District ⁽³⁾	
			Percent	Debt
Weld County School District No. RE-5J	\$481,056,607	\$153,748,305	0.03%	<u>\$46,124</u>
TOTAL				<u>\$46,124</u>

- (1) The following entities also overlap the Districts but have no reported general obligation debt outstanding: Aims Junior College; Front Range Fire Rescue Fire Protection District; Town of Johnstown; Thompson River Park and Recreation District; Weld County; and West Greeley Conservation District. In addition, Northern Colorado Water Conservancy District has an outstanding contractual debt of \$3,053,230 with the U.S. Government as of September 30, 2020, for which it collects a 1.00 mill levy property tax on all real property located within its boundaries.
- (2) The 2021 preliminary assessed valuation is subject to change on or before December 10, 2021. The final 2021 assessed valuation certified by the County Assessor will determine the collection of ad valorem property taxes in 2022.
- (3) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

Sources: Weld County Assessor's Office; and information obtained from individual taxing entities.

DISTRICT DEBT STRUCTURE

Required Elections

Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the District. Among such provisions, Article X, Section 20 of the Colorado Constitution (as previously defined herein, the Taxpayers Bill of Rights or “TABOR”) requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. For a discussion of TABOR, see “LEGAL MATTERS – Certain Constitutional Limitations.” For a discussion of District debt elections, see “General Obligation Debt – Authorized but Unissued Debt; Additional Bonds” below.

The issuance of the Bonds was approved by the electors of the District at the Election.

General Obligation Debt

Statutory Debt Limit. The District is subject to a statutory debt limitation established pursuant to section 32-1-1101(6), C.R.S. This limitation provides that, with certain exceptions listed below, the total principal amount of general obligation debt issued by a special district after 1991 shall not at the time of issuance exceed the greater of \$2,000,000 or 50% of the special district’s assessed valuation. The 2020 certified assessed value for the District is \$268,640, resulting in a debt limit of \$2,000,000. The Bonds will exceed this amount but are permitted to be issued because the Bonds qualify for an exemption from the debt limit statute, as they are being issued only to financial institutions or institutional investors. Exceptions from the debt limitation statute include obligations which are: rated in certain rating categories; determined by the board of the special district to be necessary to construct improvements ordered by a federal or state regulatory agency for public health or environmental reasons; secured by a letter of credit, line of credit or other credit enhancement issued by certain qualified financial institutions; or issued to financial institutions or institutional investors. Special districts are also permitted to issue general obligation debt above the statutory debt limit if such debt is payable from a limited mill levy not exceeding fifty mills.

Outstanding General Obligation Debt. Upon the issuance of the Bonds, the Bonds will be the only outstanding limited tax general obligation indebtedness of the District, and the District will not have outstanding any other type of general obligation indebtedness.

Authorized but Unissued Debt; Additional Bonds. The District’s ability to issue additional debt is limited by the Election, the Service Plan, and the Indenture. These limitations are described below.

Election. The status of voter authorization from the Election is shown in the following table:

Voted Authorization Summary for the District

<u>Purpose</u>	<u>Amount Authorized⁽¹⁾</u>	<u>Amount Used for the Bonds</u>	<u>Amount Remaining</u>
Public Improvements ⁽¹⁾	\$180,000,000	\$7,062,000	\$172,938,000
Refunding	165,000,000	--	45,000,000
TOTAL:	\$345,000,000	\$7,062,000	\$217,938,000

⁽¹⁾ Includes \$15,000,000 of authorization for each of the following categories of public improvements: (i) streets, (ii) parks and recreation, (iii) water, (iv) sanitation, (v) transportation, (vi) mosquito control, (vii) safety protection, (viii) fire protection, (ix) television relay, (x) security, (xi) public transportation, and (xii) directional drilling.

Service Plan. Notwithstanding the Election, the Service Plan provides that the District shall not issue debt in excess of \$12,500,000. After the issuance of the Bonds, \$5,438,000 of this authorization will remain unissued.

Indenture. The Indenture limits the District’s ability to issue additional debt as described in “SECURITY FOR THE BONDS – Additional Obligations of the District.”

Revenue Obligations

The District also has the authority pursuant to its Service Plan to issue revenue obligations payable from such non-ad valorem sources as the District may determine.

Selected Debt Ratios

The following table sets forth ratios of direct limited tax general obligation debt of the District (after giving effect to the issuance of the Bonds) and overlapping debt within the District (only for those entities which currently pay their general obligation debt through a mill levy assessed against property within the District) to the 2021 preliminary assessed valuation and the 2021 preliminary statutory “actual” value of the District.

Selected Debt Ratios of the District as of the Date of this
Limited Offering Memorandum (Unaudited)

Direct Debt	\$7,062,000.00
Overlapping Debt ⁽¹⁾	46,124.00
Total Direct Debt and Overlapping Debt	7,108,124.00
2021 Preliminary Assessed Valuation of District ⁽²⁾	\$134,870.00
Ratio of Direct Debt to 2021 District Preliminary Assessed Valuation	5,236.15%
Ratio of Direct Debt Plus Overlapping Debt to 2021 Preliminary Assessed Valuation	5,270.35%
2021 District Preliminary Statutory "Actual" Value ⁽³⁾	\$302,089.00
Ratio of Direct Debt to 2021 District Preliminary Statutory "Actual" Value ⁽³⁾	2,337.72%
Ratio of Direct Debt Plus Overlapping Debt to 2021 District Preliminary Statutory "Actual" Value	2,352.99%

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- (1) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Estimated Overlapping General Obligation Debt" and the footnote regarding the type of overlapping debt which is included.
- (2) Assessed valuation is preliminary and subject to change on or before December 10, 2021.
- (3) This figure has been calculated using a statutory formula under which assessed valuation is calculated at 7.20% of the statutory "actual" value of residential property in the District, and 29% of the statutory "actual" value of other property within the District (with certain specified exceptions). Statutory "actual" value is not intended to represent market value. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes."

Sources: County Assessor's Office, the District, and information obtained from individual overlapping entities.

THE DISTRICT

Organization and Description

General. The District was formed pursuant to an Order and Decree entered by the District Court of Weld County, Colorado on November 30, 2020 and recorded in the real property records of the County on December 2, 2020. The District is a special district formed pursuant to the Special District Act for the purpose of financing and constructing public improvements benefiting the inhabitants and taxpayers of the District and the public at large. Formation of the District was preceded by the approval by the Town Council of the Town of the Service Plan.

Boundaries and Location. The District consists of approximately 90.563 acres, all of which (other than property set aside for street rights-of-way, drainage, open space, park and recreation and similar public uses) is planned to be developed for residential uses. The District is located on the southeast corner of Weld County Roads 46½ and 17 in the Town. See “VICINITY MAP” and “AERIAL VIEW OF THE DISTRICT.”

Inclusion, Exclusion, Consolidation and Dissolution

Inclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property under certain circumstances. After its inclusion, the included property is subject to all of the taxes and charges imposed by the special district and shall be liable for its proportionate share of existing bonded indebtedness of the special district. The District has not previously included property within its boundaries but it may include the Future Inclusion Area within its boundaries in the future, subject to limitations included in the Service Plan.

Exclusion of Property. The Special District Act provides that the boundaries of a special district also may be altered by the exclusion of real property from the District under certain circumstances. After its exclusion, the excluded property is no longer subject to the special district’s operating mill levy and is not subject to any debt service mill levy for new debt issued by the special district. The excluded property, however, remains subject to the special district’s debt service mill levy after the effective date of the court’s exclusion order for that proportion of the special district’s outstanding indebtedness and the interest thereon existing immediately prior to the effective date of the exclusion order. The District has not previously excluded property from its boundaries and no exclusions are pending or currently expected.

Consolidation With Other Districts. Two or more special districts may consolidate into a single district upon the approval of the District Court and of the electors of each of the consolidating special districts. The District Court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation. At the present time, no consolidations with other districts are pending or expected.

Dissolution of the District. The Special District Act allows a special district board of directors to file a dissolution petition with the District Court. The District Court must approve

the petition if the special district's plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness. 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. The District is also subject to the dissolution requirements of the Service Plan.

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act, which provides that the Board has certain powers including, but not limited to, the power: to have perpetual existence; to sue and be sued; to enter into contracts and agreements; to incur indebtedness and revenue obligations; to acquire, dispose of, and encumber real and personal property; to have the management, control, and supervision of all the business and affairs of the special district and all construction, installation, operation, and maintenance of special district improvements; to appoint, hire, and retain agents, employees, engineers, and attorneys; to fix and from time to time increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by or available from the District, and to pledge such revenue for the payment of any indebtedness of the District; to furnish services and facilities without the boundaries of the special district and to establish fees, rates, tolls, penalties, or charges for such services and facilities; to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to special districts by statute; to enter into contracts with public utilities, cooperative electric associations and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices; to finance line extension charges for new telephone construction in non-residential special districts; to establish, maintain, and operate a system to transport the public by bus, rail, or any other means of conveyance; and to exercise the power of eminent domain and dominant eminent domain for the special district's authorized purposes.

Governing Board

The District is governed by a five-member Board. In order to be eligible for nomination to the Board, prospective Board members must be eligible electors of the District as defined by State law. Directors are elected to staggered four-year terms of office at successive biennial elections. The Board is currently a five-member board. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. The directors hold regular meetings and, as needed, special meetings. Each director is entitled to one vote on all questions before the Board, as applicable, when a quorum is present. Directors may receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. Directors currently receive no compensation for attending meetings. Pursuant to the State constitution, directors are limited to two terms in office unless the District's voters have approved a waiver or modification of this limit. At the Election, the electors of the District approved an election question which exempts the Board from State constitutional term limitations.

The present directors, their positions on the Board, and their occupations and terms of office are as follows:

<u>Name and Office</u>	<u>Occupation</u>	<u>Service Began</u>	<u>Current Term Expires (May)</u>
Craig Campbell, President	Developer	2020	2023
Kurtis Jones, Secretary/Treasurer	Developer	2020	2023
Jack Hoagland, Assistant Secretary	Real Estate	2020	2023
Mary Kirschner, Assistant Secretary	Real Estate	2020	2022
Michael Pietschmann, Assistant Secretary	Engineering	2020	2022

Conflicts of Interest

Two of the members of the Board are officers or employees of the Developer. The remaining three Board members have options to purchase land within the District. State law requires directors to disqualify themselves from voting on any issue in which they have a conflict of interest unless the applicable director has disclosed the conflict in a certificate filed with the Secretary of State and with the Board at least 72 hours in advance of any meeting of which the conflict may arise and if his or her participation is necessary to obtain a quorum or otherwise enable the body to act. Additionally, no contract for work or material, including a contract for services, regardless of the amount, may be entered into between the District and a Board member or between the District and the owner of 25% or more of the territory within the District unless a notice is published for bids and such Board member or owner submits the lowest responsible and responsive bid. Board members voting on the Bond Resolution are expected to file conflict statements with the Secretary of State and the Board prior to the adoption of the Bond Resolution.

Administration

The Board is responsible for the overall management and administration of the affairs of the District. The District has no employees, and currently all administrative functions are performed by other third parties pursuant to contracts with the District. The District is represented by its general counsel, White Bear Ankele Tanaka & Waldron, Professional Corporation, Centennial, Colorado. Accounting services for the District are provided by CliftonLarsonAllen, Greenwood Village, Colorado.

District Agreements

The Special District Act authorizes the District to enter into agreements and contracts affecting the affairs of the District. The District is not a party to any agreements which materially affect its financial status or operations, other than the following:

Town IGA. On December 11, 2020, the Town and the District entered into an Intergovernmental Agreement required by the Service Plan (the “Town IGA”). Pursuant to the Town IGA, the District agrees, among other matters: (i) to only operate and maintain those public improvements that are not accepted for ownership by the Town or other appropriate entity in a manner consistent with the rules and regulations of the Town and the Town Code; (ii) that

the District may own, operate and maintain trails and related amenities within the District generally provided that such amenities are open to the public; (iii) that the District shall generally be prohibited from operating and maintaining fire protection facilities, television relay and translation facilities and services, solid waste collection facilities or transportation services; (iv) that any telecommunication facilities owned or operated by the District shall not affect the ability of the Town to expand its public safety telecommunication facilities or impair the Town's existing telecommunication facilities; (v) that the District will ensure that all public improvements are constructed in accordance with the standards and specifications of the Town and other applicable governmental entities; (vi) that the District shall be subject to all of the Town's zoning, subdivision, building code and other land use requirements; (vii) that the District agrees that the Town shall not be limited in implementing Town Council or voter approved growth limitations, even though such actions may reduce or delay development within the District and the realization of District revenue; and (viii) that the District shall convey to the Town any real property owned by the District that is necessary for any Town capital improvement projects for transportation, utilities, or drainage.

The Town IGA further requires that the District only include the property in the Future Inclusion Area after approval by the Town of an Approved Development Plan (as defined in the Service Plan) and not include within its boundaries any property outside of the Future Inclusion Area without the prior approval of the Town Council. The Town IGA sets a maximum debt limitation for the District of \$12,500,000 exclusive of refundings, permits the District to impose and collect recurring fees for services, programs, or operations and maintenance expenses of facilities furnished by the District, generally prohibits the District from applying for certain grant funds, consolidated with another special district, owning water rights, exercising the power of eminent domain, or create a special improvement district with Town Council approval and/or an amendment to the Town IGA.

The Town IGA sets limitations around how and when a developer within the District may be reimbursed from debt proceeds, sets a maximum mill levy of 40, subject to adjustment, sets a maximum operations and maintenance mill levy of 10 mills, subject to adjustment, sets a maximum debt mill levy imposition term of 40 on any single property, and describes when the District may dissolve.

Assignment and Assumption Agreement. On December 11, 2020, the District and Johnstown Farms Metropolitan District ("JFMD") entered into an Assignment and Assumption Agreement (the "Assumption Agreement"). Pursuant to the Assumption Agreement, JFMD assigned and the District assumed all of JFMD's responsibilities under a Subdivision Development and Improvement Agreement between the Town, a developer, and JFMD relating to certain sanitary sewer improvements constructed within the District. Pursuant to the Assumption Agreement, the District also assumed all of JFMD's obligations to mow and control weed growth within certain open space areas to be owned and maintained by the Town imposed pursuant a plat filed with respect to a certain portion of land within the District.

Funding and Reimbursement Agreement (Operations and Maintenance). On December 11, 2020, the District and TF Johnstown Farms, L.P., a Delaware limited partnership ("TF Johnstown Farms"), entered into a Funding and Reimbursement Agreement (Operations and Maintenance) (the "Funding Agreement") whereby TF Johnstown Farms agreed to loan up

to \$55,000 per annum for three years, up to a \$165,000 maximum, through December 31, 2022. Amounts advanced under the agreement bear interest at 6.5% per annum. The District's obligation to repay advances is subject to annual appropriation from any legally available revenues of the District, net of any debt service or current operations and maintenance costs of the District.

Infrastructure Acquisition Agreement. The District and TF Johnstown Farms entered into an Infrastructure Acquisition Agreement as of September 20, 2021 (the "Infrastructure Acquisition Agreement"), which sets forth the terms and conditions for the reimbursement of certain public Improvements financed and constructed, or caused to be financed and constructed by TF Johnstown Farms for the benefit of the Development (the "Public Improvements"), to establish: the procedures by which the Public Improvements are to be conveyed to the District or conveyed to other entities at the discretion of the District, in return for payment to TF Johnstown Farms by the District and; the terms and conditions for the acquisition of Public Improvements to be conveyed to the District.

TF Johnstown Farms, as assignee of Lennar and Century, may be lawfully reimbursed by the District under the Special District Act and the Service Plan, including without limitation: (a) the costs of labor and materials, furnishings and equipment; (b) the costs of insurance premiums, indemnity and fidelity bonds or other municipal or governmental charges lawfully levied or assessed; (c) the costs of surveys, appraisals, plans, designs, specifications and estimates; (d) the costs, fees, and expenses of engineers, architects, construction management, financial consultants, accountants, legal advisors or other agents or employees; (e) the costs of demolition, removal and relocation; (f) the costs of organizing the District; and (g) all other lawful costs as determined by the Board (the "District Eligible Costs"); with such District Eligible Costs becoming "Certified District Eligible Costs" after the District has adopted an Acceptance Resolution (defined below) in accordance with the terms of the Infrastructure Acquisition Agreement. No later than 45 days, unless the parties to the Infrastructure Acquisition Agreement mutually agree to extend the deadline, following receipt of a satisfactory application for acceptance of District Eligible Costs, an engineer's cost certification and an accountant cost certification, the District is to accept the District Eligible Costs by adopting a resolution declaring satisfaction of the conditions to acceptance as set forth therein, subject to any variances or waivers which the District may allow in its sole and absolute discretion, and with any reasonable conditions the District may specify (the "Acceptance Resolution").

Further, the District may acquire Public Improvements following receipt of items related to the Public Improvements, including: (a) a complete set of digital record drawings; (b) evidence that any underground facilities are electronically locatable (if applicable); (c) test results for improvements conforming to industry standards (if applicable); (d) pressure test results for any irrigation system (if applicable); (e) assignment of any warranties or guaranties (if applicable); (f) any operation and maintenance manuals; (g) an indemnification agreement; (i) an executed bill of sale conveying the Public Improvements to the District; (h) a special warranty deed (if applicable); (j) a warranty agreement; and an engineer's design certification. The District is to acquire the Public Improvements by adopting an Acceptance Resolution declaring satisfaction of the conditions to acceptance as set forth therein, subject to any variances or waivers which the District may allow in its sole and absolute discretion, and with any reasonable conditions the District may specify.

Pursuant to the Infrastructure Acquisition Agreement, the District agrees to use a portion of proceed of the Bonds for the repayment of Certified District Eligible Costs to TF Johnstown Farms, and upon the issuance of the Bonds, the District has no obligation whatsoever to issue additional bonds or other obligations to reimburse TF Johnstown Farms thereunder. Certified District Eligible Costs bear simple interest at a rate of 6% per annum from the effective date of a related Acceptance Resolution adopted by the District.

Acceptance by the District of Certified District Eligible Costs as set forth in the Acceptance Resolution does *not* guarantee that the District does, or in the future will have, the financial ability to pay the Certified District Eligible Costs in part or in full. The District's obligations under the Infrastructure Acquisition Agreement are subject to annual appropriation and budget approval by the Board and may not exceed amounts permitted by the District's electoral authorization and Service Plan. Further, the District's obligation to reimburse TF Johnstown Farms is not a multiple fiscal year obligation.

Insurance Coverage

The Board acts to protect the District against loss and liability by maintaining certain insurance coverage. Currently, the District maintained insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, public officials' liability and workers' compensation insurance coverage as an alternative to the traditional insurance market. CSDPLP provides insurance coverage to over one thousand special districts and is governed by a nine-member board of special district representatives. The District's current policy expires on January 1, 2022, and provides coverage for commercial general liability, public officials liability, employment practices liability, and occurrence liability. Although the District believes this coverage is reasonable for a governmental entity of its size and function, it is possible that future claims could exceed the applicable insurance coverage.

THE DEVELOPMENT

*The information contained in this section has been supplied primarily by the Developer and contains important information concerning the Development. Investors are urged to review this information carefully before making an investment in the Bonds. Neither the District nor the Underwriter make any representation regarding the projected development plans of Lennar, Century, any future homebuilders, or any other party, the financial soundness of the Developer, Lennar, Century, any future homebuilders, or any entities related to those entities, or the ability of such parties to complete the Development as planned. See “RISK FACTORS” for a discussion of some of the primary development risks associated with the development of the property. **Neither Lennar nor Century have participated in the preparation of this Limited Offering Memorandum.***

General Description of the Development. According to the Developer, the Development is currently planned to include 361 single-family detached homes located within the District and the Future Inclusion Area, as more fully described below.

Planned Development within the Current Boundaries of the District. The land area comprising Filing 3 of the Development is currently included within the boundaries of the District and encompasses 90.563 acres. As more fully described below, the land area comprising Filing 3 of the Development has been platted into 119, 60-foot lots and 122, 50-foot lots for a total of 241 lots. Lennar and Century, each of which are affiliates of national homebuilders, currently own 100% of the Filing 3 lots: Century owning 61 of the 50-foot lots and 60 of the 60-foot lots and Lennar owning 61 of the 50-foot lots and 59 of the 60-foot lots. No vertical construction has yet commenced within Filing 3 of the Development but certain horizontal infrastructure has been completed and is ongoing as described more fully below under “ – Public Improvements – Filing 3.” According to the Developer, Lennar and Century will begin model home construction in the first quarter of 2022 with home sales beginning shortly thereafter. Both builders anticipate their first home delivery in late 2022.

Lennar and Century both closed on their respective lot purchases within Filing 3 of the Development on December 15, 2020. According to the Developer, Lennar and Century have collectively currently invested \$13,162,396 to date in the Development (comprised of \$6,265,000 for platted lots and \$6,887,396 for development costs through August 2021).

Future Inclusion Area. The District’s service area includes both the area currently included within the boundaries of the District and an approximately 67.258-acre parcel located directly to the west of the District’s current boundaries (the “Future Inclusion Area”). The District’s Service Plan states that the District may include all or portion of the Future Inclusion Area into the boundaries of the District only after approval by the Town of an Approved Development Plan applicable to the property to be included. The Service Plan defines “Approved Development Plan” as a “subdivision improvement development agreement, preliminary or final plat or other process established by the Town for identifying, among other matters, the Public Improvements necessary for facilitating development of property within a part or all of the Service Area as approved by the Town pursuant to the Town Code, as amended from time to time.” According to the Developer, no application for an Approved Development Plan has been submitted for the Future Inclusion Area.

The Future Inclusion Area was sold by the Developer to Post Modern Development LLC, a Colorado limited liability company (“Post Modern”), pursuant to an Agreement of Purchase and Sale and Joint Escrow Instructions dated as of July 6, 2020, as supplemented by a Reinstatement of and First Amendment Agreement of Purchase and Sale and Joint Escrow Instructions dated as of September 11, 2020 (collectively, the “Post Modern PSA”). The Post Modern PSA states that “[Post Modern] shall not have the right to object to . . . the inclusion of the [Future Inclusion Area] within the service area of the [District]” In accordance with this provision, the Developer expects Post Modern to cooperate to include the Future Inclusion Area within the boundaries of the District once the Town has approved an Approved Development Plan for the Future Inclusion. ***Notwithstanding the foregoing, only Post Modern (or any successor 100% fee owner of the Future Inclusion or any portion thereof) may petition to include the Future Inclusion Area into the boundaries of the District. Consequently, neither the Developer nor the District can guarantee that the Future Inclusion Area will ever be included within the boundaries of the District.***

According to the Developer, the Future Inclusion Area is currently projected to be platted into 120 lots. No preliminary or other plat has yet been submitted by Post Modern or the Developer to the Town, however, and until such a plat has been submitted and approved by the Town no guarantees can be made as to the number of lots the Future Inclusion Area may support, if any. ***Further, according to the Developer, Post Modern is not a homebuilder and does not intend to build homes within the Future Inclusion Area. The Developer has no information as to when, if ever, Post Modern may entitle the Future Inclusion Area and/or sell all or any portion of the land comprising the Future Inclusion Area to a homebuilder.***

Status of Sales, Construction and Entitlements. The following table sets forth the current status of sales, construction and entitlements within the Development:

Status of Sales, Construction and Entitlements⁽¹⁾

	Lots	Completed/ Sold to Homeowners	Completed/ Not Sold to Homeowners	Under Construction and Under Contract	Under Construction and Not Under Contract	Vacant and Under Contract (Platted)	Vacant and Not Under Contract (Platted)	(Unplatted)
Owned by Lennar	120	--	--	--	--	--	120	--
Owned by Century	121	--	--	--	--	--	121	--
Owned by Post Modern	120 ⁽²⁾	--	--	--	--	--	--	120
Totals:	361 ⁽³⁾	--	--	--	--	--	241	120

(1) As of September 20, 2021.

(2) These lots have not been platted and there is no guarantee that the final plat, if any, will create 120 lots. ***These lots are located within the Future Inclusion Area and there is no guarantee that the Future Inclusion Area will ever be included within the boundaries of the District. The owner of the Future Inclusion Area is not a homebuilder and there can be no assurance that such owner will sell the Future Inclusion Area to a homebuilder and that such homebuilder will elect to construct homes within the Future Inclusion Area.***

(3) Represents planned lots. See footnote (2).

Source: The Developer.

Entitlements.

Zoning. Filing 3 of the Development and the Future Inclusion Area are both currently zoned PUD-R. Pursuant to the Town's Zoning Code, the PUD-R zoning designation permits the following uses: (i) SF-1 – minimum of 6,000 SFD lot side; (ii) SF-2 – minimum 4,500 SFD lot size; and (iii) MF-1 – multifamily uses of 2 or more.

Platting. Filing 3 of the Development has been platted into 241 lots pursuant to the Johnstown Farms Filing No. 3 Final Plat recorded in the real property records of Weld County on February 21, 2020, at Instrument No. 4568150. The Future Inclusion Area has not been platted.

Water. Pursuant to a “Water and Sewer Service Agreement, Johnstown Farms, Filing No. 3” dated as of December 2, 2019, between the Developer and the Town, the Town has committed to serve Filing 3 of the Development with sufficient raw water to serve all of the 241 single family detached homes planned to be constructed within such portion of the Development, as well as sufficient water to provide for all planned residential landscape irrigation and parks and other irrigation requirements within such portion of the Development.

The Town has not yet committed to provide raw water to any portion of the Future Inclusion Area.

Public Improvements.

Filing 3. According to the Developer, the total cost of the public improvements necessary to support vertical development within Filing 3 of the Development is \$11,900,000, of which \$4,300,000 has been incurred to date. The improvements constructed to date generally include all required over-lot grading for Filing 3 of the Development, all required water, sanitary sewer, and storm sewer for Phase I of Filing 3 of the Development, a minor portion of the required water, sanitary sewer and storm sewer for Phase II of Filing 3 of the Development, and a portion of the streets, curb and gutter for Phase I of Filing 3 of the Development. According to the Developer, all required public improvements for Phase I of Filing 3 of the Development are expected to be completed by December 31, 2021, and all required public improvements for Phase II of the Development are expected to be completed by April 30, 2022.

Future Inclusion Area. According to the Developer, the public improvements necessary to support vertical development within the Future Inclusion Area are anticipated to be approximately \$10,000,000, none of which has yet commenced.

Joint Development Agreement. Pursuant to a Joint Development Agreement between the Developer, Lennar, and Century dated as of December 15, 2020 (the “JDA”), Lennar and Century have agreed to proportionally fund the cost of all public and private improvements necessary to support development within Filing 3 of the Development. Pursuant to the JDA, Lennar and Century have engaged the Developer to serve as the general contractor for the construction of all such improvements.

Environmental Matters. A Phase I Environmental Site Assessment dated January 11, 2001 (the “2001 Phase I”), was previously prepared with respect to the Development for a predecessor-in-interest to the Developer. The 2001 Phase I revealed no evidence of recognized environmental conditions in connection with the subject property, other than the potential concern associated with the oil and gas well and trash pit then observed adjacent to the site.

On November 24, 2020, CTL Thompson delivered a Phase I Environmental Site Assessment (the “2020 Phase I”) to a homebuilder. The 2020 Phase I revealed no evidence of recognized environmental conditions in connection with the subject property, other than the now plugged and abandoned oil and gas well located adjacent to the site. On January 20, 2021, CTL Thompson delivered a Limited Phase II Environmental Site Assessment (the “Phase II”) to the same homebuilder with respect to the referenced oil and gas well. The Phase II concluded that there was currently no indication that the subject site had been significantly impacted by the nearby (off-site) oil and gas well.

On behalf of the Developer, ERO Resources Corporation (“ERO) plans to submit a Corrective Action Closure Report with respect to an informal shooting range located in a small (27’ by 180’) portion of the District. The ERO Report is expected to conclude that the informal shooting range has been fully remediated and that no soils associated with the historical firing range or target remain on the property with lead concentrations above 100 mg/kg or unrestricted/residential EPA RSLs for lead. With no soils associated with historical firing range activities remaining on the property in excess of the 100 mg/kg, no potential exposure pathways associated with the legacy lead contamination remain on the property. For those reasons, ERO is expected to request a determination of No Further Action for the subject property from the Colorado Department of Health and Environment.

Public Utilities. Xcel Energy is the electric and gas provider for the Development. TDS Telecom is the communications provider School District.

School District. The Development is located in the Weld County RE-5J school district.

DISTRICT FINANCIAL INFORMATION

Sources of District Revenues

Ad valorem property taxes imposed by the District, described below and in “PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT,” are expected to constitute the primary source of the District’s revenue and a significant source of Pledged Revenue pledged to the Bonds.

Property Taxes. The District is permitted by the Special District Act to impose ad valorem property taxes in the form of mill levies.

Service Plan Limitations. The Service Plan limits the number of mills that the District may impose to pay for debt service to forty (40) mills, and the maximum operating mill levy to ten (10) mills; provided that if or after September 21, 2020, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the debt service and operating mill levy limitations described in the Service Plan may be increased or decreased to reflect such changes.

Indenture Limitations. The Indenture requires the District to impose the Required Mill Levy, which is intended to conform to the requirements of the Service Plan. See “SECURITY FOR THE BONDS – Pledged Revenue – Required Mill Levy.”

Specific Ownership Taxes. Pursuant to State law, the District is entitled to share in the revenues generated by the specific ownership tax, which is a State-imposed tax collected by the County and remitted to the District pursuant to State law. The specific ownership tax is imposed upon the taxable value of motor vehicles. Additional information regarding specific ownership taxes in the State is provided in “SECURITY FOR THE BONDS – Pledged Revenue – Specific Ownership Tax.” Only the portion of the specific ownership tax which is collected as a result of the imposition of the Required Mill Levy is pledged to the Bonds.

Rates and Charges. The Special District Act and the Service Plan permit the District to impose fees, rates, tolls, penalties or charges provided by Section 32-1-1001(1), C.R.S. As of the date of issuance of the Bonds, the District has not imposed any such fees.

Budget Process

The District is required by law to adopt an annual budget setting forth: all proposed expenditures for the administration, operations, maintenance, debt service, and capital projects to be undertaken during the budget year of all offices, units, departments, boards, commissions, and institutions of the District; anticipated revenues; estimated beginning and ending fund balances; actual figures for the prior fiscal year and estimated figures projected through the end of the current fiscal year; a written budget message describing the important features of the proposed budget; and explanatory schedules or statements classifying the expenditures by object and the revenues by source. No budget shall provide for expenditures in excess of revenues by source.

No later than October 15 of each year, the person appointed to prepare the budget must submit a proposed budget to the Board and the Pledge Board, as applicable, for the ensuing year. The Board and the Pledge Board must cause to be published a notice that such proposed budget is open for inspection by the public. Prior to adoption, any elector of the District may register his or her objections to the proposed budget. The District must adopt its budget by December 15. After adoption of the budget, the Board must enact a corresponding appropriation resolution before the beginning of the fiscal year. If the District fails to file a certified copy of its budget within thirty days following the beginning of the fiscal year (i.e., by the following January 30) with the Colorado Division of Local Government in the Department of Local Affairs, the division may authorize the County Treasurer to prohibit release of the District's tax revenues and other moneys held by the County Treasurer until the District files its budget.

In general, the District cannot expend money for any of the purposes set out in the appropriation resolution in excess of the amount appropriated. However, in the case of an emergency or some contingency which could not have been reasonably foreseen, the Board may authorize the expenditure of funds in excess of the budget by adopting a resolution. If the District receives revenues which were unanticipated at the time of adoption of the budget (other than property taxes), the Board may authorize the expenditure of such revenues by adopting a supplemental budget after notice and hearing.

Financial Statements

Under State law, the Board is required to have the financial statements of the District audited annually unless exempt. Since the District was formed it has been exempted from the audit requirement and has only filed one short form audit exemption that reflect very little revenues or expenditures. Subsequent to the issuance of the Bonds, the Indenture requires that the District have its financial statements audited annually if required by State law. See "THE BONDS - Additional Covenants and Agreements under the Indenture."

Budget

The District's 2021 General Fund and amended Debt Service Fund and Capital Projects Fund budgets are set forth on the following pages:

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2020 ESTIMATED
For the Years Ended and Ending December 31,

12/09/20

	BUDGET 2020	ACTUAL 9/30/2020	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 4,000
REVENUE				
Property taxes	-	-	-	2,686
Specific ownership tax	-	-	-	134
Developer advance	55,000	-	55,000	55,000
Total revenue	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>57,820</u>
Total funds available	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>61,820</u>
EXPENDITURES				
General and administrative				
Accounting	6,000	-	6,000	20,000
Contingency	17,000	-	17,000	2,960
County Treasurer's fee	-	-	-	40
Dues	500	-	500	500
Insurance	2,500	-	2,500	2,500
Legal	25,000	-	25,000	25,000
Total expenditures	<u>51,000</u>	<u>-</u>	<u>51,000</u>	<u>51,000</u>
Total expenditures and transfers out requiring appropriation	<u>51,000</u>	<u>-</u>	<u>51,000</u>	<u>51,000</u>
ENDING FUND BALANCE	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 10,820</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>
TOTAL RESERVE	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 10,820</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 AMENDED BUDGET**

	BUDGET 2021	AMENDED 2021
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUES		
Property taxes	10,746	10,746
Specific ownership tax	537	578
Other income	-	676
Total revenue	<u>11,283</u>	<u>12,000</u>
EXPENDITURES		
Debt Service		
County Treasurer's fee	161	161
Bond interest - 2021	-	11,163
Contingency	839	676
Total expenditures	<u>1,000</u>	<u>12,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,000</u>	<u>12,000</u>
ENDING FUND BALANCE	<u>\$ 10,283</u>	<u>\$ -</u>

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2021 AMENDED BUDGET**

	BUDGET 2021	AMENDED 2021
BEGINNING FUND BALANCE	\$ -	\$ -
REVENUES		
Interest income	-	13,000
Other Income	-	200,000
Bond issuance - 2021	-	7,062,000
Developer advance	-	6,725,000
Total revenue	-	14,000,000
Total funds available	-	14,000,000
EXPENDITURES		
Debt Service		
Bond issue costs	-	337,000
Contingency	-	213,000
Capital Outlay	-	6,725,000
Repay developer advance	-	6,725,000
Total expenditures	-	14,000,000
Total expenditures and transfers out requiring appropriation	-	14,000,000
ENDING FUND BALANCE	\$ -	\$ -

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Limited Offering Memorandum contains general information concerning historic economic and demographic conditions in and surrounding the County. It is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future.

Population

The following table sets forth a history of the population of the Town of Johnstown, Weld County, and the State.

<u>Year</u>	<u>Population</u>					
	<u>Town of Johnstown</u>		<u>Weld County</u>		<u>Colorado</u>	
	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>	<u>Population</u>	<u>Percent Change</u>
1980	1,535	--	123,438	--	2,889,735	--
1990	1,579	2.9%	131,821	6.8%	3,294,394	14.0%
2000	3,827	142.4	180,936	37.3	4,301,261	30.6
2010	9,887	158.3	252,825	39.7	5,029,196	16.9
2020	17,303	75.0	328,981	30.1	5,773,714	14.8

Source: United States Department of Commerce, Bureau of the Census.

Age Distribution. The following table sets forth a projected comparative age distribution profile for the Town, the County, the State and the nation as of January 1, 2021.

<u>Age</u>	<u>Town of Johnstown</u>	<u>Weld County</u>	<u>Colorado</u>	<u>United States</u>
0-17	27.5%	26.0%	21.9%	22.2%
18-24	8.3	9.4	9.2	9.4
25-34	11.4	14.1	15.0	13.5
35-44	14.5	14.0	13.9	12.7
45-54	13.6	12.1	12.4	12.3
55-64	10.7	11.2	12.3	12.8
65-74	8.8	8.3	9.5	10.1
75 and Older	5.2	4.9	5.8	7.0

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Income

The following table sets forth a five year history of the annual per capita personal income levels for the residents of Weld County, the State and the nation.

Annual Per Capita Personal Income

Year ⁽¹⁾	Weld County	Colorado	United States
2015	\$43,925	\$52,219	\$49,003
2016	43,745	52,431	49,995
2017	44,479	55,550	52,096
2018	48,035	58,836	54,581
2019	50,198	61,159	56,474
2020	n/a	63,522	59,729

(1) County figures posted November 2020; state and national figures posted March 2021. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

The following two tables reflect the Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Median Household Effective Buying Income Estimates⁽¹⁾

Year ⁽²⁾	Town of Johnstown	Weld County	Colorado	United States
2019	\$73,678	\$57,819	\$59,227	\$52,468
2020	77,032	60,064	62,340	54,686
2021	82,174	64,651	64,415	56,093

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

(2) Annual estimates are snapshots of effective buying income on the date of January 1 of each listed year.

Source: Claritas, ©2019-2021 by Environics Analytics (EA).

Percent of Households by Effective Buying Income Groups – 2021 Estimates⁽¹⁾

<u>Effective Buying Income Group</u>	<u>Town of Johnstown</u>	<u>Weld County</u>	<u>Colorado</u>	<u>United States</u>
Less than \$24,999	5.4%	16.2%	15.1%	19.6%
\$25,000 - 49,999	19.5	24.5	23.3	25.1
\$50,000 - 74,999	18.3	22.1	19.4	19.5
\$75,000 - 99,999	23.4	18.5	16.8	14.7
\$100,000 - 124,999	13.0	8.1	9.0	7.4
\$125,000 - 149,999	8.0	4.4	5.6	4.6
\$150,000 or More	12.4	6.2	10.8	9.1

(1) Projected estimates are snapshots of income groups on January 1st, 2021.

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Employment

The following table sets forth information on employment within Weld County, the State and the nation for the time period indicated.

Labor Force and Percent Unemployed

<u>Year</u>	<u>Weld County⁽¹⁾</u>		<u>Colorado⁽¹⁾</u>		<u>United States</u>
	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Percent Unemployed</u>
2016	149,941	3.3%	2,894,157	3.1%	4.9%
2017	157,350	2.5	2,982,495	2.6	4.4
2018	164,567	2.8	3,071,396	3.0	3.9
2019	169,253	2.5	3,126,120	2.7	3.7
2020	166,666	7.0	3,122,237	7.3	8.1
<u>Month of July</u>					
2020	162,291	7.4%	3,083,369	7.5%	10.5%
2021 ⁽²⁾	166,598	2.8	3,190,695	5.9	5.7

(1) Figures for the County and the State are not seasonally adjusted.

(2) Preliminary data.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Colorado Areas Labor Force Data; and U.S. Department of Labor, Bureau of Statistics.

The following table sets forth the number of individuals employed within selected Weld County industries which are covered by unemployment insurance. In 2020, the largest employment sector in Weld County was government (comprising approximately 14.9% of the county's work force), followed, in order, by manufacturing; construction; retail trade; and health care and social assistance. For the twelve-month period ended December 31, 2020, total average

employment in the County decreased (6.4)% as compared to the same period ending December 31, 2019, and the average weekly wage increased 3.5% during the same time period.

Number of Employees Within Selected Industries – Weld County

<u>Industry</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021⁽¹⁾</u>
Agriculture, Forestry, Fishing, Hunting	3,982	4,059	4,065	4,264	4,243	3,969
Mining	5,493	6,812	8,620	8,728	5,728	4,649
Utilities	335	366	387	411	438	461
Construction	9,214	10,416	11,326	12,664	11,337	10,242
Manufacturing	13,420	13,298	13,637	14,282	13,803	13,461
Wholesale Trade	3,929	4,136	4,258	4,421	4,272	4,225
Retail Trade	10,062	10,222	10,312	10,488	10,610	10,691
Transportation & Warehousing	3,104	3,479	3,758	3,895	3,603	3,416
Information	692	723	701	675	540	501
Finance & Insurance	3,014	2,897	2,840	2,786	2,863	2,836
Real Estate, Rental & Leasing	1,249	1,442	1,408	1,438	1,359	1,299
Professional & Technical Services	2,582	2,680	2,848	3,180	3,321	3,418
Management of Companies/Enterprises	1,442	1,594	1,753	1,871	1,929	1,858
Administrative & Waste Services	5,688	5,804	5,961	5,899	5,726	5,427
Educational Services	518	590	651	753	738	781
Health Care & Social Assistance	9,026	9,246	9,533	9,612	9,513	9,907
Arts, Entertainment & Recreation	1,047	1,087	944	962	802	747
Accommodation & Food Services	7,744	8,151	8,530	8,837	7,724	7,637
Other Services	2,347	2,744	2,651	2,783	2,593	2,630
Non-classifiable	14	n/a ⁽²⁾	4	n/a ⁽²⁾	n/a ⁽²⁾	n/a ⁽²⁾
Government	<u>15,314</u>	<u>15,483</u>	<u>15,943</u>	<u>16,416</u>	<u>15,933</u>	<u>15,785</u>
Total ⁽³⁾	<u>100,215</u>	<u>105,229</u>	<u>110,129</u>	<u>114,367</u>	<u>107,080</u>	<u>103,946</u>

(1) Data for 1st quarter 2021.

(2) Due to confidentiality, figures are not released.

(3) Figures may not equal the total due to the rounding of averages, or the inclusion of employees that were not disclosed in individual classifications.

Source: State of Colorado, Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

Major Employers

The following table sets forth a brief description of private major employers located in Weld County. No independent investigation has been made regarding these major employers. Therefore, there can be no representation as to whether or not such employers will retain their status as major employers in the County.

Largest Private Non-Retail Employers in Weld County

<u>Employer</u>	<u>Product or Service</u>	<u>Estimated Numbers of Employees⁽¹⁾</u>
JBS USA & Affiliates	Beef processing/corp. office	6,000
Banner Health: North Colorado Medical Center	Healthcare	3,560
Vestas	Wind turbine manufacturing	2,710
UCHealth	Healthcare	1,060
State Farm Insurance Companies	Insurance	950
Colorado Premium Foods (K2D)	Food manufacturing	550
Leprino Foods	Cheese/dairy foods manufacturing	540
McLane Company, Inc.	Food distribution	460
J.M. Smucker Company	Food manufacturing	450
Carestream Health Inc.	Medical & dental imaging	450

(1) Revised June 2021.

Source: Development Research Partners as posted by Metro Denver Economic Development Corp.

Retail Sales

The following table sets forth annual retail sales figures for the Town of Johnstown, Weld County and the State.

Retail Sales
(in thousands)

<u>Year</u>	<u>Town of Johnstown</u>	<u>Percent Change</u>	<u>Weld County</u>	<u>Percent Change</u>	<u>Colorado</u>	<u>Percent Change</u>
2016	\$358,841	--	\$9,875,734	--	\$184,703,410	--
2017	412,758	15.0%	11,113,079	12.5%	194,641,958	5.4%
2018	551,068	33.5	12,167,650	9.5	206,121,045	5.9
2019	483,420	(12.3)	13,251,205	8.9	224,618,938	9.0
2020	574,072	18.8%	12,951,377	(2.3)	228,812,220	1.9
2021 ⁽¹⁾	327,693	--	6,559,930	--	122,379,469	--

(1) As of June 30, 2021.

Source: Colorado Department of Revenue, *Retail Sales Report*, 2016-2021.

Building Permits

The following table sets forth a history of residential building permits issued in the Town of Johnstown.

Residential Permit Issuances in Town of Johnstown

<u>Year</u>	<u>Residential Permits</u>
2016	132
2017	140
2018	126
2019	87
2020	117
2021 ⁽¹⁾	106

(1) As of July 31, 2021.

Source: Town of Johnstown Building Division.

Foreclosure Activity

The following table sets forth the number of foreclosures filed in Weld County during the time period shown. Such information only represents the number of foreclosures filed and does not take into account foreclosures which were filed and subsequently redeemed or withdrawn.

History of Foreclosure Filings – Weld County

<u>Year</u>	<u>Number of Foreclosures Filed</u>	<u>Percent Change</u>
2016	411	--
2017	362	(11.9)%
2018	375	3.6
2019 ¹	334	(10.9)
2020	116 ⁽¹⁾	(65.3)
2021	22 ⁽¹⁾	--

(1) The Colorado Division of Housing has advised that, due to a variety of legal restrictions and voluntary decisions by lenders related primarily to COVID-19, the 2020-21 data for foreclosure activity may not accurately reflect the foreclosure activity that would have occurred during 2020-21 absent those restrictions and decisions.

(2) Filings as of July 31, 2021, which compares with a total of 99 filings for the same period in 2020.

Sources: Colorado Division of Housing (2016-2020) and Weld County Public Trustee Office (2021).

TAX MATTERS

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District will covenant and represent in the Indenture that it will not take any action or omit to take any action with respect to the Bonds, any funds of the District, or any facilities financed with the proceeds of the Bonds, if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. Bond Counsel’s opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate

taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner’s acquisition cost. Bond Counsel’s opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the District as the taxpayer and the Owners may have no right to participate in such procedures. The District has covenanted in the Indenture not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

FINANCIAL INSTITUTION INTEREST DEDUCTION

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution’s interest expense as the institution’s average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution.

Tax-exempt obligations may be treated as if issued prior to August 7, 1986 (and therefore are not subject to this rule), if they are “qualified tax-exempt obligations” as defined in the Tax Code and are designated for this purpose by the District.

The District has designated the Bonds for this purpose; however, under provisions of the Tax Code dealing with financial institution preference items, certain financial institutions, including banks, are denied 20% of their otherwise allowable deduction for interest expense with respect to obligations incurred or continued to purchase or carry the Bonds. In general, interest expense with respect to obligations incurred or continued to purchase or carry the Bonds will be in an amount which bears the same ratio as the institution's average adjusted basis in the Bonds bears to the average adjusted basis of all assets of the institution.

Amendments to the Tax Code could be enacted in the future and there is no assurance that any such future amendments which may be made to the Tax Code will not adversely affect the ability of banks or other financial institutions to deduct any portion of its interest expense allocable to tax-exempt interest.

LEGAL MATTERS

No Litigation Involving the District – District Certificate

In connection with the issuance of the Bonds, the District will provide a closing certificate that will include, among other things, statements to the effect that no litigation of any nature is now pending or threatened, seeking to restrain or to enjoin the execution, issuance, or delivery of the Bonds, the Indenture, the Bond Resolution, or in any manner questioning the authority or proceedings for the Election, or the issuance of the Bonds, or the execution and delivery of the Indenture, or affecting the validity or enforceability of the Election, the Bonds, the Indenture, the Bond Resolution, the collection of the Pledged Revenue, or the pledge of the Pledged Revenue under the Indenture; and no litigation of any nature is now pending or, threatened, which, if determined adversely to the District, would have a material adverse effect upon the Pledged Revenue, or the District's ability to comply with its obligations under the Bond Resolution, the Indenture, or the Bonds, or to consummate the transactions contemplated thereby. The District's general counsel is expected to render an opinion stating that, to the best of its actual knowledge, there is no pending action, suit, proceeding, inquiry or investigation in which the District is a party.

No Litigation Involving the District – General Counsel Opinion

The District's general counsel is expected to render an opinion stating that, to the best of its actual knowledge, there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Bond Resolution, the Continuing Disclosure Agreement, the Indenture or the Bond Purchase Agreement.

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the “Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle, owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$350,000 for claims accruing before January 1, 2019, or the sum of \$387,000 for claims accruing on or after January 1, 2019, and before January 1, 2022; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000 for claims accruing before January 1, 2019, except in such instance, no person may recover in excess of \$350,000; or the sum of \$1,093,000 for claims accruing on or after January 1, 2019, and before January 1, 2022, except in such instance, no person may recover in excess of \$387,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first such increase to occur on or before January 1, 2019. The Board by resolution may increase any maximum amount that may be recovered from the District for certain types of injuries. However, the District may not be held liable either directly or by indemnification for punitive or exemplary damages unless the District voluntarily pays such damages in accordance with State law. The District has not acted to increase the damage limitations in the Immunity Act.

The District may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Approval of Certain Legal Proceedings

Legal matters relating to the issuance of the Bonds, as well as the treatment of interest on the Bonds for purposes of federal and State income taxation, are subject to the approving legal opinions of Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. Such opinion, the form of which is attached hereto as Appendix G, will be dated as of and

delivered at closing. Certain legal matters pertaining to the organization and operation of the District will be passed upon by its general counsel, White Bear Ankele Tanaka & Waldron, Professional Corporation, Centennial, Colorado, Sherman & Howard L.L.C., Denver, Colorado, has also acted as disclosure counsel to the District. Kutak Rock LLP, Denver, Colorado, has acted as counsel to the Underwriter in connection with the issuance of the Bonds.

Legal fees to Bond Counsel and counsel to the Underwriter are contingent upon the sale and delivery of the Bonds. In addition, Sherman & Howard L.L.C. represents the Underwriter from time to time in connection with certain unrelated matters. Such firm does not represent the Underwriter or any other party (other than the District) in connection with the issuance of the Bonds.

Certain Constitutional Limitations

In 1992, the voters of Colorado approved a constitutional amendment which is codified as Article X, Section 20, of the Colorado Constitution (the Taxpayers Bill of Rights or “TABOR”). In general, TABOR restricts the ability of the State and local governments to increase revenues and spending, to impose taxes, and to issue debt and certain other types of obligations without voter approval. TABOR generally applies to the State and all local governments, including the District (“local governments”), but does not apply to “enterprises,” defined as government owned businesses authorized to issue revenue bonds and receiving under 10% of annual revenue in grants from all state and local governments combined.

Because some provisions of TABOR are unclear, litigation seeking judicial interpretation of its provisions has been commenced on numerous occasions since its adoption. Additional litigation may be commenced in the future seeking further interpretation of TABOR. No representation can be made as to the overall impact of TABOR on the future activities of the District, including its ability to generate sufficient revenues for its general operations, to undertake additional programs or to engage in any subsequent financing activities.

Voter Approval Requirements and Limitations on Taxes, Spending, Revenues, and Borrowing. TABOR requires voter approval in advance for: (a) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase, extension of an expiring tax, or a tax policy change causing a net tax revenue gain; (b) any increase in a local government’s spending from one year to the next in excess of the limitations described below; (c) any increase in the real property tax revenues of a local government from one year to the next in excess of the limitations described below; or (d) creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, subject to certain exceptions such as the refinancing of obligations at a lower interest rate.

TABOR limits increases in government spending and property tax revenues to, generally, the rate of inflation and a local growth factor which is based upon, for school districts, the percentage change in enrollment from year to year, and for non-school districts, the actual value of new construction in the local government. Unless voter approval is received as described above, revenues collected in excess of these permitted spending limitations must be rebated. Debt service, however, including the debt service on the Bonds, can be paid without regard to any spending limits, assuming revenues are available to do so. TABOR’s tax increase

limitations could cause the District's property tax revenues to decrease if the assessed valuation of taxable real property in the District should decline, absent voter approval to increase the District's property tax mill levy as explained above.

At the Election, the District's voters approved election questions which authorize the District to retain excess revenues which may otherwise be required by TABOR to be refunded to taxpayers. As required by TABOR, the issuance of the Bonds was authorized at the Election.

Emergency Reserve Funds. TABOR also requires local governments to establish emergency reserve funds. The reserve fund must consist of at least 3% of fiscal year spending, excluding bonded debt service. TABOR allows local governments to impose emergency taxes (other than property taxes) if certain conditions are met. Local governments are not allowed to use emergency reserves or taxes to compensate for economic conditions, revenue shortfalls, or local government salary or benefit increases. The District has budgeted emergency reserves as required by TABOR.

Other Limitations. TABOR also prohibits new or increased real property transfer tax rates and local government income taxes. TABOR allows local governments to enact exemptions and credits to reduce or end business personal property taxes; provided, however, the local governments' spending is reduced by the amount saved by such action. With the exception of K-12 public education and federal programs, TABOR also allows local governments (subject to certain notice and phase out requirements) to reduce or end subsidies to any program delegated for administration by the general assembly; provided, however, the local governments' spending is reduced by the amount saved by such action.

Police Power

The obligations of the District are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including bankruptcy.

RATINGS

The District has not submitted, and does not intend to submit, an application to any securities rating agency with respect to the Bonds.

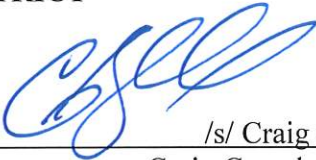
UNDERWRITING

Hilltop Securities Inc., Denver, Colorado (the "Underwriter") has agreed to purchase the Bonds from the District under a Bond Purchase Agreement at a purchase price equal to \$6,934,884.00 (which is equal to the par amount of the Bonds, less Underwriter's discount of \$127,116.00). The Underwriter is committed to take and pay for all of the Bonds if any are taken.

LIMITED OFFERING MEMORANDUM CERTIFICATION

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the District. This Limited Offering Memorandum is hereby duly approved by the District as of the date on the cover page hereof.

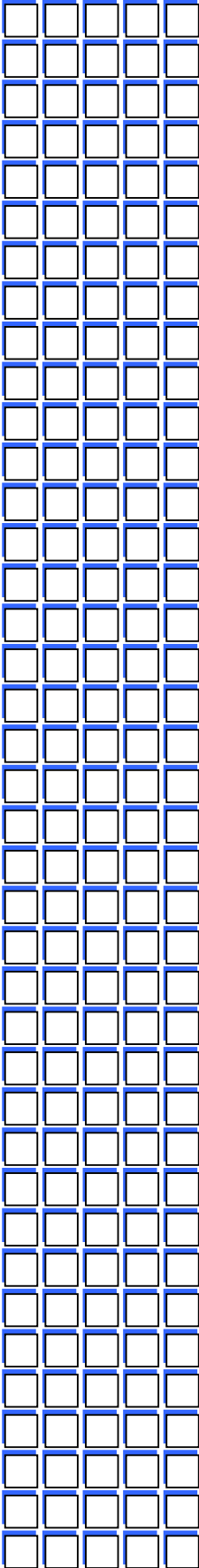
**JOHNSTOWN FARMS EAST METROPOLITAN
DISTRICT**

By:  /s/ Craig Campbell
Craig Campbell, President

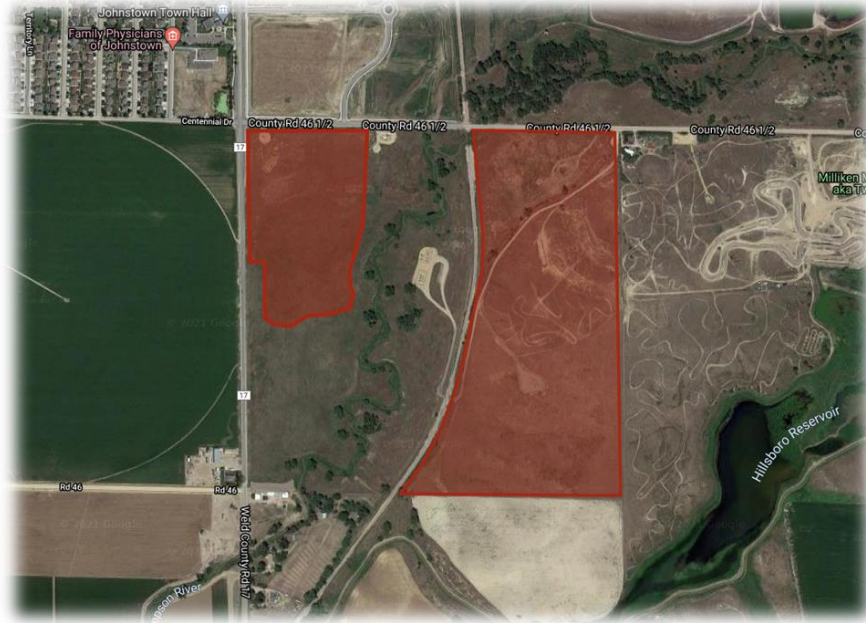
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APPENDIX A
MARKET STUDY

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RESIDENTIAL MARKET AND ABSORPTION ANALYSIS



JOHNSTOWN FARMS JOHNSTOWN, COLORADO

PREPARED FOR:
JOHNSTOWN FARMS EAST
METROPOLITAN DISTRICT



Economic & Market Research / Land & Development Planning
Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

RESIDENTIAL MARKET AND ABSORPTION ANALYSIS

Johnstown Farms Johnstown, Colorado

**PREPARED FOR:
JOHNSTOWN FARMS EAST
METROPOLITAN DISTRICT**

AUGUST 25, 2021

PREPARED BY:



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Landscape Architecture / Community Planning & Design
Golf Feasibility Analysis

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EXECUTIVE SUMMARY

Executive Summary

The Johnstown Farms East Metropolitan District is located within Johnstown, Weld County, Colorado. The Northern Colorado region has been experiencing rapid growth and the Johnstown Farms site is well positioned within the environs, making it an excellent opportunity for residential development.

The Johnstown Farms Competitive Market Area (CMA) consists of an approximate 10 to 15 minute drive time from the subject site, and areas primarily along the Interstate 25 corridor in Northern Colorado. The Johnstown Farms CMA stretches north to Windsor, west to Loveland and Berthoud, South to Mead and Platteville, and east to Greeley. Since 1990, population within the CMA grew from 16,244 to 94,960, or 5.9% annually, while households rose from 5,554 to 33,633, or 6.0% annually. From 2021 through 2031, THK projects the CMA to grow to 151,872 people and 53,790 households, or by 4.8% per year for both.

The CMA has 14 active single family detached home developments. These developments have an average lot size of 6,409 square feet, average unit size between 1,672 and 2,894 square feet, average price range between \$448,118 and \$536,461, and average monthly sales rate of 3.6 units. As for upcoming developments, there are four known detached projects scheduled to come online within the next year or so and one 4,000-unit master planned community that is anticipated to start delivery in 2023. Unit sizes and prices for the upcoming communities have yet to be determined.

THK anticipates the Johnstown Farms site to capture up to 20% of the CMA's demand for construction of new single family detached development priced under \$718,000 over the next ten years. The price point of \$718,000 is based on income levels shown on page 38. This capture rate is based on the number of competitive properties within the market area, and factor in demand generated from the subject site's location as well as projected development of other supporting land use types throughout the neighborhood.

The tables on the following page detail THK's forecast of the sale and build-out of each product type proposed at Johnstown Farms. Johnstown Farms is currently planned for 361 total homes, with product lines on 45', 50', and 60' wide lots, respectively. The Johnstown Farms site is projected to be fully absorbed in 2024.

Lot premiums vary on a number of factors, including lot size, topography, views, and adjacent land uses, such as open space. Based on THK's experience with other developments in the area, THK estimates average lot premiums across both product types at 2.0% of base price pricing. This estimated lot premium is an average, as interior lots with limited views will likely have no lot premium, while other lots with more desirable features will have a higher premium. Options and/or upgrades include features that are above what is included with a home's base price. These features typically include improvements such as finished basements, higher-end appliances, higher-end flooring, granite countertops, etc. THK estimates average option/upgrade premiums across both product types at 3.0% of base price pricing.

EXECUTIVE SUMMARY

Summary of Absorption by Product Type and Year at the Johnstown Farms site, 2021-2024

Year	Filing 3		Filing 2	Annual Total Absorption
	SFD 50' \$500,000	SFD 60' \$550,000	SFD 45' \$450,000	
2021	**Planning & Site Preparation**		**Planning & Prep**	0
2022	75	73	**Planning & Prep**	148
2023	47	46	56	149
2024	0	0	64	64
Total Homes	122	119	120	361

Source: THK Associates, Inc.

Summary of Absorption by Quarter at the Johnstown Farms site, 2022-2024

Home Sales by Quarter			
Quarter	Filing 3	Filing 2	Cumulative Home Sales
2022 Q1	35	0	35
2022 Q2	36	0	71
2022 Q3	38	0	109
2022 Q4	39	0	148
2023 Q1	39	0	187
2023 Q2	38	0	225
2023 Q3	16	21	262
2023 Q4	0	35	297
2024 Q1	0	33	330
2024 Q2	0	31	361
Total	241	120	361

Source: THK Associates, Inc.

Summary of Proposed Residential Product and Pricing at Johnstown Farms

Product	Filing 2	Filing 3	
	SFD 45'	SFD 50'	SFD 60'
Avg. Price	\$450,000	\$500,000	\$550,000
Avg. Unit Size (SqFt)	2,000	2,000	2,200
Avg. Price/SqFt	\$225	\$250	\$250
Avg. Lot Premium	2.0%	2.0%	2.0%
Avg. Option/Upgrades	3.0%	3.0%	3.0%

Source: THK Associates, Inc.

I. INTRODUCTION

I. Introduction

The purpose of this market analysis has been to determine future absorption by pricing and product type for the Johnstown Farms East Metropolitan District. The site is located on the Southeast corner of Weld County Roads 46 ½ and 17, in Johnstown, Weld County, Colorado.

The study examines the potential for residential uses on the site and assesses the development feasibility and absorption potentials by product type. THK's research includes market projections for a variety of residential product types, including single family detached (SFD) product lines on 45', 50' and 60' wide lots. At the conclusion of THK's analysis, an absorption estimate of the proposed residential product type at the Johnstown Farms East Metropolitan District is detailed.

In order to estimate future residential construction activity for the Johnstown Farms East Metropolitan District, THK has undertaken the following research:

- Prepared an economic base analysis of the Two County market area (Larimer and Weld Counties).
- Profiled submarkets within the regional environs including population and household growth, employment growth, income characteristics, permit data, housing supply, and other relevant statistics.
- Inspected the Johnstown Farms site.
- Inventoried active and upcoming single family home communities in the Johnstown Farms Competitive Market Area.
- Identified sales of single-family homes within the Johnstown Farms Competitive Market Area over the past year.
- This assessment of supply and demand allowed THK to project the pace of absorption and build-out for residential uses by product type at the Johnstown Farms East Metropolitan District.

II. SITE DESCRIPTION

SITE DESCRIPTION

II. Site Description

The Johnstown Farms site is located in the Town of Johnstown, Weld County, Colorado. The site is located on the Southeast corner of Weld County Road 46 ½ (Centennial Drive) and Weld County Road 17.

The site is roughly ½ mile Southeast of Johnstown’s Town Center and ¼ from Town Hall, 3 miles West of Milliken, 10 miles Southeast of Loveland, and 15 miles Northeast of Longmont. The site has excellent visibility and access from Weld County Roads 46 ½ and 17. Interstate 25 is located 5 miles to the West of the site and Highway 85 is approximately 10 miles driving distance to the East. The eastern portion of the site (Filing No. 3) is proposed for two street connections with Weld County Road 46 ½ (Crestone St. & Columbia St.). The western portion of the site (Filing No. 2) is proposed for street connections with Weld County Roads 46 ½ and 17, respectively.

The Johnstown Farms environs encompass roughly a quarter section (160 acres) in total, which is comprised of proposed residential land as well as open space. A seldom used Great Western Railroad spur line runs North to South through the site, roughly bisecting it. The Little Thompson River runs through the site along the railroad as well. Additionally, there is currently a petroleum well located on the open space on the site between filings II and III, along with related petroleum hardware.

The site is planned for 361 detached single family residential units in total. Filing No. 3 encompasses phases I and II and has been platted for 119 60-foot lots and 122 50-foot lots. Filing No. 2 is proposed (but not yet platted) for 120 45-foot lots. Of the 122 50-foot lots, Lennar and Century Communities each own 61. Of the 119 60-foot lots, Lennar owns 59 and Century Communities owns 60. While Filing 2 has been zoned for an additional 120 lots estimated at 45’ wide, these lots are not yet platted. Filing 2 was sold to a third-party developer. It is uncertain at this time if and when that developer will submit a plat and develop the lots if at all. THK has assumed that the developer will submit a plat and develop the lots to be ready for sale by 2023. Potential builders of the 45-foot lots located in Filing No. 2 have not yet been determined. Table II-1, shown below, breaks down the proposed product types and counts at the Johnstown Farms East Metropolitan District as a whole, and Table II-2 on the following page breaks down proposed product types by builder for Filing No. 3.

**Table II-1: Johnstown Farms
Proposed Residential by Product Type, Filing, and Builder**

Product Type	Filing No.	Total Homes	Builder(s)
SFD 45'	2	120	Unknown
SFD 50'	3	122	Lennar, Century Communities
SFD 60'	3	119	Lennar, Century Communities
Total Homes		361	

Source: Johnstown Farms East Metropolitan District

SITE DESCRIPTION

Table II-2: Johnstown Farms Filing III Proposed Residential by Builder and Product Type

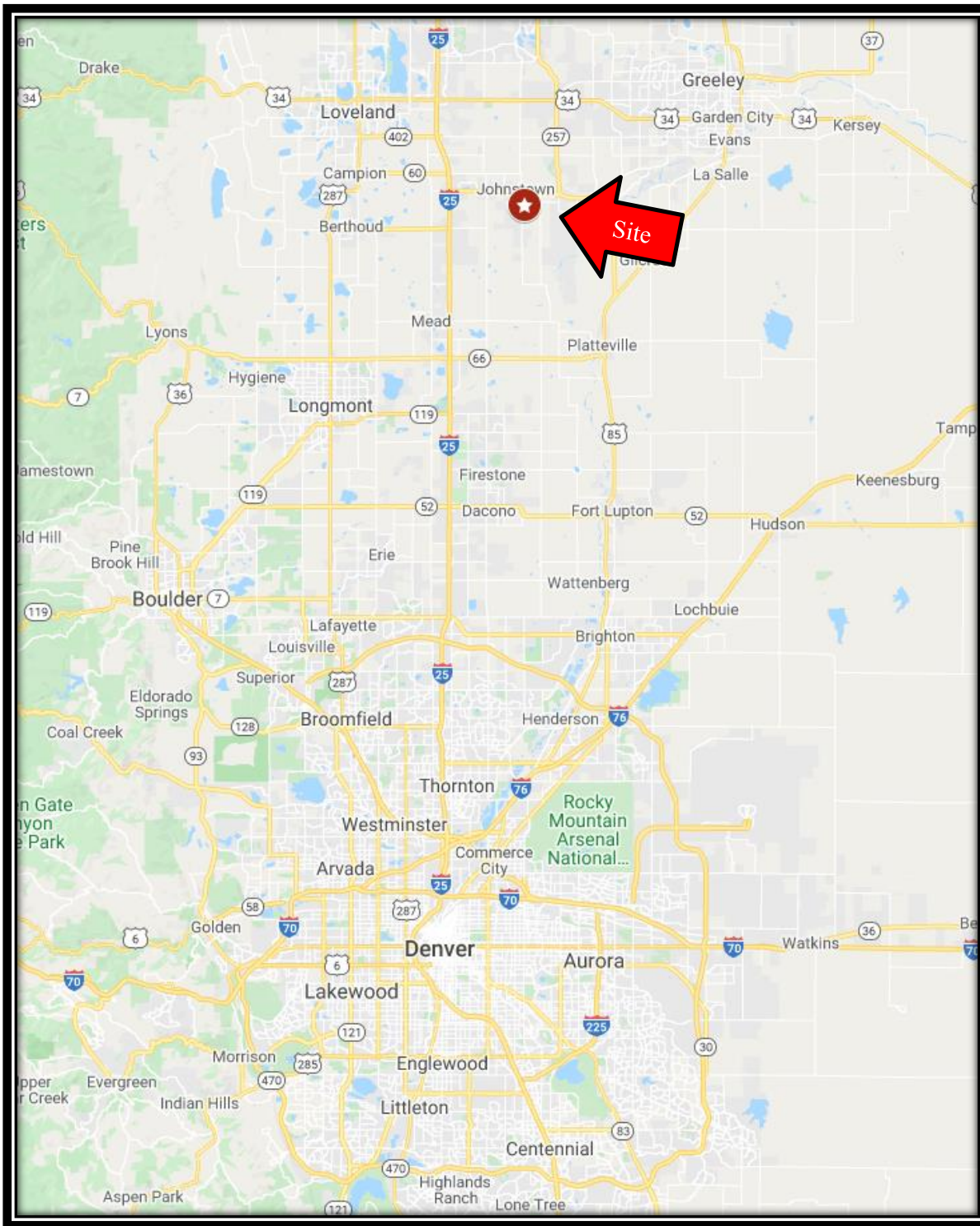
Product Type	Lennar Total Homes	Century Communities Total Homes	Total Homes
SFD 50'	61	61	122
SFD 60'	59	60	119
Total	120	121	241

Source: Johnstown Farms East Metropolitan District

Area maps, aerials, site plan and site photos are shown on the following pages.

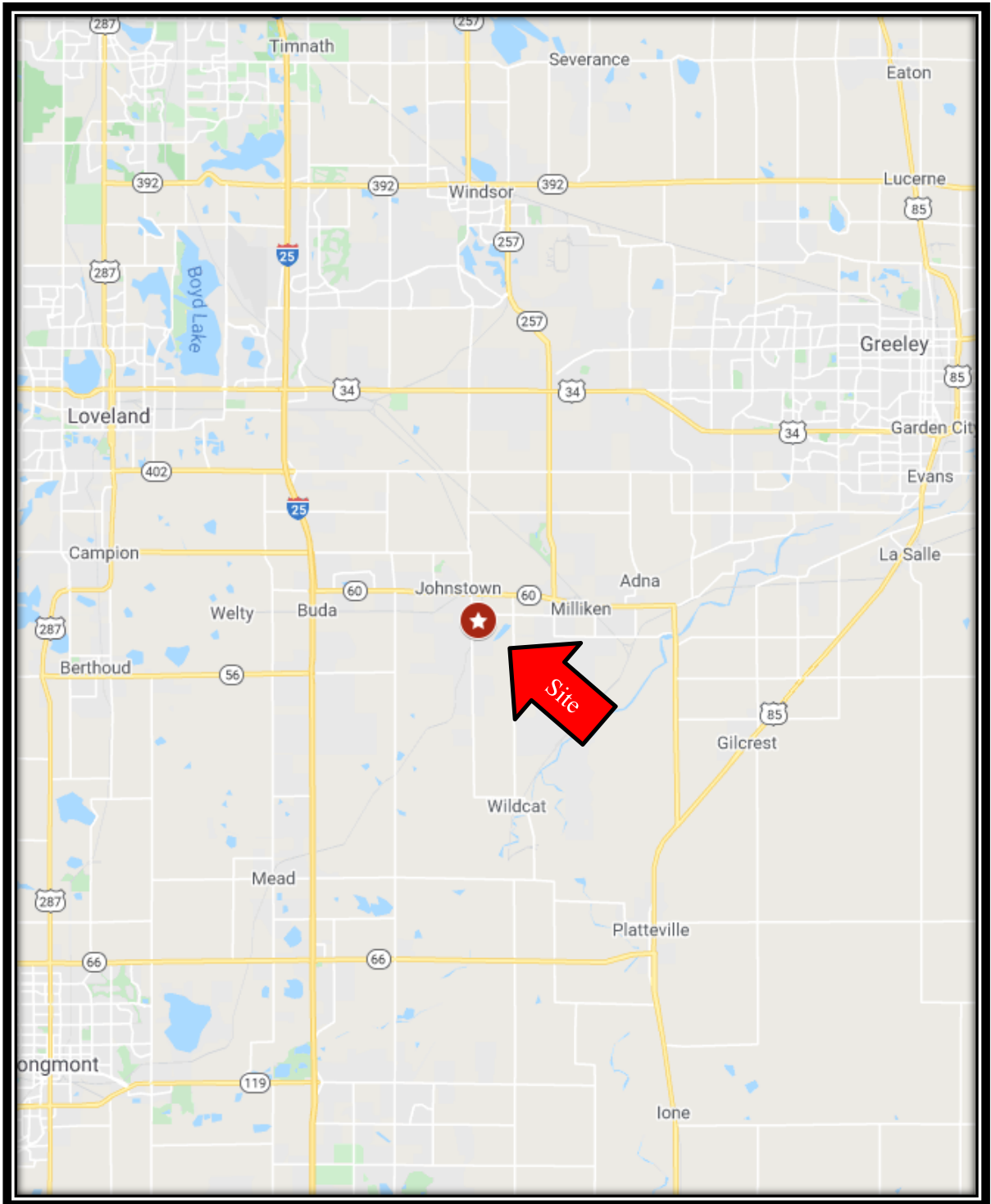
REGIONAL LOCATION

Figure 1- Denver Metropolitan Area Regional Location



REGIONAL LOCATION

Figure 2- Johnstown Farms Regional Location

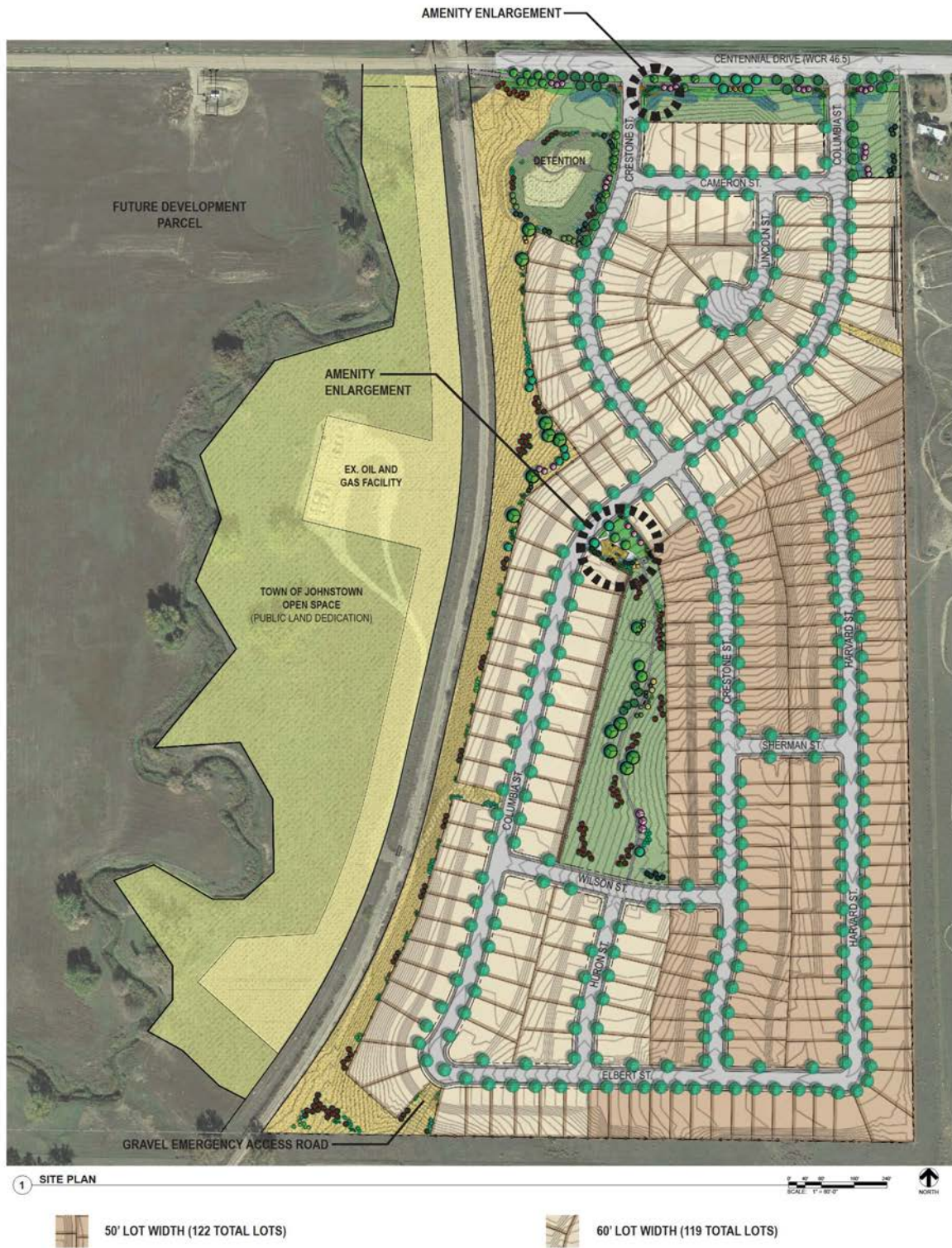


SITE ENVIRONS

Figure 3- Johnstown Farms Environs Map



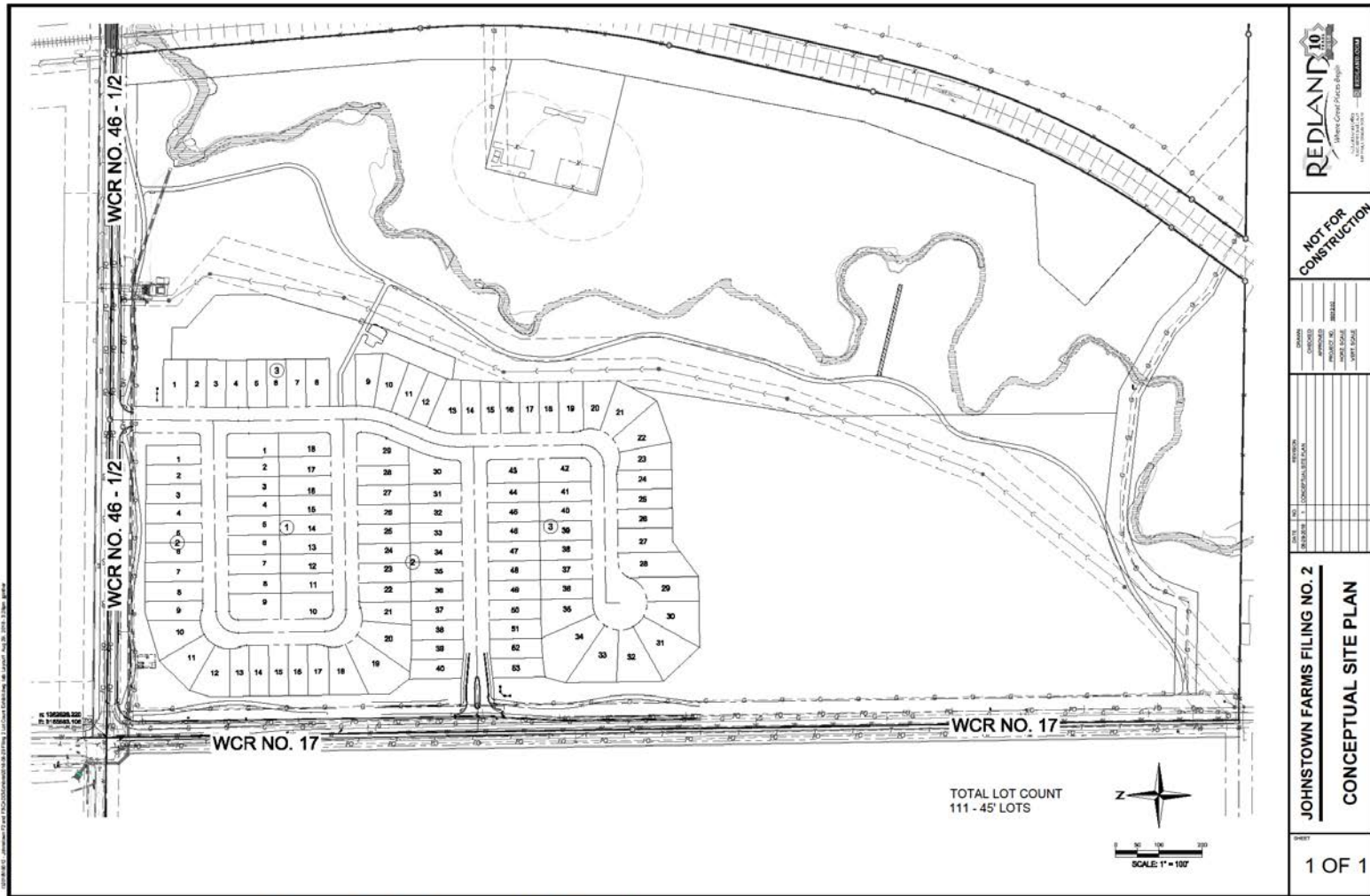
Figure 4- Johnstown Farms Filing III Site Plan



JOHNSTOWN FARMS - FILING NO. 3
OVERALL SITE PLAN



Figure 5- Johnstown Farms Filing II Site Plan



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SITE PHOTOS

Figure 6- Johnstown Farms Filing III Site Photos



SITE PHOTOS

Figure 7- Johnstown Farms Filing II Site Photos



III. Two County Economic Base Analysis

III. Two County Economic Base Analysis

The following is an economic overview of the Two-County market area consisting of Larimer and Weld Counties.

A. HISTORICAL EMPLOYMENT GROWTH

Employment trends are prime indicators of the economic growth of an area. Increases in employment generate growth for most sectors of the local economy and dictate the rate at which it will expand. This section looks at the area's various employment figures by industry and projects their course over the next decade.

Table III-1 shows historical employment growth for the Two-County market area. Since 1990, the Two-County market area has added an annual average of 7,946 jobs. In 2009 and 2010, the Two-County area experienced a shrinking jobs market as a result of the Great Recession and lost 7,389 jobs in 2009 and 8,153 in 2010. Since 2011, the job market has rebounded, adding 16,988 jobs in 2011 and an average of 9,862 jobs per year thereafter.

First adopted in 1997, the Standard Industrial Classification (SIC) index was replaced in 2001 by the North American Industry Classification System (NAICS). The new system provides the government with an improved method of tracking economic statistics by focusing on emerging economic activities, which better reflects the changing economy.

Since the implementation of the NAICS system in 2001, the Two-County market area has experienced consistent growth across almost every employment sector. Table III-2 shows employment by industry for the Two-County market area. Within the Two-County area, the greatest number of jobs in 2021 are found in Government and Government Enterprises (59,378 jobs), Retail Trade (39,075 jobs), and Construction (34,811 jobs).

ECONOMIC BASE ANALYSIS

Table III-1: Employment Trends in the Two-County Market, 1990-2021

Year	Total Employment	Annual Change	% Change
1990	172,043	--	--
1991	178,585	6,542	3.8%
1992	183,513	4,928	2.8%
1993	195,136	11,623	6.3%
1994	205,498	10,362	5.3%
1995	213,985	8,487	4.1%
1996	225,926	11,941	5.6%
1997	235,020	9,094	4.0%
1998	244,308	9,288	4.0%
1999	251,249	6,941	2.8%
2000	262,603	11,354	4.5%
2001	273,326	10,723	4.1%
2002	276,037	2,711	1.0%
2003	280,008	3,971	1.4%
2004	288,548	8,540	3.0%
2005	289,126	578	0.2%
2006	306,111	16,985	5.9%
2007	317,284	11,173	3.6%
2008	318,316	1,032	0.3%
2009	310,927	-7,389	-2.3%
2010	302,774	-8,153	-2.6%
2011	319,762	16,988	5.6%
2012	326,843	7,081	2.2%
2013	340,178	13,335	4.1%
2014	356,574	16,396	4.8%
2015	367,310	10,736	3.0%
2016	375,060	7,750	2.1%
2017	389,002	13,942	3.7%
2018	402,302	13,300	3.4%
2019	413,251	10,949	2.7%
2020	414,773	1,522	0.4%
2021	418,383	3,609	0.9%
Average			
Annual Change			
		7,946	2.9%
1990-2021			
2011-2021		9,862	2.7%
2016-2021		8,665	2.2%
2018-2021		5,360	1.3%

Source: BLS, BEA, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

Table III-2: Employment by Industry in the Two-County Market, 1990-2021

Industry	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Farm employment	8,218	7,231	7,240	7,747	7,807	6,922	7,432	8,044	7,831	7,757	7,913
Nonfarm employment											
Agricultural services, forestry, & fishing	2,974	3,040	2,905	3,372	3,799	3,780	3,869	4,269	4,494	4,702	4,693
Mining	1,803	1,958	1,887	2,152	2,167	1,984	1,805	2,015	2,127	2,029	2,240
Construction	9,199	9,546	11,032	12,247	14,465	14,919	16,382	17,651	19,259	20,574	21,623
Manufacturing	26,133	26,598	26,323	26,482	27,588	29,195	31,028	31,478	31,960	31,263	32,337
Transportation & public utilities	5,320	5,444	5,616	5,868	6,049	6,152	6,177	6,233	6,437	7,439	7,827
Wholesale trade	5,112	5,960	6,100	6,431	6,617	6,917	7,175	7,387	7,558	7,888	8,190
Retail trade	29,723	31,336	32,466	34,644	38,230	40,813	42,273	42,874	43,821	45,152	47,033
Finance, insurance, & real estate	11,511	11,273	11,427	11,998	11,919	13,946	15,066	16,771	19,261	20,013	21,554
Services	42,939	45,671	46,608	51,046	54,471	56,776	61,046	63,713	66,022	68,056	71,469
Government & government enterprises	29,111	30,528	31,909	33,149	32,386	32,581	33,673	34,585	35,538	36,376	37,724
Total Employment	172,043	178,585	183,513	195,136	205,498	213,985	225,926	235,020	244,308	251,249	262,603

Industry (2001 NAICS Update)	Sector Code													Average Annual Change		
		2005	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	10-yr	5-yr	3-yr
Farm employment	--	7,837	7,610	7,372	7,554	7,557	7,568	7,792	8,534	8,078	8,065	8,129	8,000	63	-107	-22
Nonfarm employment																
Forestry, fishing, & related activities	11	1,440	1,678	1,727	1,809	1,968	1,896	1,942	2,086	2,087	2,296	2,142	2,151	42	13	-48
Mining	21	3,059	6,332	8,553	10,047	12,161	11,585	9,767	10,884	11,674	11,590	11,904	11,873	332	198	94
Utilities	22	481	543	548	545	591	612	659	676	708	722	722	722	17	9	0
Construction	23	28,115	21,830	22,832	25,532	28,494	28,331	29,805	31,419	33,060	34,758	34,301	34,811	1,198	678	18
Manufacturing	31-33	23,757	24,250	24,893	25,640	26,317	28,114	29,484	29,720	30,660	31,591	31,728	32,117	722	479	175
Wholesale trade	42	7,866	8,182	8,377	8,845	10,046	10,683	9,833	10,335	10,671	11,200	10,880	10,850	247	103	-117
Retail Trade	44-45	33,737	33,031	33,241	33,991	35,064	36,385	37,061	38,123	38,511	38,817	39,221	39,075	583	190	86
Transportation & warehousing	48-49	6,290	6,982	7,335	7,715	8,689	9,553	9,734	10,875	12,042	12,802	12,213	12,116	478	248	-229
Information	51	3,199	4,569	4,439	4,401	4,555	4,741	4,885	5,069	5,400	5,693	5,830	6,159	172	218	155
Finance & insurance	52	12,621	16,825	16,302	16,656	16,072	16,200	16,852	16,656	17,446	17,599	17,840	17,845	154	238	82
Real estate & rental & leasing	53	15,480	18,128	18,253	19,145	20,390	21,279	21,721	22,882	23,768	24,645	24,151	24,005	575	225	-213
Professional & technical services	54	21,510	22,244	22,607	23,507	24,299	25,346	25,683	26,688	27,257	28,327	28,222	28,582	598	379	85
Management of companies & enterprises	55	1,579	2,119	2,205	2,342	2,498	2,628	2,843	2,895	3,187	3,455	3,264	3,271	107	75	-61
Administrative & waste services	56	15,934	18,119	18,474	20,194	20,387	19,990	20,165	20,614	20,939	20,952	22,243	23,111	464	499	720
Educational services	61	3,470	4,149	4,169	4,470	4,976	5,254	5,500	5,959	6,273	6,483	6,324	6,236	207	55	-82
Health care & social assistance	62	24,413	30,360	30,880	26,035	26,787	28,068	29,234	30,316	31,145	31,833	32,948	34,097	322	756	755
Arts, entertainment, & recreation	71	6,461	7,539	7,718	7,875	8,345	8,463	9,065	9,534	9,642	10,152	9,870	9,883	217	70	-90
Accommodation & food services	2000-10	20,804	22,370	23,383	24,077	25,540	26,862	27,703	28,898	29,817	30,392	30,832	31,187	780	458	265
Other services, except public administration	81	10,006	17,831	17,852	18,249	19,267	20,367	20,426	20,615	22,007	22,814	22,706	22,915	506	460	34
Government & government enterprises	90	41,067	45,071	45,683	51,549	52,571	53,385	54,906	56,224	57,930	59,065	59,301	59,378	1,370	631	104
Total Employment		289,126	319,762	326,843	340,178	356,574	367,310	375,060	389,002	402,302	413,251	414,773	418,383	9,154	5,876	1,711

Source: BLS, BEA, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

B. PROJECTED EMPLOYMENT GROWTH

In Table III-3, THK Associates has projected job growth for the Two-County market area, which is expected to add approximately 12,046 jobs annually on average from 2021 to 2031. Industry sectors that are expected to experience the greatest growth by number of jobs over the next ten years are Construction (2,141 jobs per year), Transportation and Warehousing (1,719 jobs per year), and Accommodation and Food Services (1,109 jobs per year).

ECONOMIC BASE ANALYSIS

Table III-3: Employment Projections in the Two-County Market, 2021-2031

Industry	Annual Rate of Change	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Average Annual Change
Total Non Farm (By Place of Work)	2.6%	410,382	420,670	431,297	442,276	453,625	465,358	477,495	490,052	503,050	516,509	530,450	12,007
Forestry, fishing, and related activities	4.3%	2,151	2,246	2,346	2,449	2,556	2,667	2,783	2,903	3,028	3,157	3,291	114
Mining	2.0%	11,873	12,115	12,360	12,610	12,863	13,120	13,381	13,646	13,914	14,187	14,464	259
Utilities	0.08%	722	723	723	724	725	725	726	726	727	727	728	1
Construction	4.9%	34,811	36,556	38,381	40,288	42,281	44,362	46,536	48,805	51,174	53,646	56,225	2,141
Manufacturing	1.3%	32,117	32,558	33,003	33,452	33,906	34,363	34,824	35,289	35,758	36,231	36,708	459
Wholesale trade	0.16%	10,850	10,870	10,889	10,908	10,927	10,945	10,962	10,979	10,995	11,011	11,026	18
Retail Trade	0.8%	39,075	39,380	39,687	39,995	40,303	40,613	40,923	41,234	41,547	41,860	42,174	310
Transportation and warehousing	9.2%	12,116	13,258	14,502	15,857	17,331	18,936	20,680	22,576	24,637	26,874	29,304	1,719
Information	2.4%	6,159	6,309	6,462	6,619	6,778	6,940	7,106	7,275	7,447	7,622	7,800	164
Finance and insurance	1.9%	17,845	18,190	18,541	18,896	19,257	19,623	19,994	20,370	20,751	21,138	21,531	369
Real estate and rental and leasing	3.6%	24,005	24,895	25,813	26,761	27,740	28,749	29,790	30,864	31,971	33,113	34,290	1,029
Professional and technical services	3.0%	28,582	29,471	30,383	31,319	32,279	33,265	34,275	35,311	36,374	37,464	38,580	1,000
Management of companies and enterprises	4.9%	3,271	3,435	3,606	3,786	3,973	4,169	4,373	4,586	4,809	5,042	5,284	201
Administrative and waste services	0.8%	23,111	23,311	23,512	23,714	23,917	24,121	24,325	24,530	24,736	24,943	25,150	204
Educational services	3.2%	6,236	6,438	6,646	6,859	7,079	7,304	7,535	7,772	8,016	8,266	8,523	229
Health care and social assistance	2.1%	34,097	34,845	35,606	36,380	37,167	37,967	38,781	39,609	40,450	41,305	42,174	808
Arts, entertainment, and recreation	4.4%	9,883	10,328	10,791	11,272	11,773	12,293	12,834	13,395	13,979	14,585	15,215	533
Accommodation and food services	3.1%	31,187	32,170	33,180	34,216	35,280	36,373	37,493	38,643	39,822	41,032	42,272	1,109
Other services, except public administration	1.4%	22,915	23,242	23,573	23,907	24,244	24,584	24,927	25,273	25,623	25,976	26,332	342
Government and government enterprises	1.6%	59,378	60,329	61,291	62,264	63,248	64,243	65,248	66,265	67,292	68,331	69,380	1,000
Farm employment	0.5%	8,000	8,039	8,078	8,117	8,155	8,194	8,233	8,272	8,311	8,350	8,389	39
Total employment		418,383	428,709	439,375	450,393	461,780	473,553	485,728	498,324	511,361	524,858	538,838	
Job growth/(losses)		3,609	10,327	10,665	11,018	11,387	11,772	12,175	12,596	13,037	13,498	13,980	12,046
Job growth rate		0.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%	2.6%	2.7%	2.4%

Source: BEA, BLS, and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

C. TWO-COUNTY LARGEST EMPLOYERS

Table III-4 shown below illustrates the top ten largest employers in the Two-County area. In the Two-County area, most of the top ten largest employers are in the education and healthcare sectors. Combined, the total employment of the top ten largest employers is 40,509, or roughly 10% of the total employment in the Two-County area.

Table III-4: Largest Employers in the Two-County Area, 2019

Employer	Industry	Employees
1 UC Health	Healthcare	8,790
2 Colorado State University	Education	7,676
3 Banner Health	Healthcare	5,030
4 JBS Swift Beef Company	Beef Processing/Corporate Office	4,590
5 Poudre School District R-1	Education	3,784
6 Vestas	Wind Turbines	2,810
7 Greeley/Evans School District 6	Education	2,200
8 Thompson School District R2-J	Education	2,113
9 Larimer County	Government	1,799
10 University of Northern Colorado	Education	1,717
Top 10 Employers Total Employment		40,509
Total Employment in the Two-County Area		418,383
Top 10 Employers as % of Total Employment		10%

Source: Larimer and Weld County CAFRs 2019

ECONOMIC BASE ANALYSIS

D. LARIMER & WELD COUNTY INCOME LEVELS

Table III-5 below illustrates the estimated median and average household incomes in Larimer County, Weld County, Colorado, and the United States in 2021. While Larimer County and Weld County each have median incomes slightly lower than the State of Colorado's median household income, they are greater than the median household income in the United States as a whole.

Table III-5: Household Income for the Two-County Market Area, 2021

Area	Median Household Income
Larimer County	\$70,033
Weld County	\$71,536
State of Colorado	\$72,331
United States	\$62,843

Source: Sitewise, U.S. Bureau of the Census, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

E. HISTORICAL POPULATION AND HOUSEHOLD GROWTH TRENDS

Population and household growth drive the demand for residential and commercial real estate development. As shown in Table III-6, Larimer and Weld Counties have each increased in population and households since 1990.

Since 1990, the annual average population growth for the Two-County market has been approximately 12,660 people and approximately 4,860 households. From 2010 to 2021, the annual average population growth for the Two-County market has been approximately 14,361 people and 5,377 households.

ECONOMIC BASE ANALYSIS

Table III-6: Estimates of Population and Households in the Two-County Area, 1980-2021

Year	Larimer County		Weld County		Two-County Market Total	
	Pop	HH	Pop	HH	Pop	HH
1980	149,184	54,086	123,440	42,750	272,624	96,836
1990	186,137	70,575	131,729	47,533	317,866	118,108
2000	251,493	97,163	180,795	63,194	432,288	160,357
2010	299,630	120,295	252,825	89,349	552,455	209,644
2020	362,496	145,151	331,247	117,326	693,743	262,477
2021	365,333	147,656	345,095	121,134	710,428	268,790
(1980-2021):						
Numerical	5,270	2,280	5,410	1,910	10,680	4,190
Percent	2.2%	2.5%	2.5%	2.6%	2.4%	2.5%
Percent of 2-County Total	49.3%	54.4%	50.7%	45.6%	100.0%	100.0%
(1990-2021):						
Numerical	5,780	2,490	6,880	2,370	12,660	4,860
Percent	2.2%	2.4%	3.2%	3.1%	2.6%	2.7%
Percent of 2-County Total	45.7%	51.2%	54.3%	48.8%	100.0%	100.0%
(2000-2021):						
Numerical	5,421	2,404	7,824	2,759	13,245	5,163
Percent	1.8%	2.0%	3.1%	3.1%	2.4%	2.5%
Percent of 2-County Total	40.9%	46.6%	59.1%	53.4%	100.0%	100.0%
(2010-2021):						
Numerical	5,973	2,487	8,388	2,890	14,361	5,377
Percent	1.8%	1.9%	2.9%	2.8%	2.3%	2.3%
Percent of 2-County Total	41.6%	46.3%	58.4%	53.7%	100.0%	100.0%

Source: Bureau of Census and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

Table III-7: Population and Households in Notable Municipalities, 1990-2021

Year	Town of Windsor		City Fort Collins		Town of Timnath		City of Greeley		City of Loveland		City of Longmont		Town of Berthoud		Municipalities Total	
	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH	Pop	HH
1990	6,051	2,134	94,944	36,435	273	104	62,115	23,246	40,387	15,265	53,374	20,286	3,856	1,348	261,000	98,818
2000	11,147	3,978	124,696	48,073	660	236	78,870	28,236	53,925	20,792	72,353	27,111	4,990	2,089	346,641	130,515
2010	18,644	6,732	143,986	57,829	625	214	92,889	33,427	66,859	27,153	86,270	33,252	5,105	1,999	414,378	160,606
2020	31,481	11,500	165,333	66,423	3,265	1,173	109,326	39,643	79,190	32,193	98,857	37,919	9,146	3,541	496,597	192,392
2021	31,984	11,684	167,978	67,486	3,317	1,192	111,075	40,277	80,457	32,708	100,439	38,526	9,292	3,598	504,543	195,470
(1990-2021):																
Numerical	840	308	2,360	1,002	100	35	1,580	549	1,290	563	1,520	588	180	73	7,860	3,120
Percent	5.5%	5.6%	1.9%	2.0%	8.4%	8.2%	1.9%	1.8%	2.2%	2.5%	2.1%	2.1%	2.9%	3.2%	2.1%	2.2%
Percent of Municipalities Total	10.7%	9.9%	30.0%	32.1%	1.3%	1.1%	20.1%	17.6%	16.4%	18.0%	19.3%	18.9%	2.3%	2.3%	100.0%	100.0%
(2000-2021):																
Numerical	992	367	2,061	924	127	46	1,534	573	1,263	567	1,337	544	205	72	7,519	3,093
Percent	5.1%	5.3%	1.4%	1.6%	8.0%	8.0%	1.6%	1.7%	1.9%	2.2%	1.6%	1.7%	3.0%	2.6%	1.8%	1.9%
Percent of Municipalities Total	13.2%	11.9%	27.4%	29.9%	1.7%	1.5%	20.4%	18.5%	16.8%	18.3%	17.8%	17.6%	2.7%	2.3%	100.0%	100.0%
(2010-2021):																
Numerical	1,213	450	2,181	878	245	89	1,653	623	1,236	505	1,288	479	381	145	8,197	3,169
Percent	5.0%	5.1%	1.4%	1.4%	16.4%	16.9%	1.6%	1.7%	1.7%	1.7%	1.4%	1.3%	5.6%	5.5%	1.8%	1.8%
Percent of Municipalities Total	14.8%	14.2%	26.6%	27.7%	3.0%	2.8%	20.2%	19.6%	15.1%	15.9%	15.7%	15.1%	4.6%	4.6%	100.0%	100.0%

Source: Bureau of Census and THK Associates, Inc.

ECONOMIC BASE ANALYSIS

F. RESIDENTIAL CONSTRUCTION TRENDS

Tables III-8 and Table III-9, respectively, show the number of single-family permits and multifamily permits issued annually for Larimer and Weld Counties since 1980. The numbers of each permit type are further detailed as a percentage of the total number of permits issued in the market area. Since 1980, the Two-County area has issued an average of 3,378 total permits each year. Single-family permits have accounted for 50.8% of total permits issued over the last 41 years. More recently, single-family permits issued in the Two-County area have accounted for 38.9% of total permits issued over the last three years, indicating a slight market shift towards multifamily housing.

Table III-10 details the number of single-family and multifamily permits issued each year in notable municipalities within the Two-County area from 1980-2021. Over the last 41 years, Fort Collins has issued an average of 1,107 total permits each year. Single-family permits have accounted for most permits issued during that time. However, over the past 10 years, more multifamily permits have been issued than single-family permits, indicating a slight market shift towards multifamily housing.

ECONOMIC BASE ANALYSIS

Table III-8: Residential Permits Issued in the Two-County Market, 1980-2021

Year	Single Family		Weld		Two-County Market Total Permits
	Larimer Permits	% of Total	Permits	% of Total	
1980	1,309	73.6%	469	26.4%	1,778
1981	900	81.1%	210	18.9%	1,110
1982	840	77.6%	243	22.4%	1,083
1983	1,895	78.9%	507	21.1%	2,402
1984	1,794	79.6%	461	20.4%	2,255
1985	1,633	77.1%	486	22.9%	2,119
1986	1,711	82.8%	356	17.2%	2,067
1987	1,204	79.2%	317	20.8%	1,521
1988	1,085	79.8%	275	20.2%	1,360
1989	1,047	80.5%	254	19.5%	1,301
1990	1,053	80.3%	258	19.7%	1,311
1991	1,288	79.3%	336	20.7%	1,624
1992	1,772	77.7%	509	22.3%	2,281
1993	2,316	72.7%	868	27.3%	3,184
1994	2,564	70.1%	1,096	29.9%	3,660
1995	2,272	63.4%	1,310	36.6%	3,582
1996	2,458	59.3%	1,687	40.7%	4,145
1997	2,299	55.6%	1,839	44.4%	4,138
1998	2,659	48.5%	2,827	51.5%	5,486
1999	2,643	43.7%	3,403	56.3%	6,046
2000	2,748	40.9%	3,970	59.1%	6,718
2001	2,658	40.0%	3,982	60.0%	6,640
2002	2,586	40.3%	3,837	59.7%	6,423
2003	2,368	39.1%	3,682	60.9%	6,050
2004	2,758	41.7%	3,854	58.3%	6,612
2005	2,313	36.0%	4,120	64.0%	6,433
2006	1,496	36.5%	2,603	63.5%	4,099
2007	1,126	42.0%	1,556	58.0%	2,682
2008	657	43.5%	852	56.5%	1,509
2009	363	33.6%	718	66.4%	1,081
2010	499	38.7%	789	61.3%	1,288
2011	710	47.2%	794	52.8%	1,504
2012	1,153	49.4%	1,182	50.6%	2,335
2013	1,507	48.3%	1,611	51.7%	3,118
2014	1,705	46.1%	1,997	53.9%	3,702
2015	1,770	44.8%	2,181	55.2%	3,951
2016	1,650	47.6%	1,820	52.4%	3,470
2017	2,040	48.5%	2,166	51.5%	4,206
2018	1,729	38.7%	2,742	61.3%	4,471
2019	1,610	35.6%	2,911	64.4%	4,521
2020	2,193	41.9%	3,046	58.1%	5,239
2021	1,221	40.7%	1,778	59.3%	2,999
2021 Permits are through June					
41-Year Average					
1980-2020	1,717	50.8%	1,662	49.2%	3,378
10-Year Average					
2011-2020	1,607	44.0%	2,045	56.0%	3,652
5-Year Average					
2016-2020	1,844	42.1%	2,537	57.9%	4,381
3-Year Average					
2018-2020	1,844	38.9%	2,900	61.1%	4,744

ECONOMIC BASE ANALYSIS

Table III-8: Residential Permits Issued in the Two-County Market, 1980-2021

Year	Larimer		Weld		Two-County Market Total Permits
	Permits	% of Total	Permits	% of Total	
1980	434	80.7%	104	19.3%	538
1981	272	82.4%	58	17.6%	330
1982	297	59.5%	202	40.5%	499
1983	528	82.0%	116	18.0%	644
1984	1,091	91.1%	107	8.9%	1,198
1985	1,009	69.6%	441	30.4%	1,450
1986	240	41.1%	344	58.9%	584
1987	347	70.7%	144	29.3%	491
1988	199	88.4%	26	11.6%	225
1989	26	56.5%	20	43.5%	46
1990	183	93.4%	13	6.6%	196
1991	255	92.4%	21	7.6%	276
1992	156	92.9%	12	7.1%	168
1993	302	75.7%	97	24.3%	399
1994	638	90.4%	68	9.6%	706
1995	525	76.6%	160	23.4%	685
1996	1,033	85.9%	169	14.1%	1,202
1997	478	63.2%	278	36.8%	756
1998	563	69.9%	242	30.1%	805
1999	948	86.0%	154	14.0%	1,102
2000	776	66.0%	399	34.0%	1,175
2001	1,006	75.9%	319	24.1%	1,325
2002	450	43.9%	574	56.1%	1,024
2003	635	69.3%	281	30.7%	916
2004	494	46.9%	560	53.1%	1,054
2005	574	78.3%	159	21.7%	733
2006	744	70.0%	319	30.0%	1,063
2007	215	42.5%	291	57.5%	506
2008	608	82.6%	128	17.4%	736
2009	88	67.2%	43	32.8%	131
2010	654	89.8%	74	10.2%	728
2011	480	83.5%	95	16.5%	575
2012	711	92.6%	57	7.4%	768
2013	870	73.4%	315	26.6%	1,185
2014	793	52.7%	711	47.3%	1,504
2015	664	53.5%	576	46.5%	1,240
2016	1,874	78.5%	514	21.5%	2,388
2017	888	51.0%	853	49.0%	1,741
2018	1,211	55.8%	958	44.2%	2,169
2019	931	48.6%	986	51.4%	1,917
2020	400	33.2%	805	66.8%	1,205
2021	317	40.4%	468	59.6%	785
2021 Permits are through June					
41-Year Average 1980-2020	600	67.6%	288	32.4%	887
10-Year Average 2011-2020	882	60.0%	587	40.0%	1,469
5-Year Average 2016-2020	1,061	56.3%	823	43.7%	1,884
3-Year Average 2018-2020	847	48.0%	916	52.0%	1,764

ECONOMIC BASE ANALYSIS

Table III-9: Residential Permits Issued in the Two-County Market, 1980-2021

Year	Single Family Units	% of Total	Multi-Family Units	% of Total	Total
1980	1,778	76.8%	538	23.2%	2,316
1981	1,110	77.1%	330	22.9%	1,440
1982	1,083	68.5%	499	31.5%	1,582
1983	2,402	78.9%	644	21.1%	3,046
1984	2,255	65.3%	1,198	34.7%	3,453
1985	2,119	59.4%	1,450	40.6%	3,569
1986	2,067	78.0%	584	22.0%	2,651
1987	1,521	75.6%	491	24.4%	2,012
1988	1,360	85.8%	225	14.2%	1,585
1989	1,301	96.6%	46	3.4%	1,347
1990	1,311	87.0%	196	13.0%	1,507
1991	1,624	85.5%	276	14.5%	1,900
1992	2,281	93.1%	168	6.9%	2,449
1993	3,184	88.9%	399	11.1%	3,583
1994	3,660	83.8%	706	16.2%	4,366
1995	3,582	83.9%	685	16.1%	4,267
1996	4,145	77.5%	1,202	22.5%	5,347
1997	4,138	84.6%	756	15.4%	4,894
1998	5,486	87.2%	805	12.8%	6,291
1999	6,046	84.6%	1,102	15.4%	7,148
2000	6,718	85.1%	1,175	14.9%	7,893
2001	6,640	83.4%	1,325	16.6%	7,965
2002	6,423	86.2%	1,024	13.8%	7,447
2003	6,050	86.9%	916	13.1%	6,966
2004	6,612	86.3%	1,054	13.7%	7,666
2005	6,433	89.8%	733	10.2%	7,166
2006	4,099	79.4%	1,063	20.6%	5,162
2007	2,682	84.1%	506	15.9%	3,188
2008	1,509	67.2%	736	32.8%	2,245
2009	1,081	89.2%	131	10.8%	1,212
2010	1,288	63.9%	728	36.1%	2,016
2011	1,504	72.3%	575	27.7%	2,079
2012	2,335	75.2%	768	24.8%	3,103
2013	3,118	72.5%	1,185	27.5%	4,303
2014	3,702	71.1%	1,504	28.9%	5,206
2015	3,951	76.1%	1,240	23.9%	5,191
2016	3,470	59.2%	2,388	40.8%	5,858
2017	4,206	70.7%	1,741	29.3%	5,947
2018	4,471	67.3%	2,169	32.7%	6,640
2019	4,521	70.2%	1,917	29.8%	6,438
2020	5,239	81.3%	1,205	18.7%	6,444
2021	2,999	79.3%	785	20.7%	3,784

2021 Permits are through June

41-Year Average 1980-2020	3,378	79.2%	887	20.8%	4,266
10-Year Average 2011-2020	3,652	71.3%	1,469	28.7%	5,121
5-Year Average 2016-2020	4,381	69.9%	1,884	30.1%	6,265
3-Year Average 2018-2020	4,744	72.9%	1,764	27.1%	6,507

Source: U.S. Department of Commerce, HUD, C-40 Reports, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

Table III-10: Residential Permits by Municipality, 1980-2021

Year	Windsor		Fort Collins		Timnath		Greeley		Loveland		Longmont		Johnstown		Mead		Berthoud		Totals	
	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF
1980	33	20	746	224	0	0	212	63	134	88	169	101	2	0	3	0	4	40	1,300	536
1981	8	0	433	175	0	0	79	47	122	4	146	28	1	0	2	0	2	24	791	278
1982	8	0	291	230	0	0	86	12	223	67	289	101	0	0	0	0	7	0	904	410
1983	32	6	954	373	0	0	223	59	347	76	609	198	5	24	1	0	14	2	2,184	738
1984	21	36	736	881	0	0	193	51	387	146	487	437	2	0	1	0	21	34	1,847	1,585
1985	18	55	615	871	0	0	188	356	351	91	343	128	0	0	2	0	38	12	1,553	1,513
1986	22	0	706	195	0	0	125	344	340	29	336	303	3	0	3	0	53	0	1,585	871
1987	24	0	550	329	0	0	149	144	190	8	184	224	1	0	1	0	28	0	1,126	705
1988	21	0	602	172	0	0	139	14	131	15	103	0	1	0	1	0	8	0	1,005	201
1989	18	0	554	18	0	0	122	4	128	8	92	72	1	0	1	0	19	2	934	104
1990	32	0	552	176	0	0	119	13	151	0	75	0	0	0	1	0	16	0	945	189
1991	33	0	545	215	0	0	149	21	278	4	157	0	2	0	3	0	30	0	1,194	240
1992	60	0	718	132	0	0	234	12	390	16	400	18	2	0	3	0	58	0	1,862	178
1993	106	0	929	251	0	0	371	81	540	16	443	16	5	0	8	0	67	2	2,461	366
1994	134	0	962	513	0	0	413	32	632	97	418	91	37	4	8	0	50	0	2,646	737
1995	213	0	935	311	0	0	347	147	405	203	449	418	105	2	70	5	91	12	2,545	1,093
1996	225	0	1,106	753	0	0	540	99	536	138	566	50	144	8	79	0	61	2	3,178	1,050
1997	238	11	930	385	0	0	492	260	605	50	986	363	136	0	70	0	82	0	3,469	1,069
1998	426	0	1,175	506	0	0	539	109	638	36	984	603	177	0	93	0	84	0	4,023	1,254
1999	340	0	1,193	736	0	0	719	120	746	188	970	238	202	0	28	0	79	0	4,249	1,282
2000	471	0	984	597	0	0	690	315	938	161	1,310	155	132	8	37	0	104	0	4,629	1,236
2001	463	4	1,118	733	0	0	701	311	827	264	977	657	156	0	18	0	21	0	4,263	1,969
2002	335	16	1,224	296	0	0	812	480	802	151	848	122	257	0	2	2	8	0	4,286	1,065
2003	287	38	1,000	384	0	0	793	60	782	222	771	86	290	0	64	0	20	0	3,943	790
2004	411	20	1,020	376	0	0	735	172	889	106	774	69	326	0	118	0	34	0	4,189	743
2005	451	42	744	368	0	0	793	48	754	118	492	26	381	0	67	0	52	0	3,667	602
2006	331	167	478	241	0	0	354	0	445	380	211	67	197	0	128	0	30	0	2,046	855
2007	222	14	414	197	0	0	168	71	280	0	182	45	164	0	77	0	23	0	1,453	327
2008	132	15	275	511	0	0	90	0	139	97	42	128	97	0	37	0	9	0	784	751
2009	97	0	154	79	0	0	46	0	67	6	26	33	97	0	28	0	9	3	496	121
2010	103	5	184	62	64	0	85	0	128	592	71	39	124	0	17	0	11	0	770	698
2011	106	10	262	452	137	0	42	0	165	28	56	58	180	0	65	0	17	0	965	548
2012	146	15	477	666	138	0	56	42	279	38	154	123	315	0	55	0	37	4	1,602	888
2013	178	10	628	763	165	0	205	225	255	103	191	54	376	0	27	0	151	0	2,149	1,155
2014	179	15	818	334	172	0	363	426	313	459	209	202	273	254	122	0	68	0	2,395	1,690
2015	289	66	558	418	190	0	521	446	468	225	307	104	157	0	18	0	107	3	2,597	1,262
2016	298	70	516	1,358	154	0	273	302	396	176	302	815	125	56	12	0	125	134	2,189	2,911
2017	498	92	667	710	271	0	122	227	283	175	358	646	135	212	36	0	434	0	2,768	2,062
2018	541	56	398	673	239	176	348	190	242	350	499	568	129	260	6	0	516	0	2,912	2,273
2019	782	103	316	632	368	16	170	697	269	79	427	539	86	0	6	0	361	136	2,779	2,202
2020	703	277	453	182	393	0	85	187	483	130	309	346	122	252	7	0	508	17	3,056	1,391
2021	456	108	188	169	291	55	64	279	294	73	99	129	103	0	0	0	306	0	1,801	813
41-Year Avg. 1980 - 2020	220	28	681	426	56	5	314	151	402	125	408	202	121	26	32	0	84	10	2,286	974
10-Year Avg. 2011 - 2020	372	71	509	619	223	19	219	274	315	176	281	346	190	103	35	0	232	29	2,341	1,638
5-Year Avg. 2016 - 2020	564	120	470	711	285	38	200	321	335	182	379	583	119	156	13	0	389	57	2,741	2,168
3-Year Avg. 2018 - 2020	675	145	389	496	333	64	201	358	331	186	412	484	112	171	6	0	462	51	2,916	1,955

2021 Permits are through June

Source: U.S. Department of Commerce, HUD, C-40 Reports, & THK Associates, Inc.

ECONOMIC BASE ANALYSIS

G. POPULATION AND HOUSEHOLD PROJECTIONS

Table III-11 shows the projected growth in employment, population, and households in the Two-County market. By way of comparison, the Two-County market area currently has an employment participation rate of 58.9%, which is higher than the 54.1% employment participation rate in 1990. Proportionally, average annual employment growth from 2000 to 2010 was less than population growth, effectively causing the employment participation ratio to decrease over the 2000 to 2010 time period. The drop may be attributed in large part to the Great Recession which occurred over the late to middle part of the 2000 to 2010 decade. From the year 2000 to 2010, household and population growth remained strong. Employment, population, and households in the Two-County market area are projected to grow by 12,046 jobs, 15,600 people and 5,998 households, respectively, on average annually from 2021 to 2031.

ECONOMIC BASE ANALYSIS

Table III-11: Projected Population and Households in the Two-County Market, 2021-2031

Year	Total Employment	Employment Participation Ratio	Permanent January 1, Population	Annual Population Change	Population in Group Quarters	Permanent Population In Households	Permanent Population Per Household	Households	Annual Household Change
1990	172,043	0.541	317,866	--	14,605	303,261	2.5677	118,108	--
2000	262,603	0.607	432,288	11,440	12,097	420,191	2.6203	160,357	4,220
2010	302,774	0.548	552,455	12,020	10,020	542,435	2.5874	209,644	4,930
2021	418,383	0.589	710,428	14,361	9,025	701,403	2.6095	268,790	5,377
2022	428,709	0.592	724,006	13,578	8,980	715,026	2.6095	274,013	5,223
2023	439,375	0.595	737,984	13,978	8,935	729,049	2.6094	279,390	5,377
2024	450,393	0.599	752,379	14,394	8,890	743,488	2.6094	284,926	5,536
2025	461,780	0.602	767,207	14,829	8,846	758,362	2.6094	290,629	5,703
2026	473,553	0.605	782,490	15,282	8,802	773,688	2.6094	296,505	5,876
2027	485,728	0.608	798,245	15,755	8,758	789,487	2.6093	302,563	6,058
2028	498,324	0.612	814,493	16,249	8,714	805,780	2.6093	308,810	6,247
2029	511,361	0.615	831,258	16,765	8,670	822,588	2.6093	315,254	6,445
2030	524,858	0.619	848,561	17,303	8,627	839,934	2.6093	321,906	6,651
2031	538,838	0.622	866,428	17,867	8,584	857,844	2.6092	328,773	6,867
Average Annual Change (2021-2031)	12,046		15,600		-44	15,644		5,998	
%	2.6%		2.0%		-0.5%	2.0%		2.0%	

Source: Dept of Commerce, Bureau of the Census and THK Associates, Inc.

IV. RESIDENTIAL MARKET ANALYSIS

IV. Residential Market Analysis

A. Projected Residential Demand by Unit Type

The potentials for new residential development are subject to a variety of pressures including interest rates, inflation, and social, political, and other economic influences. These influences coupled with overall growth in population and household formations create the aggregate demand for new housing. Historical trends and housing permits for new housing construction were also examined to show how past construction levels and trends have coincided with population, demographic changes, and economic conditions.

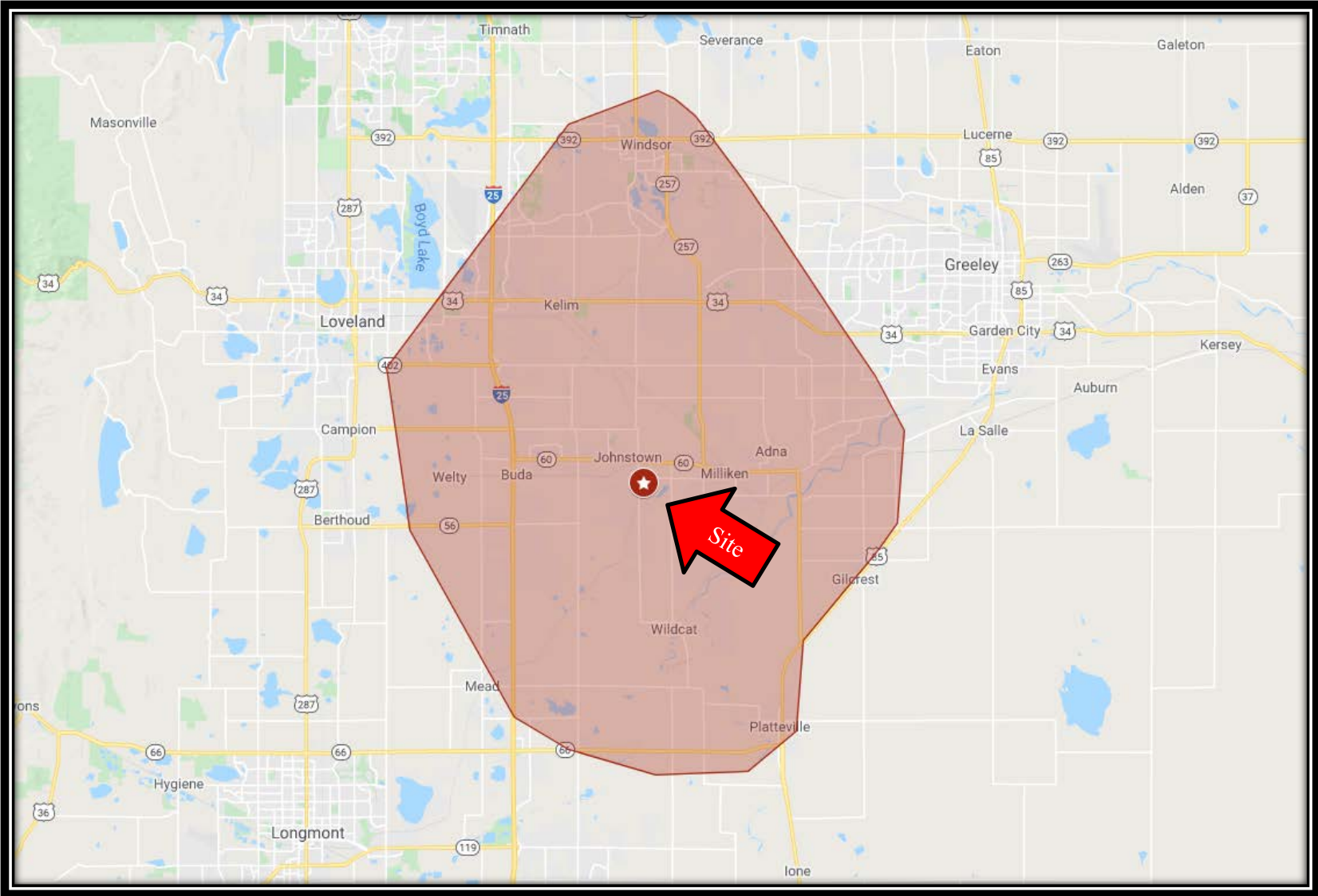
Figure 8 on the following page depicts the Johnstown Farms competitive market area (CMA), which consists of an approximate 10- to 15-minute drive time from the subject site. The Johnstown Farms CMA is the geographic area where potential residential buyers at the subject site would also be expected to search.

Tables IV-1 and IV-2 highlight the historical and projected population and household growth trends in the Two County market area and the Johnstown Farms CMA. From 1990 to 2021, the population within the Two County market area rose from 317,866 to 710,428, while households climbed from 118,108 to 268,790. Since 1990, population within the Two County area averaged 2.6% annual growth, while households averaged 2.7% annual growth. During the same period, the population within the Johnstown Farms CMA grew from 16,244 to 94,960, or 5.9% annually, while households rose from 5,554 to 33,633, or by 6.0% per year.

From 2021 through 2031, THK forecasts population and households within the Two County area to grow to 866,428 and 328,773, respectively, or both by 2.0% per year. During the same timeframe, the Johnstown Farms CMA is projected to increase to 151,872 people and 53,790 households, for an average growth rate of 4.8% per year for both.

Table IV-3 summarizes the projected demand for specific residential housing types for the Johnstown Farms CMA based on annual household growth from 2021 to 2031. During this period, THK projects demand for residential housing to grow by 2,122 dwellings annually, including by 1,426 ownership housing units and 696 rental housing dwellings. Based off of market trends in the CMA and historical building permit activity, THK projects that 75% of new ownership demand will be for single-family detached units and 25% is projected for attached (townhome and condominium) dwellings, for an average of 1,070 and 356 units per year, respectively.

Figure 8- Johnstown Farms Competitive Market Area (CMA)



RESIDENTIAL MARKET ANALYSIS

Table IV-1: Population and Household Trends in the Two-County Market Area and the Johnstown Farms CMA, 1990-2021

	1990	2000	2010	2020	2021	Annual Average Change					
						1990-2021		2000-2021		2010-2021	
						Numeric Change	Percent Change	Numeric Change	Percent Change	Numeric Change	Percent Change
Two-County Market Area											
Population	317,866	432,288	552,455	693,743	710,428	12,663	2.6%	13,245	2.4%	14,361	2.3%
Households	118,108	160,357	209,644	262,477	268,790	4,861	2.7%	5,163	2.5%	5,377	2.3%
Johnstown Farms CMA											
Population	16,244	27,726	48,591	89,034	94,960	2,539	5.9%	3,202	6.0%	4,215	6.3%
Households	5,554	9,737	17,210	31,534	33,633	906	6.0%	1,138	6.1%	1,493	6.3%
Johnstown Farms CMA as a percent of the Two-County Market Area						Johnstown Farms CMA Growth as a percent of Two-County Market Area Growth					
Population	5.1%	6.4%	8.8%	12.8%	13.4%	20.1%		24.2%		29.4%	
Households	4.7%	6.1%	8.2%	12.0%	12.5%	18.6%		22.0%		27.8%	

Source: U.S. Bureau of the Census, Sitewise, & THK Associates, Inc.

Table IV-2: Population and Household Growth Projections in the Two-County Market Area and the Johnstown Farms CMA, 2021-2031

	2021	2026	2031	Annual Average Change			
				2021-2026		2021-2031	
				Numeric Change	Percent Change	Numeric Change	Percent Change
Two-County Market Area							
Population	710,428	782,490	866,428	14,412	2.0%	15,600	2.0%
Households	268,790	296,505	328,773	5,543	2.0%	5,998	2.0%
Johnstown Farms CMA							
Population	94,960	120,342	151,872	5,076	4.9%	5,691	4.8%
Households	33,633	42,623	53,790	1,798	4.9%	2,016	4.8%
Johnstown Farms CMA as a percent of the Two-County Market Area				Johnstown Farms CMA Growth as a percent of Two-County Market Area Growth			
Population	13.4%	15.4%	17.5%	35.2%		36.5%	
Households	12.5%	14.4%	16.4%	32.4%		33.6%	

Source: U.S. Bureau of the Census, Sitewise, & THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

Table IV-3: Johnstown Farms CMA Market Projected Residential Demand, 2021-2031

Year	Households	Annual Household Growth	Total Housing Unit Demand*	Ownership Units			Rental Housing
				Total Ownership Units	Detached Single Family	Attached Single Family	
2021	33,633	1,553	1,635	1,099	824	275	536
2022	35,265	1,632	1,718	1,155	866	289	563
2023	36,976	1,711	1,801	1,210	908	302	591
2024	38,770	1,794	1,888	1,269	952	317	619
2025	40,651	1,881	1,980	1,331	998	333	649
2026	42,623	1,972	2,076	1,395	1,046	349	681
2027	44,654	2,031	2,138	1,437	1,078	359	701
2028	46,781	2,127	2,239	1,505	1,129	376	734
2029	49,010	2,229	2,346	1,577	1,183	394	769
2030	51,345	2,335	2,458	1,652	1,239	413	806
2031	53,790	2,445	2,574	1,730	1,298	432	844

Average Annual Demand 2022-2031

43,987	2,122	1,426	1,070	356	696
% of Total	100.0%	67.2%	50.4%	16.8%	32.8%

Total Demand 2022-2031

21,218	14,261	10,697	3,564	6,957
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* Assumes 95% Occupancy in 2021 Remains Constant

Source: THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

B. Residential Purchasing Capacity, Rental Capacity and Demand by Price Range

To better quantify the demand for new residential units in the CMA, THK breaks down the existing households by income range and then converts those income ranges into monthly purchasing and rental capacity. In determining housing affordability, THK estimates that households that purchase a home will spend approximately 30% of their gross income on housing on average, and renter households will spend approximately 30% of their gross income on housing. According to SiteWise, the median household income within the Johnstown Farms CMA is \$84,377. Based on this median household income, residents in the Johnstown Farms CMA could afford a \$581,640 home or monthly rental payments of \$2,110. Sixty-six percent of the households can afford a home priced above \$430,800. This is shown in Table IV-4 below.

Table IV-4: Residential Purchasing and Rental Capacity in the Johnstown Farms CMA

Income Range	Percent of Households	Number of Households	Home Purchasing Capacity	Estimated Monthly Payment (P&I)*	Monthly Rental Capacity**
Under \$39,999	19%	5,716	Under \$287,200	\$1,000	Under \$1,000
\$40,000 - \$49,999	7%	2,035	\$287,200 - \$359,000	\$1,250	\$1,000 - \$1,249
\$50,000 - \$59,999	7%	2,186	\$359,000 - \$430,800	\$1,500	\$1,250 - \$1,499
\$60,000 - \$74,999	10%	3,027	\$430,800 - \$538,500	\$1,870	\$1,500 - \$1,874
\$75,000 - \$99,999	18%	5,469	\$538,500 - \$718,000	\$2,500	\$1,875 - \$2,499
\$100,000 - \$124,999	14%	4,240	\$718,100 - \$897,600	\$3,130	\$2,500 - \$3,124
\$125,000 - \$149,999	8%	2,560	\$897,600 - \$1,077,100	\$3,750	\$3,125 - \$3,749
\$150,000 & Above	17%	5,214	\$1,077,100 & Above	\$4,688	\$3,750 & Above
Median/Total*	\$84,377	100%	30,447	\$581,640	\$2,110

* Assumes 30% of income used for housing (before taxes and insurance), 20% down payment, 30 yr term, 3.25% interest rate

** Assumes 30% of income used for rental payment

Source: Sitewise Tetrad STI Data and THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

C. Home Sales in the Johnstown Farms CMA

An inventory of detached single family home sales, per RE Colorado, in the Johnstown Farms CMA from August 6, 2020, through August 6, 2021, shows a total of 2,552 sales. Roughly 48% of all sales during the period were for units priced below \$430,800, with the \$430,801 to \$538,500 price range comprising a further 28% of sales. Homes sold in the \$538,501 to \$718,000 price range comprised 14% of total sales.

**Table IV-5: Detached Single Family Home Sales by Price
in the Johnstown Farms CMA, 2018-2021 (YTD)**

Year	Under \$430,800	Percent of Total	\$430,801 - \$538,500	Percent of Total	\$538,501 - \$718,000	Percent of Total	\$718,001 - \$897,600	Percent of Total	\$897,601 - Above	Percent of Total	Total Sales
2018	1,066	74.2%	197	13.7%	123	8.6%	35	2.4%	15	1.0%	1,436
2019	2,002	71.5%	450	16.1%	244	8.7%	63	2.2%	42	1.5%	2,801
2020	1,690	61.0%	634	22.9%	313	11.3%	79	2.9%	55	2.0%	2,771
2021 YTD*	702	42.5%	546	33.1%	228	13.8%	92	5.6%	84	5.1%	1,652

*2021 YTD is through August 16

Source: RE Colorado & THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

D. Single Family Detached Inventory in the Johnstown Farm CMA

As shown by Table IV-6 and Table IV-7 on the following pages, the Johnstown Farms CMA has 14 active single family detached home developments. These developments have an average lot size of 6,409 square feet, average unit size between 1,672 and 2,894 square feet, average price range between \$448,118 and \$536,461, and average monthly sales rate of 3.6 units. The locations of these respective projects are shown on Figure 9.

Table IV-10 details the upcoming detached inventory. There are currently five upcoming developments within the Johnstown Farms CMA, totaling 4,793 units. These projects are anticipated to open in the years 2021, 2022, and 2023. Details such as pricing, lot size, and unit size are unknown at this time. Figure 10 on the subsequent page illustrates the location of these respective developments within the Johnstown Farms CMA.

RESIDENTIAL MARKET ANALYSIS

Table IV-6: Active Single Family Detached Inventory in the Johnstown Farms CMA (Summary)

Project Name	Builder	City	Unit Size (SqFt)	Base Price Range	Average Lot Size (SqFt)	Planned Units	Sold Units	Planned Units Remaining	Average Monthly Sales Rate	Open Date	Projected Sold Out Date	Capture Rate
Johnstown Farms CMA												
1 Mallard Ridge	DR Horton	Johnstown	1,635 - 2,718	\$385,990 - \$440,990	5,500	263	17	246	5.3	May-21	May-25	6%
2 Fossil Park	Windmill Homes	Milliken	1,796 - 1,796	\$395,000 - \$395,000	8,250	8	7	1	5.3	January-19	July-21	6%
3 Centennial Crossing / Sunfield	Windmill Homes	Milliken	1,991 - 4,535	\$365,200 - \$475,000	6,325	252	95	157	5.7	December-19	October-23	6%
4 The Highlands	Richfield Homes	Mead	1,435 - 2,208	\$426,950 - \$462,950	5,500	123	82	41	4.7	February-20	March-22	5%
5 Thompson River Ranch / Horizon	Oakwood Homes	Johnstown	1,772 - 2,975	\$461,850 - \$518,850	6,600	128	51	77	4.1	July-20	January-23	6%
6 Thompson River Ranch / Carriage House	Oakwood Homes	Johnstown	1,160 - 2,202	\$375,700 - \$442,300	3,245	128	124	4	3.7	October-18	August-21	4%
7 RainDance	View Homes	Windsor	2,413 - 3,756	\$569,995 - \$642,995	7,000	140	124	16	3.4	July-18	November-21	4%
8 RainDance	American Legend Homes	Windsor	1,618 - 3,166	\$509,990 - \$684,990	5,500	184	132	52	4.4	February-19	June-22	5%
9 RainDance	Dream Finders Homes	Windsor	1,700 - 3,586	\$449,990 - \$629,990	5,500	77	39	38	3.8	September-20	May-22	4%
10 RainDance Compass / Oasis	D.R. Horton	Windsor	1,635 - 2,716	\$390,990 - \$455,990	5,500	230	173	57	6.0	March-19	April-22	7%
11 RainDance / Bounty	Wonderland Homes	Windsor	1,542 - 2,343	\$504,900 - \$589,900	5,500	53	24	29	1.5	April-20	February-23	2%
12 Sanctuary at Highland Meadows	Landmark Homes	Windsor	1,991 - 3,175	\$689,900 - \$939,900	12,600	42	24	18	0.4	January-16	September-25	0%
13 Greenspire at Windsor Lake	Windmill Homes	Windsor	1,503 - 2,614	\$398,200 - \$450,600	7,700	143	61	82	1.8	October-18	May-25	2%
14 Pointe at Promontory	Aspen Homes	Greeley	1,210 - 2,728	\$349,000 - \$381,000	5,000	32	4	28	0.4	August-20	October-27	0%
Johnstown Farms CMA	Average Total	Average Total	1,672 - 2,894	\$448,118 - \$536,461	6,409	129	68	60	3.6			
						1,803	957	846				

Source: Meyer's Research and THK Associates, Inc.

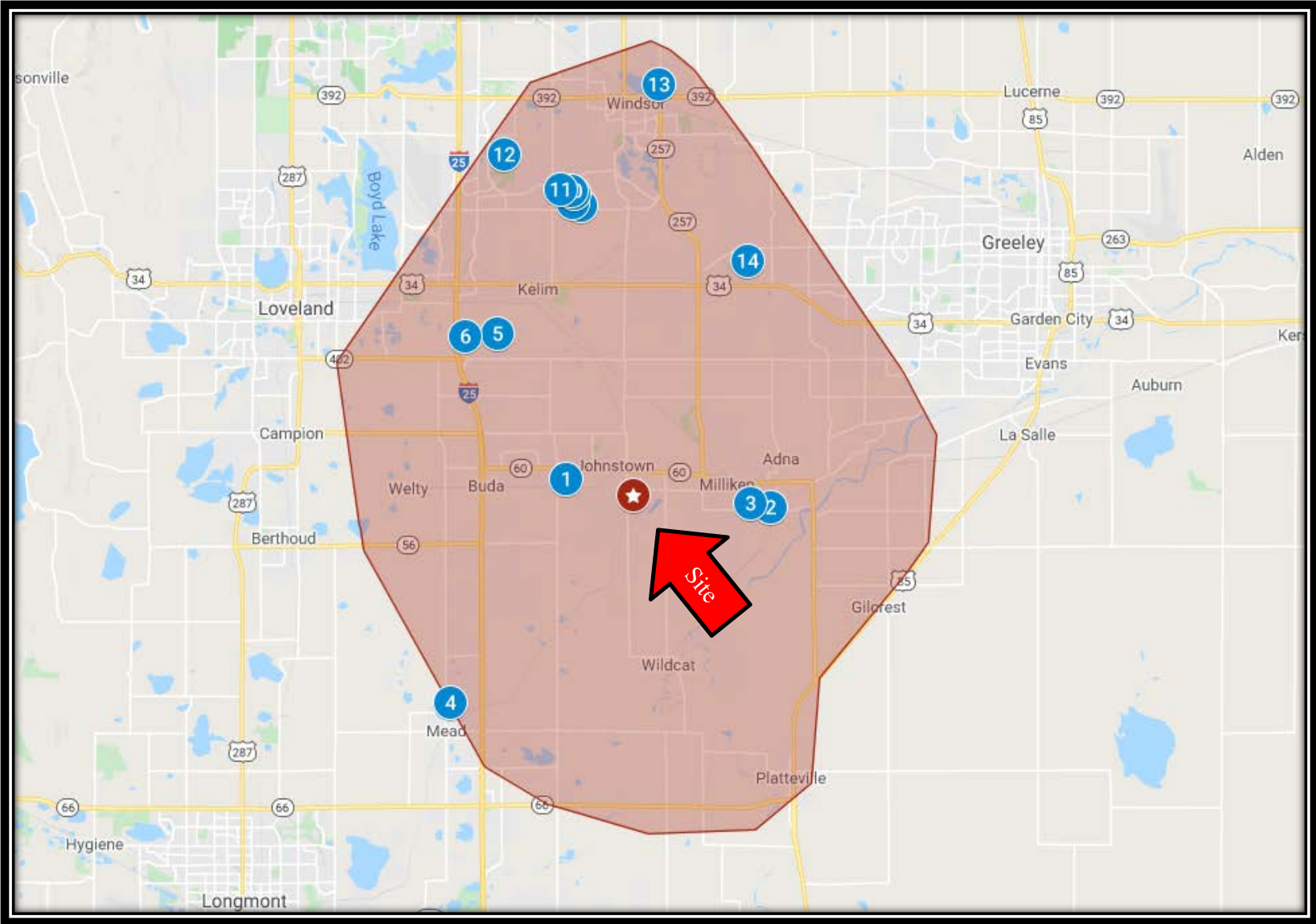
RESIDENTIAL MARKET ANALYSIS

Table IV-7: Active Single Family Detached Inventory in the Johnstown Farms CMA (Detailed)

Project Name	Builder	City	Floor Plan (SqFt)	Base Price	Price per SqFt	Beds	Baths	Floor Plan Type	Notes
Johnstown Farms CMA									
1 Mallard Ridge	DR Horton	Johnstown	1,635	\$385,990	\$236	3.0	3.0	Ranch	5,500 SqFt Avg Lot New Community, Opened May 2021
			1,771	\$398,990	\$225	4.0	2.0	Ranch	
			1,895	\$393,990	\$208	3.0	2.5	2-Story	
			2,125	\$401,990	\$189	4.0	2.5	2-Story	
			2,390	\$411,990	\$172	4.0	2.5	2-Story	
			2,481	\$417,990	\$168	4.0	2.5	2-Story	
			2,548	\$424,990	\$167	4.0	2.5	2-Story	
			2,652	\$434,990	\$164	5.0	3.0	2-Story	
			2,718	\$440,990	\$162	5.0	3.0	2-Story	
			2 Fossil Park	Windmill Homes	Milliken	1,796	\$395,000	\$220	
3 Centennial Crossing / Sunfield	Windmill Homes	Milliken	1,991	\$366,300	\$184	3.0	2.0	Ranch	
			2,434	\$372,500	\$153	3.0	2.5	2-Story	
			2,815	\$390,200	\$139	3.0	2.5	2-Story	
			3,006	\$365,200	\$121	3.0	2.0	Ranch	
			3,214	\$368,500	\$115	3.0	2.0	Ranch	
			3,337	\$396,100	\$119	3.0	2.5	2-Story	
			3,357	\$384,200	\$114	3.0	2.0	Ranch	
			3,652	\$398,700	\$109	3.0	2.0	Ranch	
4 The Highlands	Richfield Homes	Mead	1,435	\$426,950	\$298	3.0	2.0	Ranch	
			1,682	\$443,950	\$264	3.0	2.0	Ranch	
			1,911	\$447,950	\$234	3.0	2.5	2-Story	
			2,208	\$462,950	\$210	3.0	2.5	2-Story	
5 Thompson River Ranch / Horizon	Oakwood Homes	Johnstown	1,772	\$461,850	\$261	2.0	2.0	Ranch	
			2,052	\$499,850	\$244	2.0	2.5	Ranch	
			2,213	\$468,850	\$212	3.0	2.5	2-Story	
			2,635	\$488,950	\$186	4.0	2.5	2-Story	
			2,975	\$518,850	\$174	4.0	2.5	2-Story	
6 Thompson River Ranch / Carriage House	Oakwood Homes	Johnstown	1,160	\$375,700	\$324	2.0	2.5	2-Story	Projected sell out Aug 2021 4 lots remaining
			1,314	\$392,500	\$299	2.0	2.0	2-Story	
			1,438	\$398,900	\$277	2.0	2.5	2-Story	
			1,875	\$427,300	\$228	3.0	2.5	2-Story	
			1,932	\$432,500	\$224	3.0	2.5	3-Story	
			2,117	\$439,900	\$208	3.0	2.5	3-Story	
			2,202	\$442,300	\$201	3.0	2.5	3-Story	
7 RainDance	View Homes	Windsor	2,413	\$584,995	\$242	3.0	2.5	2-Story	7,000 SqFt Avg Lot Projected sell out November 2021
			2,576	\$611,995	\$238	4.0	3.5	2-Story	
			2,812	\$638,995	\$227	5.0	4.0	2-Story	
			2,973	\$569,995	\$192	4.0	3.0	Ranch	
			3,756	\$642,995	\$171	5.0	3.5	Ranch	
8 RainDance	American Legend Homes	Windsor	1,618	\$509,990	\$315	3.0	2.0	Ranch	
			1,645	\$525,990	\$320	2.0	2.0	Ranch	
			1,698	\$547,990	\$323	3.0	2.0	Ranch	
			1,765	\$521,990	\$296	3.0	2.0	Ranch	
			1,978	\$518,990	\$262	2.0	2.0	Ranch	
			2,008	\$542,990	\$270	3.0	2.5	2-Story	
			2,213	\$557,990	\$252	3.0	2.5	2-Story	
			2,245	\$606,990	\$270	3.0	2.5	Ranch	
			2,249	\$559,990	\$249	4.0	2.5	2-Story	
			2,255	\$552,990	\$245	4.0	2.5	2-Story	
			2,701	\$629,990	\$233	3.0	2.5	2-Story	
			2,708	\$667,990	\$247	3.0	2.5	2-Story	
3,166	\$684,990	\$216	4.0	4.0	2-Story				
9 RainDance	Dream Finders Homes	Windsor	1,700	\$449,990	\$265	3.0	2.0	Ranch	
			1,894	\$463,990	\$245	3.0	2.0	Ranch	
			2,131	\$471,990	\$221	3.0	2.5	2-Story	
			2,208	\$538,990	\$240	4.0	2.0	Ranch	
			2,216	\$533,990	\$241	3.0	2.0	Ranch	
			2,253	\$484,990	\$215	3.0	2.5	2-Story	
			2,476	\$488,990	\$197	4.0	2.5	2-Story	
			2,600	\$499,990	\$192	5.0	3.0	2-Story	
			3,009	\$565,990	\$188	4.0	3.5	2-Story	
			3,586	\$629,990	\$176	4.0	3.5	2-Story	
10 Raindass Compass / Oasis	D.R. Horton	Windsor	1,635	\$390,990	\$239	3.0	2.0	Ranch	
			1,771	\$399,990	\$226	4.0	2.0	Ranch	
			1,902	\$411,990	\$217	4.0	2.0	Ranch	
			2,053	\$405,990	\$198	4.0	2.5	2-Story	
			2,219	\$411,990	\$186	3.0	2.5	2-Story	
			2,356	\$425,990	\$181	4.0	2.5	2-Story	
			2,475	\$425,990	\$172	4.0	2.5	2-Story	
			2,546	\$435,990	\$171	4.0	2.5	2-Story	
			2,556	\$431,990	\$169	4.0	2.5	2-Story	
			2,600	\$447,990	\$172	5.0	3.0	2-Story	
			2,716	\$455,990	\$168	5.0	3.0	2-Story	
			11 Raindance / Bounty	Wonderland Homes	Windsor	1,542	\$504,900	\$327	
1,823	\$504,900	\$277				3.0	2.0	Ranch	
1,961	\$569,900	\$291				3.0	2.5	2-Story	
2,191	\$889,900	\$269				3.0	2.5	2-Story	
2,252	\$563,900	\$250				4.0	3.5	2-Story	
2,343	\$573,900	\$245				4.0	3.5	2-Story	
12 Sanctuary at Highland Meadows	Landmark Homes	Windsor	1,991	\$689,900	\$347	2.0	2.5	Ranch	
			2,149	\$699,900	\$326	3.0	2.0	Ranch	
			2,412	\$759,900	\$315	2.0	2.5	Ranch	
			2,412	\$754,900	\$313	2.0	2.0	Ranch	
			2,579	\$739,900	\$287	3.0	2.5	2-Story	
			2,782	\$789,900	\$284	3.0	2.5	2-Story	
			2,832	\$849,900	\$300	2.0	2.5	Ranch	
			2,900	\$869,900	\$300	2.0	2.5	Ranch	
3,175	\$939,900	\$296	2.0	2.5	Ranch				
13 Greenspire at Windsor Lake	Windmill Homes	Windsor	1,503	\$398,200	\$265	3.0	2.0	Ranch	
			1,618	\$417,200	\$258	3.0	2.0	Ranch	
			1,625	\$413,000	\$254	3.0	2.0	Ranch	
			1,727	\$413,700	\$240	3.0	2.5	2-Story	
			1,796	\$437,200	\$243	3.0	2.0	Ranch	
			2,018	\$450,600	\$223	3.0	2.0	Ranch	
			2,214	\$431,000	\$195	3.0	3.0	2-Story	
2,614	N/A	N/A	3.0	2.5	Ranch				
14 Pointe at Promontory	Aspen Homes	Greeley	1,210	N/A	N/A	2.0	2.0	Ranch	
			1,438	\$364,900	\$254	3.0	2.0	Ranch	
			1,677	N/A	N/A	3.0	2.5	2-Story	
			1,751	\$381,000	\$218	3.0	2.5	2-Story	
			1,926	N/A	N/A	3.0	2.5	2-Story	
			2,044	N/A	N/A	3.0	2.5	2-Story	
			2,728	\$349,000	\$128	3.0	2.5	2-Story	

Source: Meyer's Research and THK Associates, Inc.

Figure 9- Active Detached Single-Family Inventory



RESIDENTIAL MARKET ANALYSIS

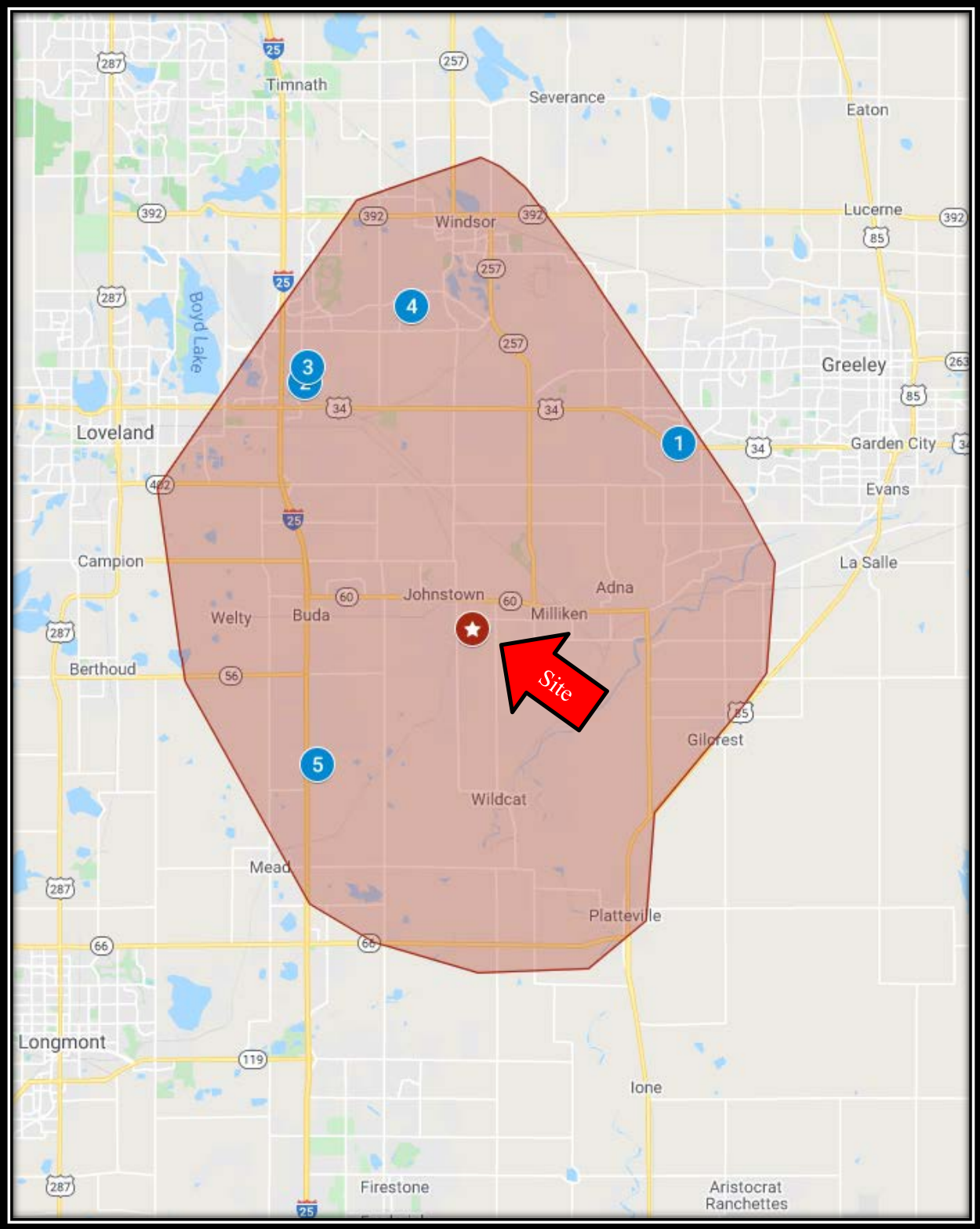
Table IV-8: Upcoming Single Family Detached Inventory in the Johnstown Farms CMA

Project Name	Builder	City	Planned or Remaining Units	Projected Open Date
Johnstown Farms CMA				
1 Westgate	D.R. Horton	Greeley	198	2023
2 Kinston at Centerra	Richmond American Homes	Loveland	38	2022
3 Kinston	Lennar	Loveland	57	2022
4 RainDance	Multiple	Windsor	500	2021
5 Wilson Ranch	N/A	Berthoud	4,000	2023
Johnstown Farms CMA			Total	
			4,793	

Source: Meyer's Research and THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

Figure 10- Upcoming Detached Single-Family Inventory



RESIDENTIAL MARKET ANALYSIS

E. Projected Detached Single Family Home Demand by Price Range

The projected demand for detached single family homes, broken down by price range, is illustrated in Table IV-9 below. Based on market trends, historic building permit activity, and analyses of current and upcoming new home offerings in the Johnstown Farms CMA, THK projects that 50% of the total demand for new homes will be in the under \$538,500 price range, while the remaining 35% and 15% will be in the \$538,000 to \$718,000 and above \$718,000 price range, respectively. Based off of annual average demand for detached single family homes of 1,070 units, as previously determined in Table IV-3, the aforementioned price ranges should have demand of 535, 374, and 160 units per year, respectively.

Table IV-9: Demand by Price Range Based On Income in the Johnstown Farms CMA

Price Range	Number of Units	Percentage
Detached Single Family		
Under - \$538,500	535	50.0%
\$538,500 - \$718,000	374	35.0%
\$718,000 & Above	160	15.0%
Total Annual Average SF-Detached Demand	1,070	100.0%
10-Year Total SF-Detached Demand	10,697	

Source: THK Associates, Inc.

Based on the preceding analysis of residential supply and demand in the CMA, the following illustrates the recommendations for single family detached uses at the Johnstown Farms sites.

RESIDENTIAL MARKET ANALYSIS

F. Single Family Residential Potentials in the Johnstown Farms CMA

Based on the preceding analysis of residential supply and demand in the CMA, the following illustrates the recommendations for single family detached uses at the Johnstown Farms sites.

As illustrated by Table IV-10 on the following page, the CMA has four competitive single family detached properties in the price segments below \$718,000, implying a capture rate of 20% for these price ranges. Even though there are 3 competitors in the above \$718,000 price range, a capture rate of 0% was assumed there is no product proposed for this price range at Johnstown Farms. Assuming a 20% capture rate on units priced under \$718,000, the site should be fully absorbed through 2024. A capture rate of 20% is based on the number of competitive properties within the market area, and factor in demand generated from the subject site's location as well as projected development of other supporting land use types in the region.

Table IV-11 details THK's forecast of the sale and build-out of each product type proposed within the Johnstown Farms East Metropolitan District. The Johnstown Farms East Metropolitan District is planned for 361 total homes, with three product lines in total. Table IV-12 summarizes absorption by quarter of all product types within the Johnstown Farms East Metropolitan District.

Table IV-13 details proposed product and pricing at the Johnstown Farms site, which is supportable within the marketplace. Johnstown Farms proposed product types are estimated to have average base pricing of \$450,000, \$500,000, and \$550,000. The proposed product types are also estimated at 1,800 square feet, 2,000 square feet, and 2,200 square feet, with base pricing per square foot ranging from \$225 to \$250.

Lot premiums vary on a number of factors, including lot size, topography, views, and adjacent land uses, such as open space. Based on THK's experience with other developments in the area, THK estimates average lot premiums across both product types at 2.0% of base price pricing. This estimated lot premium is an average, as interior lots with limited views will likely have no lot premium, while other lots with more desirable features will have a higher premium. Options and/or upgrades include features that are above what is included with a home's base price. These features typically include improvements such as finished basements, higher-end appliances, higher-end flooring, granite countertops, etc. THK estimates average option/upgrade premiums across both product types at 3.0% of base price pricing.

RESIDENTIAL MARKET ANALYSIS

Table IV-10: Projected Single Family Detached Unit Demand and Absorption at Johnstown Farms Site, 2021-2024

Unit Prices:	Under \$538,500	\$538,500 - \$718,000	\$718,000 - Above	Annual Total	Cumulative Total
Percentage of Total Annual Demand	50.0%	35.0%	15.0%	100.0%	
Annual Avg. Unit Demand in the Competitive Market Area	535	374	160	1,070	
Number of Competitors:	4	4	3		
Generic Site Capture Rate:	20.0%	20.0%	25.0%	--	--
Projected Site Capture Rate:	20.0%	20.0%	0.0%	--	--
Annual Absorption (Units)					
2021		*** Planning and Site Preparation ***			
2022	87	61	0	148	148
2023	91	64	0	155	303
2024	34	24	0	58	361
Total	212	149	0	0	
Annual Average	71	50	0	120	
Monthly Sales Average	5.9	4.1	0.0	10.0	

Source: THK Associates, Inc.

RESIDENTIAL MARKET ANALYSIS

**Table IV-11: Summary of Absorption by Product Type and Year
at the Johnstown Farms site, 2021-2024**

Year	Filing 3		Filing 2	Annual Total Absorption
	SFD 50' \$500,000	SFD 60' \$550,000	SFD 45' \$450,000	
2021	**Planning & Site Preparation**		**Planning & Prep**	0
2022	75	73	**Planning & Prep**	148
2023	47	46	56	149
2024	0	0	64	64
Total Homes	122	119	120	361

Source: THK Associates, Inc.

**Table IV-12: Summary of Absorption by Quarter
at the Johnstown Farms site, 2022-2024**

Home Sales by Quarter			
Quarter	Filing 3	Filing 2	Cumulative Home Sales
2022 Q1	35	0	35
2022 Q2	36	0	71
2022 Q3	38	0	109
2022 Q4	39	0	148
2023 Q1	39	0	187
2023 Q2	38	0	225
2023 Q3	16	21	262
2023 Q4	0	35	297
2024 Q1	0	33	330
2024 Q2	0	31	361
Total	241	120	361

Source: THK Associates, Inc.

**Table IV-13: Summary of Proposed Residential Product and Pricing
at Johnstown Farms**

Product	Filing 2	Filing 3	
	SFD 45'	SFD 50'	SFD 60'
Avg. Price	\$450,000	\$500,000	\$550,000
Avg. Unit Size (SqFt)	2,000	2,000	2,200
Avg. Price/SqFt	\$225	\$250	\$250
Avg. Lot Premium	2.0%	2.0%	2.0%
Avg. Option/Upgrades	3.0%	3.0%	3.0%

Source: THK Associates, Inc.

End of Report

Prepared by:



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info@THKassoc.com**

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APPENDIX B

APPRECIATION ANALYSIS

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Memorandum

To: Johnstown Farms East Metropolitan District.
From: King & Associates, Inc.
Date: August 16, 2021
RE: Johnstown Farms East Metropolitan District – Appreciation Analysis.

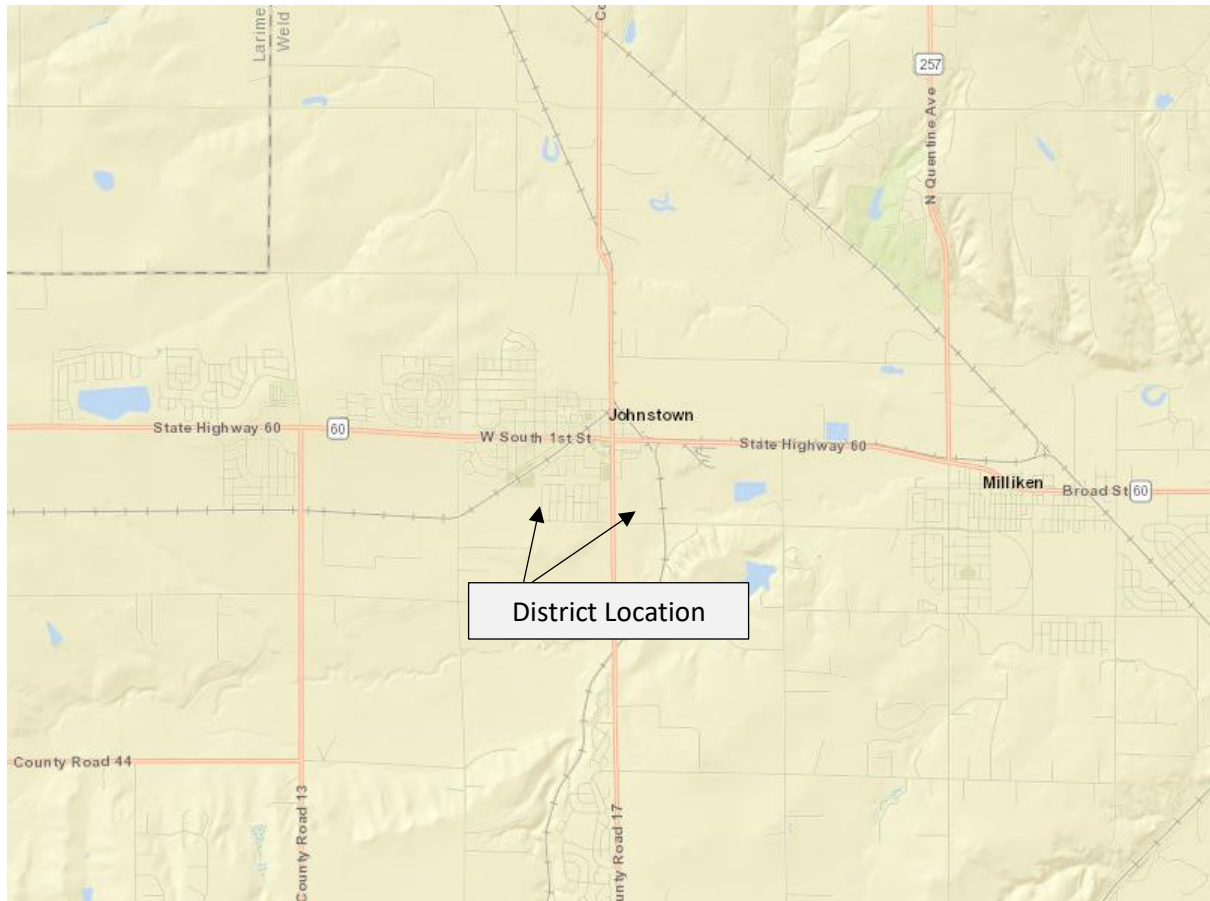
SCOPE

Johnstown Farms East Metropolitan District has retained King & Associates, Inc. to provide a residential value appreciation projection for the District. To complete the projection, residential market trends in the Town of Johnstown and the Greeley, MSA (includes Weld County) market areas have been reviewed.

BACKGROUND

Johnstown Farms East Metropolitan District are located in the Town of Johnstown, Weld County, Colorado, south of the State Highway 60 and County Road 17 intersection. This memo addresses appreciation of residential units planned in the District with the map below providing the location of Johnstown Farms East Metropolitan District.

Johnstown Farms East Metropolitan District – Locator Map



Source: King & Associates, Inc.

RESIDENTIAL APPRECIATION TRENDS

The Zillow Inc. Home Value Index has been used to review local Town of Johnstown residential real estate market area trends and the S&P / CoreLogic Case-Shiller Home Price Index has been used to review regional Greeley, MSA residential real estate market area trends.

Home Value Index – Town of Johnstown Market Area, Colorado

- The District are located in the Town of Johnstown residential market area, which includes the District and homes in the surrounding area.
- The Zillow Inc. Home Value Index has been reviewed to assess long-term appreciation trends in the Town of Johnstown market area.¹
- From August 2011 (extent of available data) through the July 2021 period, the Home Value Index in the Town of Johnstown market area increased from approximately \$229,000 to \$483,000, equaling appreciation of 7.81% annually.
- During the 2011 (August) through 2021 (July) period, the Home Value Index reached two defined high points (May 2019 and July 2021) and one low point (August 2011).
 - The Home Value Index peaked at approximately \$403,000 per unit in May 2019 and \$483,000 in July 2021.
 - The Home Value Index dipped to a low point of approximately \$229,000 per unit in August 2011.

Greeley, MSA Sales Price Trends

- S&P / CoreLogic Case – Shiller (Case – Shiller) single-family home price index data has also been provided as additional residential appreciation trend information.²
- Greeley, MSA residential price appreciation trends have been reviewed over the past thirty-year period extending from Q1 1991 through Q1 2021 (most current data).
- Johnstown Farms East Metropolitan District is located in the Town of Johnstown which is within the Greeley, MSA.
- The Greeley, MSA provides a discrete geographic area for tracking price appreciation trends within urban and suburban neighborhoods surrounding the District.
- S&P / CoreLogic Case – Shiller (Case – Shiller) housing price data has been used as a basis to forecast future appreciation rates in the District since it indexes single-family home price trends from urban and suburban areas throughout the Greeley, MSA.

S&P / CoreLogic Case – Shiller (Case – Shiller) Home Price Index

- The Case – Shiller index has been used to review residential home price appreciation trends in the Greeley, MSA.
- The Case – Shiller index was designed to track the value of single-family housing within the United States and geographic submarkets.

¹ The Zillow Inc. Home Value Index includes single-family attached and detached home types.

² The S&P / CoreLogic Case – Shiller Home Price Index addresses single-family homes and does not specify between single-family attached and detached unit types. The index does not include condominiums or co-ops.

- The purpose of the Case – Shiller index is to provide an accurate measure of housing price changes within prescribed geographic areas (nationally, regionally, metropolitan areas).
- The index is calculated on a quarterly basis using the repeat sales methodology, which is claimed to be the most widely recognized methodology for indexing housing prices.
- The index publishers (S&P / CoreLogic Case – Shiller) state that the index uses “data on properties that have sold at least twice, in order to capture the true appreciated value of each specific sales unit”.
- The index tracks single-family home price trends and is based on home sales variables that include: price changes, segmented market price points, weighted price variables and sales anomalies.

Greeley, MSA - S&P / CoreLogic Case – Shiller Home Price Index

- The Case – Shiller Greeley, MSA Home Price Index has been reviewed from Q1 1991 through Q1 2021 (most current data).
- In Q1 1991, the Greeley, MSA Home Price Index stood at 71.61.
- By Q1 2021, the Home Price Index was 316.03.
- During the Q1 1991 through Q1 2021 time period, the Greeley, MSA Home Price Index has increased by an annual rate of 5.07% and provides an excellent measure of home price appreciation trends during the past thirty-year period.
- The review period includes one significant housing market down-cycle, which extended from Q2 2006 through Q1 2011, during which the Home Price Index decreased by 3.50% annually.
- There have also been two periods of extended housing price appreciation in the Greeley, MSA housing market.
 - The first period extended from 1991 through 2006 (approximately 16 years) with home price appreciation equaling 6.37% annually.
 - The second period has extended from 2011 through Q1 2021 (most recent data) with home price appreciation equaling 7.81% annually.
- The following table summarizes Greeley, MSA single-family home price appreciation trends over the last thirty-year period.

Greeley, MSA – Home Price Appreciation Trends

Year	Index
Q1 1991	71.61
Q1 2021	316.03
Annual Appreciation	5.07%

Source: S&P / CoreLogic Case-Shiller.

Notes:

1. The Home Price Index reflects single-family homes.
2. The values in the table above represent an index of single-family home prices and do not reflect average or median sales prices. The index is based on single-family home sales variables that include price changes, segmented market price points, weighted price variables and sales anomalies.

CORONAVIRUS (SARS-COV-2) IMPACTS

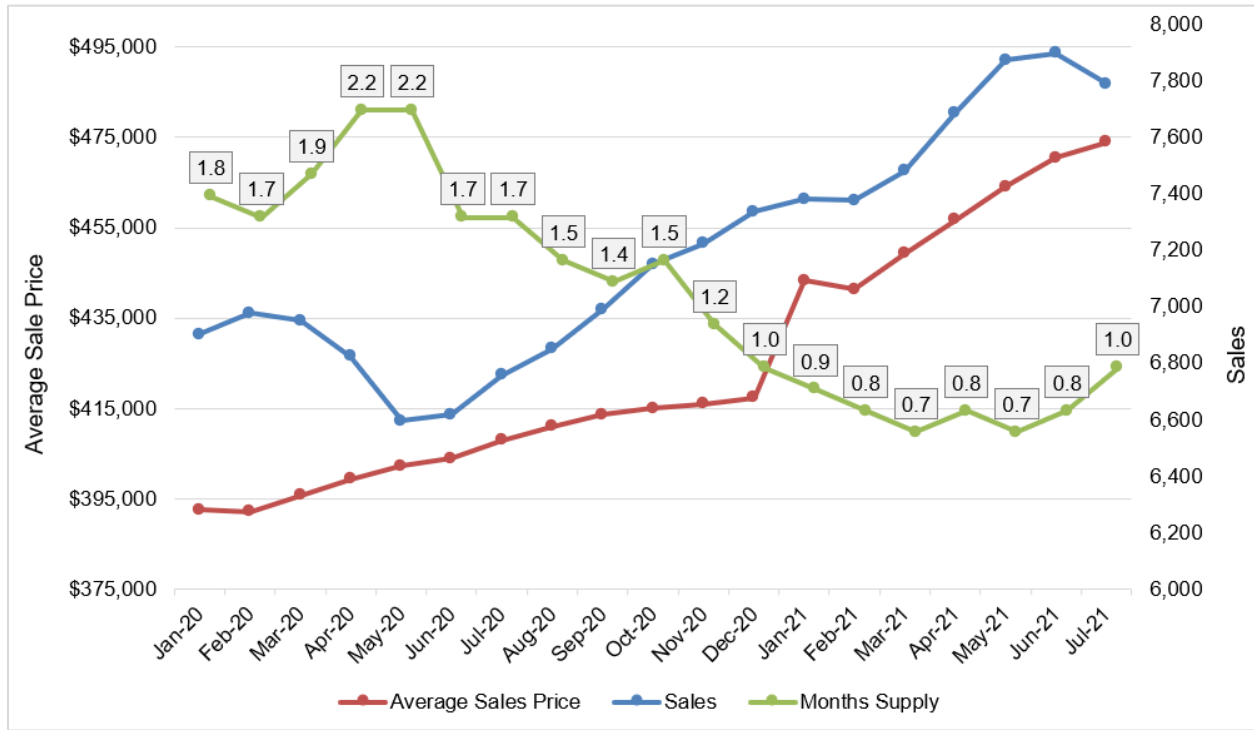
- The State of Colorado implemented measures to combat the spread of the Coronavirus during March 2020, which included closing nonessential businesses and stay-at-home guidelines for the general population.
- These guidelines have been reviewed and updated since March 2020, with easing of stay-at-home guidelines for the general population and reopening of businesses occurring throughout the State of Colorado.
- Given unprecedented impacts on global health and safety, as well as economic uncertainties, the extended impacts of the Coronavirus on home prices and appreciation in the Greeley, MSA area are not fully known at the current time.
- However, single-family detached resale (existing homes) statistics have been summarized from January 2020 through July 2021 for the Weld County market area to depict known and current impacts of the Coronavirus.

Single-family Detached Weld County Home Sales

- Single-family detached home resale (existing homes) statistics from the Colorado Association of Realtors are provided for the past year (July 2021 compared with July 2020) for the Weld County market area.
- Resale data comparing July 2021 trailing-twelve-month statistics with July 2020 trailing-twelve-month statistics show: i) sales volume up by 14.1%, ii) average sales prices up by 17.2%, iii) active listings down by 88% and iv) months supply of inventory decreasing to 1.0 from 2.1.
- Year-over-year comparative statistics for the month of July (2021 and 2020) show: i) sales volume up by 10.6%, ii) active listing down by 45% and iii) average sales prices up by 16.0%.
- Given this data, single-family detached resale markets in Weld County have demonstrated strong buying activity and increased average home sale prices since the onset of the Coronavirus.

- See chart below summarizing Weld County Single-family detached resale (existing homes) statistics.

Weld County – Single-family Detached Existing Home Sale Trends



Source: Colorado Association of Realtors, King & Associates, Inc.

Note:

1. Sales data presented above includes trailing-twelve-month statistics.

FINDINGS

- King & Associates, Inc. has reviewed single-family home appreciation trends in the Town of Johnstown market area and the Greeley, MSA (includes Weld County) market area.
- The Zillow Inc. Home Value Index for the Town of Johnstown market area indicates single-family resale home prices have appreciated by 7.81% annually from August 2011 through July 2021.
- From Q1 1991 through Q1 2021, the S&P / CoreLogic Case-Shiller Home Price Index for the Greeley, MSA has increased annually by 5.07%.
- A 3.00% annual appreciation rate is projected for single-family detached residential units in the District and is believed to be a conservative ongoing average of residential value growth (appreciation) that considers periods of both increasing and declining residential market values.
- The following table summarizes residential appreciation trends in the Town of Johnstown and the Greeley, MSA market areas.

Residential Appreciation Trends and Ongoing Appreciation Rate Projection

Town of Johnstown Market Area - Home Value Index Trends	
2011 (August)	\$229,000
2021 (July)	\$483,000
Average annual appreciation	7.81%
Greeley, MSA - Single-family Home Price Index Trends	
1991 (Q1)	71.61
2021 (Q1)	316.03
Average annual appreciation	5.07%
Projected Appreciation:	
Ongoing single-family projected appreciation rate	3.00%

Source: Zillow Inc., S&P / CoreLogic Case-Shiller, King & Associates, Inc.

CONCLUSION

Based on review and analysis of single-family detached residential unit appreciation trends in the Town of Johnstown and Greeley, MSA housing market areas, King & Associates, Inc. projects the ongoing appreciation rate pertaining to the actual value of residential units in the District at 3.00% annually through 2061.

SARS-CoV-2 (CORONAVIRUS) DISCLAIMER

This memorandum has been completed during the SARS-CoV-2 (Coronavirus) outbreak in 2020 and 2021. At the time of this report, the impacts of the Coronavirus upon national and local real estate markets has not been fully determined. The findings in this memorandum have been based on the most current real estate market information available prior and during the Coronavirus outbreak. Actual home appreciation that may occur in the Johnstown Farms East Metropolitan District given impacts from the Coronavirus outbreak may be different, possibly materially, from the findings and conclusions detailed in this memorandum.

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APPENDIX C
FINANCIAL FORECAST

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**JOHNSTOWN FARMS EAST
METROPOLITAN DISTRICT**

**FORECASTED SURPLUS CASH BALANCES
AND
CASH RECEIPTS AND DISBURSEMENTS**

OCTOBER 6, 2021

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Accountant's Compilation Report

The Board of Directors of
Johnstown Farms East Metropolitan District
Weld County, Colorado

Management is responsible for the accompanying forecasted surplus cash balances and cash receipts and disbursements of Johnstown Farms East Metropolitan District (the "District") for the General Fund and Debt Service Fund using the cash basis of accounting for the calendar years ending 2021 through 2057 (the "forecast") and the related summary of significant forecast assumptions and accounting policies in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement of the forecast in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants ("AICPA"). We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the forecast. Furthermore, because events and circumstances frequently do not occur as expected, and even if additional development occurs or if a lower rate of biennial reassessment occurs, there will usually be differences between the forecasted and actual results, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying presentations of projected surplus cash balances and cash receipts and disbursements for the calendar years ending 2021 through 2057, under the hypothetical assumptions in Note 14, which assumes additional development occurs; and in Note 15 which assumes a lower rate of biennial reassessment, are not a part of the forecast and are presented for additional analysis only and should not be used for any other purpose. Such projections have not been subjected to the procedures applied in the compilation of the forecast, and we express no assurance of any kind on them.

As discussed in Note 3, the forecast and the projections are presented on the cash basis of accounting, whereas the historical financial statements for the forecast period and projection periods are expected to be presented in conformity with generally accepted accounting principles on the accrual basis for government wide statements and the modified accrual basis for individual fund financial statements for all funds of the District by fund type.

Guidelines for presentation of a forecast and projections established by the AICPA require disclosure of the differences resulting from the use of a different basis of accounting in the forecast and the projections than that expected to be used in the historical financial statements for the period. Accordingly, if the AICPA presentation guidelines were followed, the titles in the forecast and the projections would indicate that the presentations reflect the following: surplus cash balances and the cash received and disbursed rather than net position or fund balances and the revenue and expenses or expenditures that would be recognized under generally accepted accounting principles based on the accrual basis and the modified accrual basis of accounting.

We are not independent with respect to the District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 6, 2021

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SUMMARY - GENERAL FUND
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Collection Year	Assessed Value (See Page 8)	Mill Levy		Cash Receipts					Cash Disbursements				Cash Balances		Collection Year
		General Fund	Total	Net Property Taxes 98.00%	Specific Ownership Taxes 6.00%	District Fees \$160 2.00%	Developer Advances (See Page 9)	Total Cash Receipts	General and Administrative 2.00%	Operations and Maintenance 2.00%	Repayment of Developer Advances (See Page 9)	Total Cash Disbursements	Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	
2021	268,640	10.000	50.000	2,633	158	-	55,000	57,791	51,000	-	-	51,000	6,791	6,791	2021
2022	134,870	10.000	50.000	1,322	79	7,997	63,000	72,398	52,020	20,000	-	72,020	378	7,168	2022
2023	2,253,660	10.000	50.000	22,086	1,325	29,797	40,000	93,208	53,060	39,250	-	92,310	898	8,066	2023
2024	7,078,922	10.000	50.000	69,373	4,162	40,920	-	114,456	54,122	40,035	20,200	114,357	99	8,166	2024
2025	9,293,178	10.000	50.000	91,073	5,464	41,739	-	138,276	55,204	40,836	42,200	138,240	36	8,202	2025
2026	9,850,769	10.000	50.000	96,538	5,792	42,573	-	144,903	56,308	41,652	46,900	144,861	43	8,245	2026
2027	9,850,769	10.000	50.000	96,538	5,792	43,425	-	145,755	57,434	42,485	45,800	145,720	35	8,279	2027
2028	10,441,815	10.000	50.000	102,330	6,140	44,293	-	152,763	58,583	43,335	50,800	152,718	45	8,324	2028
2029	10,441,815	6.800	46.800	69,584	4,175	45,179	-	118,938	59,755	44,202	7,780	111,737	7,202	15,526	2029
2030	11,068,324	5.301	45.301	57,500	3,450	46,083	-	107,032	60,950	45,086	-	106,036	997	16,523	2030
2031	11,068,324	5.407	45.407	58,650	3,519	47,004	-	109,173	62,169	45,988	-	108,156	1,017	17,540	2031
2032	11,732,423	5.203	45.203	59,823	3,589	47,945	-	111,357	63,412	46,907	-	110,319	1,037	18,577	2032
2033	11,732,423	5.307	45.307	61,019	3,661	48,903	-	113,584	64,680	47,846	-	112,526	1,058	19,635	2033
2034	12,436,369	5.107	45.107	62,240	3,734	49,881	-	115,855	65,974	48,802	-	114,776	1,079	20,714	2034
2035	12,436,369	5.209	45.209	63,484	3,809	50,879	-	118,173	67,293	49,778	-	117,072	1,101	21,814	2035
2036	13,182,551	5.012	45.012	64,754	3,885	51,897	-	120,536	68,639	50,774	-	119,413	1,123	22,937	2036
2037	13,182,551	5.113	45.113	66,049	3,963	52,935	-	122,947	70,012	51,790	-	121,802	1,145	24,082	2037
2038	13,973,504	4.920	44.920	67,370	4,042	53,993	-	125,406	71,412	52,825	-	124,238	1,168	25,250	2038
2039	13,973,504	5.018	45.018	68,718	4,123	55,073	-	127,914	72,841	53,882	-	126,722	1,191	26,441	2039
2040	14,811,914	4.829	44.829	70,092	4,206	56,175	-	130,472	74,297	54,959	-	129,257	1,215	27,657	2040
2041	14,811,914	4.925	44.925	71,494	4,290	57,298	-	133,081	75,783	56,059	-	131,842	1,239	28,896	2041
2042	15,700,629	4.739	44.739	72,924	4,375	58,444	-	135,743	77,299	57,180	-	134,479	1,264	30,160	2042
2043	15,700,629	4.834	44.834	74,382	4,463	59,613	-	138,458	78,845	58,323	-	137,168	1,290	31,450	2043
2044	16,642,667	4.652	44.652	75,870	4,552	60,805	-	141,227	80,422	59,490	-	139,912	1,315	32,765	2044
2045	16,642,667	4.745	44.745	77,387	4,643	62,021	-	144,052	82,030	60,680	-	142,710	1,342	34,107	2045
2046	17,641,227	4.566	44.566	78,935	4,736	63,262	-	146,933	83,671	61,893	-	145,564	1,368	35,475	2046
2047	17,641,227	4.657	44.657	80,514	4,831	64,527	-	149,871	85,344	63,131	-	148,475	1,396	36,871	2047
2048	18,699,700	4.481	44.481	82,124	4,927	65,818	-	152,869	87,051	64,394	-	151,445	1,424	38,295	2048
2049	18,699,700	4.571	44.571	83,766	5,026	67,134	-	155,926	88,792	65,682	-	154,474	1,452	39,747	2049
2050	19,821,682	4.398	44.398	85,442	5,126	68,477	-	159,045	90,568	66,995	-	157,563	1,481	41,228	2050
2051	19,821,682	4.486	44.486	87,150	5,229	69,846	-	162,226	92,379	68,335	-	160,715	1,511	42,739	2051
2052	21,010,983	4.317	4.317	88,893	5,334	71,243	-	165,470	94,227	69,702	-	163,929	1,541	44,280	2052
2053	21,010,983	4.403	4.403	90,671	5,440	72,668	-	168,779	96,112	71,096	-	167,208	1,572	45,852	2053
2054	22,271,642	4.237	4.237	92,485	5,549	74,121	-	172,155	98,034	72,518	-	170,552	1,603	47,456	2054
2055	22,271,642	4.322	4.322	94,334	5,660	75,604	-	175,598	99,994	73,968	-	173,963	1,635	49,091	2055
2056	23,607,941	4.159	4.159	96,221	5,773	77,116	-	179,110	101,994	75,448	-	177,442	1,668	50,759	2056
2057	23,607,941	4.242	4.242	98,146	5,889	78,658	-	182,692	104,034	76,957	-	180,991	1,702	52,461	2057
				2,681,911	160,915	2,003,346	158,000	5,004,171	2,755,747	1,982,283	213,680	4,951,710	52,461		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Collection Year	Assessed Value (See Page 8)	Debt Service Mill Levy	Cash Receipts		Total Cash Receipts	Trustee Fees	Cash Available for Debt Service	Net Debt Service on 2021 Bonds (\$7,062,000 (See Page 10))	Total Cash Disbursements	Cash Balances		Collection Year
			Net Property Taxes 98.00%	Specific Ownership Taxes 6.00%						Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	
2021	268,640	40.000	10,531	632	11,163	-	11,163	11,163	11,163	-	-	2021
2022	134,870	40.000	5,287	317	5,604	4,000	1,604	1,604	5,604	-	-	2022
2023	2,253,660	40.000	88,343	5,301	93,644	4,000	89,644	89,644	93,644	-	-	2023
2024	7,078,922	40.000	277,494	16,650	294,143	4,000	290,143	290,143	294,143	-	-	2024
2025	9,293,178	40.000	364,293	21,858	386,150	4,000	382,150	382,150	386,150	-	-	2025
2026	9,850,769	40.000	386,150	23,169	409,319	4,000	405,319	405,319	409,319	-	-	2026
2027	9,850,769	40.000	386,150	23,169	409,319	4,000	405,319	405,319	409,319	-	-	2027
2028	10,441,815	40.000	409,319	24,559	433,878	4,000	429,878	429,878	433,878	-	-	2028
2029	10,441,815	40.000	409,319	24,559	433,878	4,000	429,878	429,878	433,878	-	-	2029
2030	11,068,324	40.000	433,878	26,033	459,911	4,000	455,911	455,911	459,911	-	-	2030
2031	11,068,324	40.000	433,878	26,033	459,911	4,000	455,911	455,911	459,911	-	-	2031
2032	11,732,423	40.000	459,911	27,595	487,506	4,000	483,506	483,506	487,506	-	-	2032
2033	11,732,423	40.000	459,911	27,595	487,506	4,000	483,506	483,506	487,506	-	-	2033
2034	12,436,369	40.000	487,506	29,250	516,756	4,000	512,756	512,756	516,756	-	-	2034
2035	12,436,369	40.000	487,506	29,250	516,756	4,000	512,756	512,756	516,756	-	-	2035
2036	13,182,551	40.000	516,756	31,005	547,761	4,000	543,761	543,207	547,207	554	554	2036
2037	13,182,551	40.000	516,756	31,005	547,761	4,000	543,761	543,650	547,650	111	666	2037
2038	13,973,504	40.000	547,761	32,866	580,627	4,000	576,627	576,700	580,700	(73)	593	2038
2039	13,973,504	40.000	547,761	32,866	580,627	4,000	576,627	576,600	580,600	27	620	2039
2040	14,811,914	40.000	580,627	34,838	615,465	4,000	611,465	611,900	615,900	(435)	184	2040
2041	14,811,914	40.000	580,627	34,838	615,465	4,000	611,465	610,800	614,800	665	849	2041
2042	15,700,629	40.000	615,465	36,928	652,393	4,000	648,393	649,000	653,000	(607)	241	2042
2043	15,700,629	40.000	615,465	36,928	652,393	4,000	648,393	648,500	652,500	(107)	134	2043
2044	16,642,667	40.000	652,393	39,144	691,536	4,000	687,536	687,100	691,100	436	570	2044
2045	16,642,667	40.000	652,393	39,144	691,536	4,000	687,536	687,800	691,800	(264)	306	2045
2046	17,641,227	40.000	691,536	41,492	733,028	4,000	729,028	728,350	732,350	678	984	2046
2047	17,641,227	40.000	691,536	41,492	733,028	4,000	729,028	729,700	733,700	(672)	313	2047
2048	18,699,700	40.000	733,028	43,982	777,010	4,000	773,010	772,650	776,650	360	673	2048
2049	18,699,700	40.000	733,028	43,982	777,010	4,000	773,010	773,050	777,050	(40)	633	2049
2050	19,821,682	40.000	777,010	46,621	823,631	4,000	819,631	819,850	823,850	(219)	413	2050
2051	19,821,682	40.000	777,010	46,621	823,631	4,000	819,631	811,650	815,650	7,981	8,394	2051
2052	21,010,983	0.000	-	-	-	-	-	-	-	-	8,394	2052
2053	21,010,983	0.000	-	-	-	-	-	-	-	-	8,394	2053
2054	22,271,642	0.000	-	-	-	-	-	-	-	-	8,394	2054
2055	22,271,642	0.000	-	-	-	-	-	-	-	-	8,394	2055
2056	23,607,941	0.000	-	-	-	-	-	-	-	-	8,394	2056
2057	23,607,941	0.000	-	-	-	-	-	-	-	-	8,394	2057
			15,328,628	919,718	16,248,345	120,000	16,128,345	16,119,952	16,239,952	8,394		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Residential Development Other Than Multi-Family									
		Filing 3 SFD 50'				Filing 3 SFD 60'			
Construction Year	Collection Year	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$500,000	Annual Market Value of New Units	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$550,000	Annual Market Value of New Units
Inflation compounded annually at		2.0%				2.0%			
2019	2021	-	-	-	-	-	-	-	-
2020	2022	-	-	-	-	-	-	-	-
2021	2023	-	3,750,000	\$500,000	-	-	4,015,000	\$550,000	-
2022	2024	75	(1,400,000)	510,000	38,250,000	73	(1,485,000)	561,000	40,953,000
2023	2025	47	(2,350,000)	520,200	24,449,400	46	(2,530,000)	572,220	26,322,120
2024	2026	-	-	530,604	-	-	-	583,664	-
2025	2027	-	-	541,216	-	-	-	595,338	-
2026	2028	-	-	552,040	-	-	-	607,244	-
2027	2029	-	-	563,081	-	-	-	619,389	-
2028	2030	-	-	574,343	-	-	-	631,777	-
2029	2031	-	-	585,830	-	-	-	644,413	-
2030	2032	-	-	597,546	-	-	-	657,301	-
2031	2033	-	-	609,497	-	-	-	670,447	-
2032	2034	-	-	621,687	-	-	-	683,856	-
2033	2035	-	-	634,121	-	-	-	697,533	-
2034	2036	-	-	646,803	-	-	-	711,484	-
2035	2037	-	-	659,739	-	-	-	725,713	-
2036	2038	-	-	672,934	-	-	-	740,228	-
2037	2039	-	-	686,393	-	-	-	755,032	-
2038	2040	-	-	700,121	-	-	-	770,133	-
2039	2041	-	-	714,123	-	-	-	785,535	-
2040	2042	-	-	728,406	-	-	-	801,246	-
2041	2043	-	-	742,974	-	-	-	817,271	-
2042	2044	-	-	757,833	-	-	-	833,616	-
2043	2045	-	-	772,990	-	-	-	850,289	-
2044	2046	-	-	788,450	-	-	-	867,295	-
2045	2047	-	-	804,219	-	-	-	884,640	-
2046	2048	-	-	820,303	-	-	-	902,333	-
2047	2049	-	-	836,709	-	-	-	920,380	-
2048	2050	-	-	853,443	-	-	-	938,788	-
2049	2051	-	-	870,512	-	-	-	957,563	-
2050	2052	-	-	887,922	-	-	-	976,715	-
2051	2053	-	-	905,681	-	-	-	996,249	-
2052	2054	-	-	923,794	-	-	-	1,016,174	-
2053	2055	-	-	942,270	-	-	-	1,036,497	-
2054	2056	-	-	961,116	-	-	-	1,057,227	-
2055	2057	-	-	980,338	-	-	-	1,078,372	-
		122	-		62,699,400	119	-		67,275,120

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

		SF Residential Development		Est. Biennial Revaluation per State Statute @ 6.0%	Cumulative Market Value of New Residences	Estimated Residential Assessment Ratio	NON-MULTI-FAMILY RESIDENTIAL ASSESSED VALUATION (To Page 8)
Construction Year	Collection Year	TOTAL NON-MF RESIDENTIAL UNITS					
		Total Number of Residential Units	Annual Value of New Residential Units				
2019	2021	-	-	-	-	7.15%	-
2020	2022	-	-	-	-	7.15%	-
2021	2023	-	-	-	-	7.15%	-
2022	2024	148	79,203,000	-	79,203,000	7.15%	5,663,015
2023	2025	93	50,771,520	-	129,974,520	7.15%	9,293,178
2024	2026	-	-	7,798,471	137,772,991	7.15%	9,850,769
2025	2027	-	-	-	137,772,991	7.15%	9,850,769
2026	2028	-	-	8,266,379	146,039,371	7.15%	10,441,815
2027	2029	-	-	-	146,039,371	7.15%	10,441,815
2028	2030	-	-	8,762,362	154,801,733	7.15%	11,068,324
2029	2031	-	-	-	154,801,733	7.15%	11,068,324
2030	2032	-	-	9,288,104	164,089,837	7.15%	11,732,423
2031	2033	-	-	-	164,089,837	7.15%	11,732,423
2032	2034	-	-	9,845,390	173,935,227	7.15%	12,436,369
2033	2035	-	-	-	173,935,227	7.15%	12,436,369
2034	2036	-	-	10,436,114	184,371,341	7.15%	13,182,551
2035	2037	-	-	-	184,371,341	7.15%	13,182,551
2036	2038	-	-	11,062,280	195,433,621	7.15%	13,973,504
2037	2039	-	-	-	195,433,621	7.15%	13,973,504
2038	2040	-	-	11,726,017	207,159,638	7.15%	14,811,914
2039	2041	-	-	-	207,159,638	7.15%	14,811,914
2040	2042	-	-	12,429,578	219,589,217	7.15%	15,700,629
2041	2043	-	-	-	219,589,217	7.15%	15,700,629
2042	2044	-	-	13,175,353	232,764,570	7.15%	16,642,667
2043	2045	-	-	-	232,764,570	7.15%	16,642,667
2044	2046	-	-	13,965,874	246,730,444	7.15%	17,641,227
2045	2047	-	-	-	246,730,444	7.15%	17,641,227
2046	2048	-	-	14,803,827	261,534,271	7.15%	18,699,700
2047	2049	-	-	-	261,534,271	7.15%	18,699,700
2048	2050	-	-	15,692,056	277,226,327	7.15%	19,821,682
2049	2051	-	-	-	277,226,327	7.15%	19,821,682
2050	2052	-	-	16,633,580	293,859,906	7.15%	21,010,983
2051	2053	-	-	-	293,859,906	7.15%	21,010,983
2052	2054	-	-	17,631,594	311,491,501	7.15%	22,271,642
2053	2055	-	-	-	311,491,501	7.15%	22,271,642
2054	2056	-	-	18,689,490	330,180,991	7.15%	23,607,941
2055	2057	-	-	-	330,180,991	7.15%	23,607,941
		241	129,974,520	200,206,471			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	Platted and Improved Vacant Land				Agricultural Land				AGRICULTURAL LAND ASSESSED VALUATION (To Page 8)
		Annual Actual Value of Vacant Land	Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Vacant Land	Estimated Vacant Land Assessment Ratio	VACANT LAND ASSESSED VALUATION (To Page 8)	Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Agricultural Land	Estimated Agricultural Land Assessment Ratio	
2019	2021	-	-	-	29.00%	-	9,862	9,862	29.00%	2,860
2020	2022	-	6,241	6,241	29.00%	1,810	(1,000)	8,862	29.00%	2,570
2021	2023	7,765,000	-	7,771,241	29.00%	2,253,660	(8,862)	-	29.00%	-
2022	2024	(2,885,000)	(3,803)	4,882,438	29.00%	1,415,907	-	-	29.00%	-
2023	2025	(4,880,000)	(2,438)	-	29.00%	-	-	-	29.00%	-
2024	2026	-	-	-	29.00%	-	-	-	29.00%	-
2025	2027	-	-	-	29.00%	-	-	-	29.00%	-
2026	2028	-	-	-	29.00%	-	-	-	29.00%	-
2027	2029	-	-	-	29.00%	-	-	-	29.00%	-
2028	2030	-	-	-	29.00%	-	-	-	29.00%	-
2029	2031	-	-	-	29.00%	-	-	-	29.00%	-
2030	2032	-	-	-	29.00%	-	-	-	29.00%	-
2031	2033	-	-	-	29.00%	-	-	-	29.00%	-
2032	2034	-	-	-	29.00%	-	-	-	29.00%	-
2033	2035	-	-	-	29.00%	-	-	-	29.00%	-
2034	2036	-	-	-	29.00%	-	-	-	29.00%	-
2035	2037	-	-	-	29.00%	-	-	-	29.00%	-
2036	2038	-	-	-	29.00%	-	-	-	29.00%	-
2037	2039	-	-	-	29.00%	-	-	-	29.00%	-
2038	2040	-	-	-	29.00%	-	-	-	29.00%	-
2039	2041	-	-	-	29.00%	-	-	-	29.00%	-
2040	2042	-	-	-	29.00%	-	-	-	29.00%	-
2041	2043	-	-	-	29.00%	-	-	-	29.00%	-
2042	2044	-	-	-	29.00%	-	-	-	29.00%	-
2043	2045	-	-	-	29.00%	-	-	-	29.00%	-
2044	2046	-	-	-	29.00%	-	-	-	29.00%	-
2045	2047	-	-	-	29.00%	-	-	-	29.00%	-
2046	2048	-	-	-	29.00%	-	-	-	29.00%	-
2047	2049	-	-	-	29.00%	-	-	-	29.00%	-
2048	2050	-	-	-	29.00%	-	-	-	29.00%	-
2049	2051	-	-	-	29.00%	-	-	-	29.00%	-
2050	2052	-	-	-	29.00%	-	-	-	29.00%	-
2051	2053	-	-	-	29.00%	-	-	-	29.00%	-
2052	2054	-	-	-	29.00%	-	-	-	29.00%	-
2053	2055	-	-	-	29.00%	-	-	-	29.00%	-
2054	2056	-	-	-	29.00%	-	-	-	29.00%	-
2055	2057	-	-	-	29.00%	-	-	-	29.00%	-
		-	-	-		-	-	-		-

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	RESIDENTIAL OTHER THAN MULTI-FAMILY ASS'D VALUATION (See Page 6)	VACANT LAND ASSESSED VALUATION (See Page 7)	AGRICULTURAL LAND ASSESSED VALUATION (See Page 7)	OIL AND GAS ASSESSED VALUATION 0.00%	TOTAL ASSESSED VALUATION (To Pages 3 & 4)	Collection Year
2019	2021	-	-	2,860	265,780	268,640	2021
2020	2022	-	1,810	2,570	130,490	134,870	2022
2021	2023	-	2,253,660	-	-	2,253,660	2023
2022	2024	5,663,015	1,415,907	-	-	7,078,922	2024
2023	2025	9,293,178	-	-	-	9,293,178	2025
2024	2026	9,850,769	-	-	-	9,850,769	2026
2025	2027	9,850,769	-	-	-	9,850,769	2027
2026	2028	10,441,815	-	-	-	10,441,815	2028
2027	2029	10,441,815	-	-	-	10,441,815	2029
2028	2030	11,068,324	-	-	-	11,068,324	2030
2029	2031	11,068,324	-	-	-	11,068,324	2031
2030	2032	11,732,423	-	-	-	11,732,423	2032
2031	2033	11,732,423	-	-	-	11,732,423	2033
2032	2034	12,436,369	-	-	-	12,436,369	2034
2033	2035	12,436,369	-	-	-	12,436,369	2035
2034	2036	13,182,551	-	-	-	13,182,551	2036
2035	2037	13,182,551	-	-	-	13,182,551	2037
2036	2038	13,973,504	-	-	-	13,973,504	2038
2037	2039	13,973,504	-	-	-	13,973,504	2039
2038	2040	14,811,914	-	-	-	14,811,914	2040
2039	2041	14,811,914	-	-	-	14,811,914	2041
2040	2042	15,700,629	-	-	-	15,700,629	2042
2041	2043	15,700,629	-	-	-	15,700,629	2043
2042	2044	16,642,667	-	-	-	16,642,667	2044
2043	2045	16,642,667	-	-	-	16,642,667	2045
2044	2046	17,641,227	-	-	-	17,641,227	2046
2045	2047	17,641,227	-	-	-	17,641,227	2047
2046	2048	18,699,700	-	-	-	18,699,700	2048
2047	2049	18,699,700	-	-	-	18,699,700	2049
2048	2050	19,821,682	-	-	-	19,821,682	2050
2049	2051	19,821,682	-	-	-	19,821,682	2051
2050	2052	21,010,983	-	-	-	21,010,983	2052
2051	2053	21,010,983	-	-	-	21,010,983	2053
2052	2054	22,271,642	-	-	-	22,271,642	2054
2053	2055	22,271,642	-	-	-	22,271,642	2055
2054	2056	23,607,941	-	-	-	23,607,941	2056
2055	2057	23,607,941	-	-	-	23,607,941	2057

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT

FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

GENERAL AND DEBT SERVICE FUNDS

SCHEDULE OF ESTIMATED DEVELOPER ADVANCES

FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

DEVELOPER ADVANCES - GENERAL FUND							
Year	Annual Developer Advances - O & M Costs (See Page 3)	Annual Developer Advance Repayments - From Surplus Cash	Cumulative Outstanding Developer Advances	Interest Accrued on Outstanding Advances at Simple 6.50%	Annual Interest Repayments From Surplus Cash (See Page 3)	Cumulative Outstanding Interest	Cumulative Outstanding Developer Advances Including Interest
2020			-			-	-
2021	55,000	-	55,000	1,788	-	1,788	56,788
2022	63,000	-	118,000	5,623	-	7,410	125,410
2023	40,000	-	158,000	8,970	-	16,380	174,380
2024	-	-	158,000	10,270	(20,200)	6,450	164,450
2025	-	(25,480)	132,520	10,270	(16,720)	-	132,520
2026	-	(38,286)	94,234	8,614	(8,614)	-	94,234
2027	-	(39,675)	54,559	6,125	(6,125)	-	54,559
2028	-	(47,254)	7,305	3,546	(3,546)	-	7,305
2029	-	(7,305)	-	475	(475)	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-
	158,000	(158,000)		55,680	(55,680)		
				Total Repayments	213,680		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
GENERAL AND DEBT SERVICE FUNDS
SCHEDULE OF ESTIMATED BONDS DEBT SERVICE REQUIREMENTS
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

<u>Series 2021 Cash Flow Bond Issue</u>							
Dated:		October 13, 2021		\$7,062,000			
Issued:		October 13, 2021					
Interest Rate:		5.000%		compounded annually			
Principal payments due on December 1 to the extent of Pledged Revenue							
Year	Bond Principal		Bond Interest			Total 2021 Bonds Debt Service Payments (To Page 4)	Year
	Principal Payments	Outstanding Balance	Interest Accrued on Outstanding Principal and Unpaid Interest	Interest Payments	Cumulative Unpaid Interest		
2021	-	7,062,000	47,080	11,163	35,917	11,163	2021
2022	-	7,062,000	354,896	1,604	389,209	1,604	2022
2023	-	7,062,000	372,560	89,644	672,126	89,644	2023
2024	-	7,062,000	386,706	290,143	768,689	290,143	2024
2025	-	7,062,000	391,534	382,150	778,073	382,150	2025
2026	-	7,062,000	392,004	405,319	764,757	405,319	2026
2027	-	7,062,000	391,338	405,319	750,776	405,319	2027
2028	-	7,062,000	390,639	429,878	711,537	429,878	2028
2029	-	7,062,000	388,677	429,878	670,335	429,878	2029
2030	-	7,062,000	386,617	455,911	601,041	455,911	2030
2031	-	7,062,000	383,152	455,911	528,282	455,911	2031
2032	-	7,062,000	379,514	483,506	424,290	483,506	2032
2033	-	7,062,000	374,315	483,506	315,099	483,506	2033
2034	-	7,062,000	368,855	512,756	171,198	512,756	2034
2035	-	7,062,000	361,660	512,756	20,102	512,756	2035
2036	169,000	6,893,000	354,105	374,207	-	543,207	2036
2037	199,000	6,694,000	344,650	344,650	-	543,650	2037
2038	242,000	6,452,000	334,700	334,700	-	576,700	2038
2039	254,000	6,198,000	322,600	322,600	-	576,600	2039
2040	302,000	5,896,000	309,900	309,900	-	611,900	2040
2041	316,000	5,580,000	294,800	294,800	-	610,800	2041
2042	370,000	5,210,000	279,000	279,000	-	649,000	2042
2043	388,000	4,822,000	260,500	260,500	-	648,500	2043
2044	446,000	4,376,000	241,100	241,100	-	687,100	2044
2045	469,000	3,907,000	218,800	218,800	-	687,800	2045
2046	533,000	3,374,000	195,350	195,350	-	728,350	2046
2047	561,000	2,813,000	168,700	168,700	-	729,700	2047
2048	632,000	2,181,000	140,650	140,650	-	772,650	2048
2049	664,000	1,517,000	109,050	109,050	-	773,050	2049
2050	744,000	773,000	75,850	75,850	-	819,850	2050
2051	773,000	-	38,650	38,650	-	811,650	2051
2052	-	-	-	-	-	-	2052
2053	-	-	-	-	-	-	2053
2054	-	-	-	-	-	-	2054
2055	-	-	-	-	-	-	2055
2056	-	-	-	-	-	-	2056
2057	-	-	-	-	-	-	2057
	7,062,000		9,057,952	9,057,952		16,119,952	

<u>USES OF FUNDS</u>	
Project Fund	6,684,884
Costs of Issuance	250,000
Underwriter's discount	127,116
	7,062,000

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 1) NATURE AND LIMITATION OF FORECAST

This forecast of financial information is for the purpose of a financial analysis of the proposed issuance of General Obligation Limited Tax Bonds, Series 2021 (the “Bonds”) of Johnstown Farms East Metropolitan District (the “District”), located in the Town of Johnstown (the “Town”) in Weld County (the “County”), Colorado. The forecast displays how the proposed Bonds will be repaid from forecasted cash receipts and disbursements for the District under the following assumptions.

This financial forecast presents, to the best knowledge and belief of the Board of Directors of the District (collectively, “Management”), the District’s expected cash position and results of cash receipts and disbursements for the forecast period for the General Fund and Debt Service Fund. Accordingly, the forecast reflects Management’s judgment, as of October 6, 2021, the date of this forecast, of the expected conditions within the District and the District’s expected course of action.

The assumptions disclosed herein are those that Management believes are significant to the forecast; however, they are not all-inclusive. There will usually be differences between forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The World Health Organization has declared the spread of the coronavirus disease 2019 (“COVID-19”) a world-wide pandemic. COVID-19 is impacting global markets, supply chains, businesses, and communities. With regard specifically to the District, the full impact of COVID-19 on future development and resultant growth in assessed valuation as presented in the forecast is unknown.

Certain assumptions are based on general environmental factors that are beyond any entity’s ability to predict, such as the rate of inflation. Assumptions relating to the market values of the residential properties, the build-out schedule of such properties, and the rate of inflation on such properties are particularly sensitive as they relate to the forecast. A small variation in these assumptions could have a large effect on the forecasted results. There is a high probability that the forecasted values derived from these assumptions will vary from the actual future assessed values.

The forecast is expressed in terms of 2021 dollars, with adjustments for inflation. The 2021 market values per unit for residential properties are forecasted to increase by 2% compounded annually, starting in 2022, through build-out. Such anticipated market value per unit, at the time the residence is completed, is applied to the number of units to determine the market value of the residences at completion.

In addition to the annual increase in market values of residential properties during build-out, cumulative residential market values are forecasted to increase biennially pursuant to the reassessment of property required by State statute. Cumulative residential market values are anticipated to increase 6% biennially as projected in the King Report (discussed below). General and Administrative Costs are inflated by 2% annually beginning in 2022 and Operations and Maintenance Costs are inflated by 2% annually beginning in 2024.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 1) NATURE AND LIMITATION OF FORECAST (CONTINUED)

The Indenture of Trust authorizing the issuance of the Bonds (the "Indenture") is discussed in this Summary of Significant Forecast Assumptions and Accounting Policies. Any reference to the Indenture herein is a brief summarization of certain provisions only. The full Indenture is available to the investors of the Bonds and will prevail in the event of a conflict between the Indenture and the forecast.

Certain capitalized terms in this forecast may not be defined herein. The reader of this forecast should refer to the Indenture for such definitions.

NOTE 2) THE DEVELOPER

Property within the District is being developed by TF Johnstown Farms, L.P., a Delaware limited partnership (the "Developer"). Certain members of Management are associated with or related to the Developer.

The Developer provided an initial residential construction schedule to THK Associates, Inc. Aurora, Colorado ("THK"), based upon their overall land development plan and knowledge and experience in developing other residential properties. THK has evaluated the information provided by the Developer and independently prepared the residential construction schedule set forth in the THK Report (discussed below), which is an estimation of absorption, and which sets forth THK's assumptions regarding market values for the planned residential development.

NOTE 3) BASIS OF ACCOUNTING

The basis of accounting for this forecast is the cash basis, which is a basis of accounting that is different from that required by the generally accepted accounting principles under which the District will prepare its financial statements

NOTE 4) THK REPORT

The District retained THK to provide an independent evaluation of the market and financial factors regarding residential development projections dated August 25, 2021 (the "THK Report"). The purpose of the THK Report is to provide the District with an overview of the local market economy and the competitive market area of the Development and to provide THK's conclusions about the marketability, competitive positioning, product mix, and absorption levels that should be achievable within the Development.

The THK Report concluded that the absorption and market values in the Developer's construction schedules were supportable by historical, current, and projected area market conditions. The THK Report utilized such construction schedules in estimating future absorption and valuations of developed properties. The assumptions used in the forecast are consistent with those discussed in the THK Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 5) KING REPORT

The District retained King & Associates, Inc., Littleton, Colorado, to provide an independent review and analysis of residential market value trends in the Town and the Greeley metropolitan statistical area (includes Weld County) in order to project the ongoing rate of residential appreciation in the District as of August 16, 2021 (the “King Report”). The King Report evaluated home sales price trends and utilized the S&P Core Logic Case-Schiller Home Price Index. The King Report projects a 3% annual appreciation rate for ongoing average residential value growth which rate considers periods of both increasing and declining residential market values. This 3% appreciation rate is included in the forecast as 6% biennial revaluation of residential properties.

NOTE 6) PROPERTY TAXES

The primary source of revenue or cash receipts will be ad valorem property taxes. Property taxes are levied by the Board of Directors of the District. The levy is imposed upon assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10 of one cent per dollar of assessed valuation. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year.

Mill Levy Adjustment

Pursuant to the District’s Service Plan, the Maximum Debt Mill Levy is 40.000 mills and is subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after September 21, 2020, at which time the residential assessment rate was, and currently is, 7.15%. Absent a corresponding increase in the District’s mill levy, a decrease in the residential assessment rate would result in a decrease in the District’s tax revenue. To avoid a decrease in tax revenue resulting from such changes, the District is allowed to adjust its mill levy so that the actual revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes.

On April 30, 2021, the Colorado Ballot Title Setting Board approved the form of “Initiative 2021-2022 #27 – Property Tax Assessment Rate Reduction and Voter-Approved Revenue Change” (“Initiative 27”), which will be presented to voters in a State-wide election on November 2, 2021. While the proponents of Initiative 27 have gathered sufficient public signatures to place the initiative on the ballot, there is no guarantee it will be approved by voters. Initiative 27 seeks to reduce the assessment rate on all residential property from 7.15% to 6.50%.

On June 23, 2021, Senate Bill 21-293 (“SB 293”) became law. SB 293 classifies multi-family residential real property as a new subclass of residential real property and temporarily reduces residential assessment rates. SB 293 re-structures the law so that if Initiative 27 is approved, then Initiative 27 would apply only to multi-family residential real property. In accordance with SB 293, if Initiative 27 is approved by voters at the November 2, 2021, State-wide election, then the assessment rate for multi-family residential property will be indefinitely reduced from 7.15% to 6.50%.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 6) PROPERTY TAXES (CONTINUED)

Mill Levy Adjustment (continued)

If Initiative 27 is not approved, then the assessment rate for multi-family residential property will be temporarily reduced from 7.15% to 6.80% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024. In accordance with SB 293, the assessment rate for all residential real property other than multi-family residential real property will be temporarily reduced from 7.15% to 6.95% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024.

Initiative 27 seeks to reduce the non-residential assessment rate from 29% to 26.40%, excluding producing mines and lands or leaseholds producing oil or gas. SB 293 classifies agricultural property, lodging property, and renewable energy production property as new subclasses of non-residential property, and temporarily reduces certain non-residential assessment rates. SB 293 restructures the law so that if Initiative 27 is approved, Initiative 27 would only apply to lodging property. In accordance with SB 293, if Initiative 27 is approved by voters at the November 2, 2021, State-wide election, then the assessment rate for lodging property will be reduced from 29% to 26.40%. If Initiative 27 is not approved, then the assessment rate for lodging property will remain at 29%. SB 293 also provides that the assessment rate for agricultural property and renewable energy production property will be temporarily reduced from 29% to 26.40% for levy years 2022 and 2023, and then indefinitely return to 29% in levy year 2024.

The forecast includes a debt service mill levy of 40.000 mills and the residential assessment rate of 7.15% throughout the term of the forecast period and the agricultural property assessment rate of 29% through build-out, since it is assumed that, as the assessment rates change, Management will increase or decrease the debt service mill levy (as authorized under the Service Plan and required by the Indenture), so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

Operating Mill Levy

Pursuant to the District's Service Plan, the Maximum Operations and Maintenance Mill Levy is 10.000 mills and is subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after September 21, 2020 and is not to exceed the maximum mill levy necessary to pay those expenses. The District imposed an operating mill levy of 10 mills in 2020 (for tax collection in 2021) and is expected to impose an operating mill levy of 10.000 mills until such time that a lesser mill levy is needed to pay expenses. After Developer advances are repaid, the forecast displays the operations mill levy reduced to the amount needed to pay annual General and Administrative Costs.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 6) PROPERTY TAXES (CONTINUED)

Assessed Values

Land value for property platted and improved is forecasted to increase in value as such platting and completion of infrastructure occurs at 10% of the total estimated market value of the completed residential property. The land value is subsequently reduced during the year in which the residence is expected to be completed. The assessment rate for such platted and improved vacant lots is 29% until construction commences.

The assessed valuation for the Development is dependent upon the build-out schedule of the residential properties within the District. The forecasted development build-out schedule and conversion to assessed valuation is presented as a Schedule of Estimated Assessed Valuation. For the 2021 tax levy year (2022 tax collection year), assessed valuations are based on preliminary assessed valuation of \$134,870 from the County Assessor which is subject to change.

Of the \$134,870 preliminary assessed valuation for tax collection in 2022, \$130,490 is derived from oil and gas producing properties, pipelines, and related equipment. This \$130,490 assessed valuation is forecasted to generate \$5,422 of net property tax and specific ownership tax in the debt service fund and \$1,356 of net property tax and specific ownership tax in the General Fund for tax collection in 2022. The forecast assumes that assessed valuation related to oil and gas producing properties, pipelines, and related equipment is eliminated beginning in tax collection year 2023 through the term of the forecast.

County Treasurer's Fee

The property taxes resultant from the above mill levy and assessed valuation have been reduced for the County Treasurer's 1.5% fee for collection of the taxes and further reduced by 0.5% to allow for uncollectible taxes.

NOTE 7) SPECIFIC OWNERSHIP TAXES

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The forecast assumes that the District's share will be equal to approximately 6.0% of the net property taxes collected by both the General Fund and the Debt Service Fund.

The portion of the specific ownership tax which is collected as a result of the Required Mill Levy is pledged to payment of the Bonds. The portion of the specific ownership tax which is collected as a result of the operations mill levy is applied to General and Administrative Costs.

NOTE 8) INTEREST INCOME

Interest income associated with cash balances has not been considered in this forecast.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 9) DEVELOPER ADVANCES

Pursuant to a Funding and Reimbursement Agreement (Operations and Maintenance) between the Developer and the District (the "Agreement") dated December 11, 2020, the Developer has agreed to loan funds to the District, not to exceed the aggregate of \$55,000 per annum for three years, up to \$165,000 (as may be increased by the agreement of the District and Developer; the "Maximum Loan Amount") through December 31, 2022 (as may be amended). The District has agreed to repay such advances with 6.5% simple interest, subject to annual appropriation and budget approval by the District.

In addition, the District and the Developer agree and acknowledge that the Developer has incurred or been assigned costs prior to the execution of this Agreement in anticipation that such prior costs would be reimbursed, subject to limitations. Such prior costs shall be reimbursed and interest shall accrue on such prior costs from the date of the Agreement. Prior costs shall not be included in the calculation of the Maximum Loan Amount. The term for repayment shall not extend beyond 30 years from the date of the Agreement.

The forecast assumes that the Developer's advances are repaid from annual net property and specific ownership taxes after the payment of annual general and administrative costs. No prior costs are included in the forecast. The expected advances, accrued interest and repayments of such advances and interest are displayed in the forecast on the Schedule of Estimated Developer Advances.

NOTE 10) GENERAL AND ADMINISTRATIVE COSTS

General and Administrative Costs include the services necessary to maintain the administrative viability of the District such as legal, management, accounting and audit, election, insurance, and other administrative costs.

NOTE 11) OPERATIONS AND MAINTENANCE COSTS

Pursuant to an Intergovernmental Agreement between the District and the Town dated December 11, 2020, the District shall only operate and maintain those public improvements that are not accepted for ownership, operations and maintenance by the Town or other appropriate entity in accordance with the Approved Development Plan and other rules and regulations of the Town. The District expects to own, operate, and maintain certain public improvements.

Operations and Maintenance Costs include landscape maintenance, irrigation repairs, weed abatement, tree and shrub replacement, playground and exercise equipment maintenance, water and electricity, and pond maintenance.

NOTE 12) TRUSTEE FEES

The forecast anticipates that the District will pay Trustee fees in the amount of \$4,000 annually beginning in 2022 through the year in which the Bonds are repaid.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 13) DEBT SERVICE

The District expects to issue the Bonds on October 13, 2021, in the par amount of \$7,062,000. Proceeds from the sale of the Bonds will be used to: (i) finance or reimburse the costs of public improvements related to a residential development that is planned to be located within the boundaries of the District and (ii) pay costs of issuance of the Bonds.

Bonds Details

The Bonds are expected to bear interest at the rate of 5.000% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2060 (the "Termination Date"), such amounts shall be extinguished and no longer due and outstanding.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on December 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
December 1, 2026, to November 30, 2027	3.00%
December 1, 2027, to November 30, 2028	2.00
December 1, 2028, to November 30, 2029	1.00
December 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources:

- (a) the Required Mill Levy;
- (b) the Capital Fees, if any;
- (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 13) DEBT SERVICE (CONTINUED)

Pledged Revenue (continued)

“Capital Fees” are all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future. No Capital Fees have been imposed by the District to date.

Required Mill Levy

Pursuant to the Indenture, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 40.000 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement after September 21, 2020) or such lesser amount which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The District acknowledges that the law places certain restrictions upon the use of moneys derived from bond proceeds and debt service mill levies.

Underwriter

Assumptions related to debt principal amounts, bond interest rates, issuance costs, and other related debt service costs for the proposed Bonds have been provided to Management by Hilltop Securities Inc., the underwriter of the proposed bond issuance of the District.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS
AND ACCOUNTING POLICIES

OCTOBER 6, 2021

NOTE 14) PROJECTION OF HYPOTHETICAL ASSUMPTIONS WITH ADDITIONAL DEVELOPMENT

For purposes of analyzing the repayment of the Bonds, the District projected cash receipts and disbursements of the District's Debt Service Fund only, as displayed on Pages A1 through A6, assuming that 120 additional units are developed in Filing 2 of the District. These 120 lots are not currently platted and it is uncertain at this time if or when the third-party developer will submit a plat or develop the lots. As a result, the Developer believes this hypothetical projection is based on improbable assumptions.

The projection assumes the development of an additional 56 units in 2023 and 64 units in 2024 with 2021 market values of \$450,000. These units have been added for mathematical purposes (resulting in improbable cumulative market values) and may not be reflective of actual cumulative market values. The results of the analysis using these assumptions are as follows:

If the development of the additional 120 units occurs, the Bonds could be repaid on December 1, 2042, which is nine years prior to the Bonds maturity date.

The General Fund is not displayed in this projection. As a result of increased annual assessed valuation, Developer advances could be repaid more quickly and, after Developer advances are repaid, the mill levy could be reduced compared to that shown in the forecast.

NOTE 15) PROJECTION OF HYPOTHETICAL ASSUMPTIONS WITH A 4% RATE OF BIENNIAL REASSESSMENT

For purposes of analyzing the repayment of the Bonds, the District projected cash receipts and disbursements of the District's Debt Service Fund only, as displayed on Pages B1 through B6, assuming a lower rate of biennial reassessment than shown in the forecast. The Developer believes this hypothetical projection is based on improbable assumptions.

The projection assumes that biennial reassessment is reduced to 4% from the 6% shown in the forecast. The rate of biennial reassessment has been reduced for mathematical purposes (resulting in improbable cumulative market values) and may not be reflective of actual cumulative market values. The results of the analysis using these assumptions are as follows:

If the rate of biennial reassessment is reduced to 4% from the reasonably expected 6% as displayed in the forecast, the Bonds could be repaid on December 1, 2057, which is three years prior to the Termination Date.

The General Fund is not displayed in this projection. As a result of a lower rate of biennial reassessment, annual assessed valuation would be reduced which would result in less annual tax revenues compared to that shown in the forecast. The District would not be able to reduce its operations mill levy to the extent shown in the forecast.

This information should be read in connection with the accompanying Accountant's Compilation Report and forecast of financial information.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14

DEBT SERVICE FUND ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Collection Year	Assessed Value (See Page A5)	Debt Service Mill Levy	Cash Receipts		Total Cash Receipts	Trustee Fees	Cash Available for Debt Service	Net Debt Service on 2021 Bonds \$7,062,000 (See Page A6)	Total Cash Disbursements	Cash Balances		Collection Year
			Net Property Taxes 98.00%	Specific Ownership Taxes 6.00%						Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	
			2021	268,640						40.000	10,531	
2022	134,870	40.000	5,287	317	5,604	4,000	1,604	1,604	5,604	-	-	2022
2023	2,253,660	40.000	88,343	5,301	93,644	4,000	89,644	89,644	93,644	-	-	2023
2024	7,810,057	40.000	306,154	18,369	324,523	4,000	320,523	320,523	324,523	-	-	2024
2025	12,003,267	40.000	470,528	28,232	498,760	4,000	494,760	494,760	498,760	-	-	2025
2026	14,023,077	40.000	549,705	32,982	582,687	4,000	578,687	578,687	582,687	-	-	2026
2027	14,023,077	40.000	549,705	32,982	582,687	4,000	578,687	578,687	582,687	-	-	2027
2028	14,864,461	40.000	582,687	34,961	617,648	4,000	613,648	612,954	616,954	694	694	2028
2029	14,864,461	40.000	582,687	34,961	617,648	4,000	613,648	613,500	617,500	148	842	2029
2030	15,756,329	40.000	617,648	37,059	654,707	4,000	650,707	651,450	655,450	(743)	99	2030
2031	15,756,329	40.000	617,648	37,059	654,707	4,000	650,707	649,850	653,850	857	956	2031
2032	16,701,709	40.000	654,707	39,282	693,989	4,000	689,989	690,550	694,550	(561)	396	2032
2033	16,701,709	40.000	654,707	39,282	693,989	4,000	689,989	689,400	693,400	589	985	2033
2034	17,703,811	40.000	693,989	41,639	735,629	4,000	731,629	732,350	736,350	(721)	264	2034
2035	17,703,811	40.000	693,989	41,639	735,629	4,000	731,629	731,150	735,150	479	743	2035
2036	18,766,040	40.000	735,629	44,138	779,766	4,000	775,766	775,850	779,850	(84)	659	2036
2037	18,766,040	40.000	735,629	44,138	779,766	4,000	775,766	776,100	780,100	(334)	326	2037
2038	19,892,002	40.000	779,766	46,786	826,552	4,000	822,552	821,950	825,950	602	928	2038
2039	19,892,002	40.000	779,766	46,786	826,552	4,000	822,552	823,050	827,050	(498)	431	2039
2040	21,085,522	40.000	826,552	49,593	876,146	4,000	872,146	872,450	876,450	(304)	126	2040
2041	21,085,522	40.000	826,552	49,593	876,146	4,000	872,146	871,650	875,650	496	622	2041
2042	22,350,654	40.000	876,146	52,569	928,714	4,000	924,714	355,950	359,950	568,764	569,386	2042
2043	22,350,654	0.000	-	-	-	-	-	-	-	-	569,386	2043
2044	23,691,693	0.000	-	-	-	-	-	-	-	-	569,386	2044
2045	23,691,693	0.000	-	-	-	-	-	-	-	-	569,386	2045
2046	25,113,195	0.000	-	-	-	-	-	-	-	-	569,386	2046
2047	25,113,195	0.000	-	-	-	-	-	-	-	-	569,386	2047
2048	26,619,986	0.000	-	-	-	-	-	-	-	-	569,386	2048
2049	26,619,986	0.000	-	-	-	-	-	-	-	-	569,386	2049
2050	28,217,185	0.000	-	-	-	-	-	-	-	-	569,386	2050
2051	28,217,185	0.000	-	-	-	-	-	-	-	-	569,386	2051
2052	29,910,217	0.000	-	-	-	-	-	-	-	-	569,386	2052
2053	29,910,217	0.000	-	-	-	-	-	-	-	-	569,386	2053
2054	31,704,830	0.000	-	-	-	-	-	-	-	-	569,386	2054
2055	31,704,830	0.000	-	-	-	-	-	-	-	-	569,386	2055
2056	33,607,119	0.000	-	-	-	-	-	-	-	-	569,386	2056
2057	33,607,119	0.000	-	-	-	-	-	-	-	-	569,386	2057
			12,638,356	758,301	13,396,658	84,000	13,312,658	12,743,272	12,827,272	569,386		

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

		Residential Development Other Than Multi-Family							
		Filing 3 SFD 50'				Filing 3 SFD 60'			
Construction Year	Collection Year	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$500,000	Annual Market Value of New Units	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$550,000	Annual Market Value of New Units
Inflation compounded annually at		2.0%				2.0%			
2019	2021	-	-	-	-	-	-	-	-
2020	2022	-	-	-	-	-	-	-	-
2021	2023	-	3,750,000	\$500,000	-	-	4,015,000	\$550,000	-
2022	2024	75	(1,400,000)	510,000	38,250,000	73	(1,485,000)	561,000	40,953,000
2023	2025	47	(2,350,000)	520,200	24,449,400	46	(2,530,000)	572,220	26,322,120
2024	2026	-	-	530,604	-	-	-	583,664	-
2025	2027	-	-	541,216	-	-	-	595,338	-
2026	2028	-	-	552,040	-	-	-	607,244	-
2027	2029	-	-	563,081	-	-	-	619,389	-
2028	2030	-	-	574,343	-	-	-	631,777	-
2029	2031	-	-	585,830	-	-	-	644,413	-
2030	2032	-	-	597,546	-	-	-	657,301	-
2031	2033	-	-	609,497	-	-	-	670,447	-
2032	2034	-	-	621,687	-	-	-	683,856	-
2033	2035	-	-	634,121	-	-	-	697,533	-
2034	2036	-	-	646,803	-	-	-	711,484	-
2035	2037	-	-	659,739	-	-	-	725,713	-
2036	2038	-	-	672,934	-	-	-	740,228	-
2037	2039	-	-	686,393	-	-	-	755,032	-
2038	2040	-	-	700,121	-	-	-	770,133	-
2039	2041	-	-	714,123	-	-	-	785,535	-
2040	2042	-	-	728,406	-	-	-	801,246	-
2041	2043	-	-	742,974	-	-	-	817,271	-
2042	2044	-	-	757,833	-	-	-	833,616	-
2043	2045	-	-	772,990	-	-	-	850,289	-
2044	2046	-	-	788,450	-	-	-	867,295	-
2045	2047	-	-	804,219	-	-	-	884,640	-
2046	2048	-	-	820,303	-	-	-	902,333	-
2047	2049	-	-	836,709	-	-	-	920,380	-
2048	2050	-	-	853,443	-	-	-	938,788	-
2049	2051	-	-	870,512	-	-	-	957,563	-
2050	2052	-	-	887,922	-	-	-	976,715	-
2051	2053	-	-	905,681	-	-	-	996,249	-
2052	2054	-	-	923,794	-	-	-	1,016,174	-
2053	2055	-	-	942,270	-	-	-	1,036,497	-
2054	2056	-	-	961,116	-	-	-	1,057,227	-
2055	2057	-	-	980,338	-	-	-	1,078,372	-
		122	-	62,699,400		119	-	67,275,120	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

		SF Residential Development				TOTAL NON-MF RESIDENTIAL UNITS		Est. Biennial Revaluation per State Statute @ 6.0%	Cumulative Market Value of New Residences	Estimated Residential Assessment Ratio	NON-MULTI-FAMILY RESIDENTIAL ASSESSED VALUATION (To Page A5)
Construction Year	Collection Year	Filing 2 SFD 45'		Annual Market Value of New Units	Total Number of Residential Units	Annual Value of New Residential Units					
		Number of Residential Units Completed	Vacant Land 10%				Est. Market Value per Residence \$450,000				
				2.0%							
2019	2021	-	-	-	-	-	-	-	-	7.15%	-
2020	2022	-	-	-	-	-	-	-	-	7.15%	-
2021	2023	-	-	\$450,000	-	-	-	-	-	7.15%	-
2022	2024	-	2,520,000	459,000	-	148	79,203,000	-	79,203,000	7.15%	5,663,015
2023	2025	56	360,000	468,180	26,218,080	149	76,989,600	-	156,192,600	7.15%	11,167,771
2024	2026	64	(2,880,000)	477,544	30,562,790	64	30,562,790	9,371,556	196,126,946	7.15%	14,023,077
2025	2027	-	-	487,094	-	-	-	-	196,126,946	7.15%	14,023,077
2026	2028	-	-	496,836	-	-	-	11,767,617	207,894,563	7.15%	14,864,461
2027	2029	-	-	506,773	-	-	-	-	207,894,563	7.15%	14,864,461
2028	2030	-	-	516,909	-	-	-	12,473,674	220,368,237	7.15%	15,756,329
2029	2031	-	-	527,247	-	-	-	-	220,368,237	7.15%	15,756,329
2030	2032	-	-	537,792	-	-	-	13,222,094	233,590,331	7.15%	16,701,709
2031	2033	-	-	548,547	-	-	-	-	233,590,331	7.15%	16,701,709
2032	2034	-	-	559,518	-	-	-	14,015,420	247,605,751	7.15%	17,703,811
2033	2035	-	-	570,709	-	-	-	-	247,605,751	7.15%	17,703,811
2034	2036	-	-	582,123	-	-	-	14,856,345	262,462,096	7.15%	18,766,040
2035	2037	-	-	593,765	-	-	-	-	262,462,096	7.15%	18,766,040
2036	2038	-	-	605,641	-	-	-	15,747,726	278,209,822	7.15%	19,892,002
2037	2039	-	-	617,754	-	-	-	-	278,209,822	7.15%	19,892,002
2038	2040	-	-	630,109	-	-	-	16,692,589	294,902,411	7.15%	21,085,522
2039	2041	-	-	642,711	-	-	-	-	294,902,411	7.15%	21,085,522
2040	2042	-	-	655,565	-	-	-	17,694,145	312,596,556	7.15%	22,350,654
2041	2043	-	-	668,676	-	-	-	-	312,596,556	7.15%	22,350,654
2042	2044	-	-	682,050	-	-	-	18,755,793	331,352,349	7.15%	23,691,693
2043	2045	-	-	695,691	-	-	-	-	331,352,349	7.15%	23,691,693
2044	2046	-	-	709,605	-	-	-	19,881,141	351,233,490	7.15%	25,113,195
2045	2047	-	-	723,797	-	-	-	-	351,233,490	7.15%	25,113,195
2046	2048	-	-	738,273	-	-	-	21,074,009	372,307,500	7.15%	26,619,986
2047	2049	-	-	753,038	-	-	-	-	372,307,500	7.15%	26,619,986
2048	2050	-	-	768,099	-	-	-	22,338,450	394,645,950	7.15%	28,217,185
2049	2051	-	-	783,461	-	-	-	-	394,645,950	7.15%	28,217,185
2050	2052	-	-	799,130	-	-	-	23,678,757	418,324,707	7.15%	29,910,217
2051	2053	-	-	815,113	-	-	-	-	418,324,707	7.15%	29,910,217
2052	2054	-	-	831,415	-	-	-	25,099,482	443,424,189	7.15%	31,704,830
2053	2055	-	-	848,043	-	-	-	-	443,424,189	7.15%	31,704,830
2054	2056	-	-	865,004	-	-	-	26,605,451	470,029,640	7.15%	33,607,119
2055	2057	-	-	882,304	-	-	-	-	470,029,640	7.15%	33,607,119
		120	-		56,780,870	361	186,755,390	283,274,250			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	Platted and Improved Vacant Land			Estimated Vacant Land Assessment Ratio	VACANT LAND ASSESSED VALUATION (To Page A5)	Agricultural Land			AGRICULTURAL LAND ASSESSED VALUATION (To Page A5)
		Annual Actual Value of Vacant Land	Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Vacant Land			Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Agricultural Land	Estimated Agricultural Land Assessment Ratio	
2019	2021	-	-	-	29.00%	-	9,862	9,862	29.00%	2,860
2020	2022	-	6,241	6,241	29.00%	1,810	(1,000)	8,862	29.00%	2,570
2021	2023	7,765,000	-	7,771,241	29.00%	2,253,660	(8,862)	-	29.00%	-
2022	2024	(365,000)	(2,647)	7,403,594	29.00%	2,147,042	-	-	29.00%	-
2023	2025	(4,520,000)	(2,573)	2,881,021	29.00%	835,496	-	-	29.00%	-
2024	2026	(2,880,000)	(1,021)	-	29.00%	-	-	-	29.00%	-
2025	2027	-	-	-	29.00%	-	-	-	29.00%	-
2026	2028	-	-	-	29.00%	-	-	-	29.00%	-
2027	2029	-	-	-	29.00%	-	-	-	29.00%	-
2028	2030	-	-	-	29.00%	-	-	-	29.00%	-
2029	2031	-	-	-	29.00%	-	-	-	29.00%	-
2030	2032	-	-	-	29.00%	-	-	-	29.00%	-
2031	2033	-	-	-	29.00%	-	-	-	29.00%	-
2032	2034	-	-	-	29.00%	-	-	-	29.00%	-
2033	2035	-	-	-	29.00%	-	-	-	29.00%	-
2034	2036	-	-	-	29.00%	-	-	-	29.00%	-
2035	2037	-	-	-	29.00%	-	-	-	29.00%	-
2036	2038	-	-	-	29.00%	-	-	-	29.00%	-
2037	2039	-	-	-	29.00%	-	-	-	29.00%	-
2038	2040	-	-	-	29.00%	-	-	-	29.00%	-
2039	2041	-	-	-	29.00%	-	-	-	29.00%	-
2040	2042	-	-	-	29.00%	-	-	-	29.00%	-
2041	2043	-	-	-	29.00%	-	-	-	29.00%	-
2042	2044	-	-	-	29.00%	-	-	-	29.00%	-
2043	2045	-	-	-	29.00%	-	-	-	29.00%	-
2044	2046	-	-	-	29.00%	-	-	-	29.00%	-
2045	2047	-	-	-	29.00%	-	-	-	29.00%	-
2046	2048	-	-	-	29.00%	-	-	-	29.00%	-
2047	2049	-	-	-	29.00%	-	-	-	29.00%	-
2048	2050	-	-	-	29.00%	-	-	-	29.00%	-
2049	2051	-	-	-	29.00%	-	-	-	29.00%	-
2050	2052	-	-	-	29.00%	-	-	-	29.00%	-
2051	2053	-	-	-	29.00%	-	-	-	29.00%	-
2052	2054	-	-	-	29.00%	-	-	-	29.00%	-
2053	2055	-	-	-	29.00%	-	-	-	29.00%	-
2054	2056	-	-	-	29.00%	-	-	-	29.00%	-
2055	2057	-	-	-	29.00%	-	-	-	29.00%	-
		-	-	-		-	-	-		-

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	RESIDENTIAL OTHER THAN MULTI-FAMILY ASS'D VALUATION (See Page A3)	VACANT LAND ASSESSED VALUATION (See Page A4)	AGRICULTURAL LAND ASSESSED VALUATION (See Page A4)	OIL AND GAS ASSESSED VALUATION 0.00%	TOTAL ASSESSED VALUATION (To Page A1)	Collection Year
2019	2021	-	-	2,860	265,780	268,640	2021
2020	2022	-	1,810	2,570	130,490	134,870	2022
2021	2023	-	2,253,660	-	-	2,253,660	2023
2022	2024	5,663,015	2,147,042	-	-	7,810,057	2024
2023	2025	11,167,771	835,496	-	-	12,003,267	2025
2024	2026	14,023,077	-	-	-	14,023,077	2026
2025	2027	14,023,077	-	-	-	14,023,077	2027
2026	2028	14,864,461	-	-	-	14,864,461	2028
2027	2029	14,864,461	-	-	-	14,864,461	2029
2028	2030	15,756,329	-	-	-	15,756,329	2030
2029	2031	15,756,329	-	-	-	15,756,329	2031
2030	2032	16,701,709	-	-	-	16,701,709	2032
2031	2033	16,701,709	-	-	-	16,701,709	2033
2032	2034	17,703,811	-	-	-	17,703,811	2034
2033	2035	17,703,811	-	-	-	17,703,811	2035
2034	2036	18,766,040	-	-	-	18,766,040	2036
2035	2037	18,766,040	-	-	-	18,766,040	2037
2036	2038	19,892,002	-	-	-	19,892,002	2038
2037	2039	19,892,002	-	-	-	19,892,002	2039
2038	2040	21,085,522	-	-	-	21,085,522	2040
2039	2041	21,085,522	-	-	-	21,085,522	2041
2040	2042	22,350,654	-	-	-	22,350,654	2042
2041	2043	22,350,654	-	-	-	22,350,654	2043
2042	2044	23,691,693	-	-	-	23,691,693	2044
2043	2045	23,691,693	-	-	-	23,691,693	2045
2044	2046	25,113,195	-	-	-	25,113,195	2046
2045	2047	25,113,195	-	-	-	25,113,195	2047
2046	2048	26,619,986	-	-	-	26,619,986	2048
2047	2049	26,619,986	-	-	-	26,619,986	2049
2048	2050	28,217,185	-	-	-	28,217,185	2050
2049	2051	28,217,185	-	-	-	28,217,185	2051
2050	2052	29,910,217	-	-	-	29,910,217	2052
2051	2053	29,910,217	-	-	-	29,910,217	2053
2052	2054	31,704,830	-	-	-	31,704,830	2054
2053	2055	31,704,830	-	-	-	31,704,830	2055
2054	2056	33,607,119	-	-	-	33,607,119	2056
2055	2057	33,607,119	-	-	-	33,607,119	2057

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 14
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED BONDS DEBT SERVICE REQUIREMENTS
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Series 2021 Cash Flow Bond Issue Dated: October 13, 2021 \$7,062,000 Issued: October 13, 2021 Interest Rate: 5.000% compounded annually Principal payments due on December 1 to the extent of Pledged Revenue							
Year	Bond Principal		Bond Interest			Total 2021 Bonds Debt Service Payments (To Page A1)	Year
	Principal Payments	Outstanding Balance	Interest Accrued on Outstanding Principal and Unpaid Interest	Interest Payments	Cumulative Unpaid Interest		
2021	-	7,062,000	47,080	11,163	35,917	11,163	2021
2022	-	7,062,000	354,896	1,604	389,209	1,604	2022
2023	-	7,062,000	372,560	89,644	672,126	89,644	2023
2024	-	7,062,000	386,706	320,523	738,308	320,523	2024
2025	-	7,062,000	390,015	494,760	633,564	494,760	2025
2026	-	7,062,000	384,778	578,687	439,655	578,687	2026
2027	-	7,062,000	375,083	578,687	236,051	578,687	2027
2028	12,000	7,050,000	364,903	600,954	-	612,954	2028
2029	261,000	6,789,000	352,500	352,500	-	613,500	2029
2030	312,000	6,477,000	339,450	339,450	-	651,450	2030
2031	326,000	6,151,000	323,850	323,850	-	649,850	2031
2032	383,000	5,768,000	307,550	307,550	-	690,550	2032
2033	401,000	5,367,000	288,400	288,400	-	689,400	2033
2034	464,000	4,903,000	268,350	268,350	-	732,350	2034
2035	486,000	4,417,000	245,150	245,150	-	731,150	2035
2036	555,000	3,862,000	220,850	220,850	-	775,850	2036
2037	583,000	3,279,000	193,100	193,100	-	776,100	2037
2038	658,000	2,621,000	163,950	163,950	-	821,950	2038
2039	692,000	1,929,000	131,050	131,050	-	823,050	2039
2040	776,000	1,153,000	96,450	96,450	-	872,450	2040
2041	814,000	339,000	57,650	57,650	-	871,650	2041
2042	339,000	-	16,950	16,950	-	355,950	2042
2043	-	-	-	-	-	-	2043
2044	-	-	-	-	-	-	2044
2045	-	-	-	-	-	-	2045
2046	-	-	-	-	-	-	2046
2047	-	-	-	-	-	-	2047
2048	-	-	-	-	-	-	2048
2049	-	-	-	-	-	-	2049
2050	-	-	-	-	-	-	2050
2051	-	-	-	-	-	-	2051
2052	-	-	-	-	-	-	2052
2053	-	-	-	-	-	-	2053
2054	-	-	-	-	-	-	2054
2055	-	-	-	-	-	-	2055
2056	-	-	-	-	-	-	2056
2057	-	-	-	-	-	-	2057
	<u>7,062,000</u>		<u>5,681,272</u>	<u>5,681,272</u>		<u>12,743,272</u>	

<u>USES OF FUNDS</u>	
Project Fund	6,684,884
Costs of Issuance	250,000
Underwriter's discount	127,116
	<u>7,062,000</u>

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15

DEBT SERVICE FUND ONLY

SUMMARY - DEBT SERVICE FUND

FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Collection Year	Assessed Value (See Page B5)	Debt Service Mill Levy	Cash Receipts		Total Cash Receipts	Trustee Fees	Cash Available for Debt Service	Net Debt Service on 2021 Bonds \$7,062,000 (See Page B6)	Total Cash Disbursements	Cash Balances		Collection Year
			Net Property Taxes 98.00%	Specific Ownership Taxes 6.00%						Annual Surplus Cash (Deficit)	Cumulative Surplus Cash Balances	
			2021	268,640						40.000	10,531	
2022	134,870	40.000	5,287	317	5,604	4,000	1,604	1,604	5,604	-	-	2022
2023	2,253,660	40.000	88,343	5,301	93,644	4,000	89,644	89,644	93,644	-	-	2023
2024	7,078,922	40.000	277,494	16,650	294,143	4,000	290,143	290,143	294,143	-	-	2024
2025	9,293,178	40.000	364,293	21,858	386,150	4,000	382,150	382,150	386,150	-	-	2025
2026	9,664,905	40.000	378,864	22,732	401,596	4,000	397,596	397,596	401,596	-	-	2026
2027	9,664,905	40.000	378,864	22,732	401,596	4,000	397,596	397,596	401,596	-	-	2027
2028	10,051,502	40.000	394,019	23,641	417,660	4,000	413,660	413,660	417,660	-	-	2028
2029	10,051,502	40.000	394,019	23,641	417,660	4,000	413,660	413,660	417,660	-	-	2029
2030	10,453,562	40.000	409,780	24,587	434,366	4,000	430,366	430,366	434,366	-	-	2030
2031	10,453,562	40.000	409,780	24,587	434,366	4,000	430,366	430,366	434,366	-	-	2031
2032	10,871,704	40.000	426,171	25,570	451,741	4,000	447,741	447,741	451,741	-	-	2032
2033	10,871,704	40.000	426,171	25,570	451,741	4,000	447,741	447,741	451,741	-	-	2033
2034	11,306,572	40.000	443,218	26,593	469,811	4,000	465,811	465,811	469,811	-	-	2034
2035	11,306,572	40.000	443,218	26,593	469,811	4,000	465,811	465,811	469,811	-	-	2035
2036	11,758,835	40.000	460,946	27,657	488,603	4,000	484,603	484,603	488,603	-	-	2036
2037	11,758,835	40.000	460,946	27,657	488,603	4,000	484,603	484,603	488,603	-	-	2037
2038	12,229,188	40.000	479,384	28,763	508,147	4,000	504,147	503,632	507,632	515	515	2038
2039	12,229,188	40.000	479,384	28,763	508,147	4,000	504,147	504,450	508,450	(303)	212	2039
2040	12,718,356	40.000	498,560	29,914	528,473	4,000	524,473	523,750	527,750	723	935	2040
2041	12,718,356	40.000	498,560	29,914	528,473	4,000	524,473	524,700	528,700	(227)	708	2041
2042	13,227,090	40.000	518,502	31,110	549,612	4,000	545,612	546,150	550,150	(538)	171	2042
2043	13,227,090	40.000	518,502	31,110	549,612	4,000	545,612	545,050	549,050	562	733	2043
2044	13,756,174	40.000	539,242	32,355	571,597	4,000	567,597	567,450	571,450	147	879	2044
2045	13,756,174	40.000	539,242	32,355	571,597	4,000	567,597	568,150	572,150	(553)	326	2045
2046	14,306,421	40.000	560,812	33,649	594,460	4,000	590,460	590,150	594,150	310	636	2046
2047	14,306,421	40.000	560,812	33,649	594,460	4,000	590,460	590,350	594,350	110	746	2047
2048	14,878,678	40.000	583,244	34,995	618,239	4,000	614,239	614,750	618,750	(511)	235	2048
2049	14,878,678	40.000	583,244	34,995	618,239	4,000	614,239	614,100	618,100	139	374	2049
2050	15,473,825	40.000	606,574	36,394	642,968	4,000	638,968	638,550	642,550	418	792	2050
2051	15,473,825	40.000	606,574	36,394	642,968	4,000	638,968	638,800	642,800	168	960	2051
2052	16,092,778	40.000	630,837	37,850	668,687	4,000	664,687	664,950	668,950	(263)	697	2052
2053	16,092,778	40.000	630,837	37,850	668,687	4,000	664,687	664,650	668,650	37	734	2053
2054	16,736,489	40.000	656,070	39,364	695,435	4,000	691,435	692,100	696,100	(665)	69	2054
2055	16,736,489	40.000	656,070	39,364	695,435	4,000	691,435	690,850	694,850	585	654	2055
2056	17,405,948	40.000	682,313	40,939	723,252	4,000	719,252	719,200	723,200	52	706	2056
2057	17,405,948	40.000	682,313	40,939	723,252	4,000	719,252	285,600	289,600	433,652	434,358	2057
			17,283,018	1,036,981	18,319,999	144,000	18,175,999	17,741,641	17,885,641	434,358		

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JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

		Residential Development Other Than Multi-Family							
		Filing 3 SFD 50'				Filing 3 SFD 60'			
Construction Year	Collection Year	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$500,000	Annual Market Value of New Units	Number of Residential Units Completed	Vacant Land 10%	Est. Market Value per Residence \$550,000	Annual Market Value of New Units
Inflation compounded annually at		2.0%				2.0%			
2019	2021	-	-	-	-	-	-	-	-
2020	2022	-	-	-	-	-	-	-	-
2021	2023	-	3,750,000	\$500,000	-	-	4,015,000	\$550,000	-
2022	2024	75	(1,400,000)	510,000	38,250,000	73	(1,485,000)	561,000	40,953,000
2023	2025	47	(2,350,000)	520,200	24,449,400	46	(2,530,000)	572,220	26,322,120
2024	2026	-	-	530,604	-	-	-	583,664	-
2025	2027	-	-	541,216	-	-	-	595,338	-
2026	2028	-	-	552,040	-	-	-	607,244	-
2027	2029	-	-	563,081	-	-	-	619,389	-
2028	2030	-	-	574,343	-	-	-	631,777	-
2029	2031	-	-	585,830	-	-	-	644,413	-
2030	2032	-	-	597,546	-	-	-	657,301	-
2031	2033	-	-	609,497	-	-	-	670,447	-
2032	2034	-	-	621,687	-	-	-	683,856	-
2033	2035	-	-	634,121	-	-	-	697,533	-
2034	2036	-	-	646,803	-	-	-	711,484	-
2035	2037	-	-	659,739	-	-	-	725,713	-
2036	2038	-	-	672,934	-	-	-	740,228	-
2037	2039	-	-	686,393	-	-	-	755,032	-
2038	2040	-	-	700,121	-	-	-	770,133	-
2039	2041	-	-	714,123	-	-	-	785,535	-
2040	2042	-	-	728,406	-	-	-	801,246	-
2041	2043	-	-	742,974	-	-	-	817,271	-
2042	2044	-	-	757,833	-	-	-	833,616	-
2043	2045	-	-	772,990	-	-	-	850,289	-
2044	2046	-	-	788,450	-	-	-	867,295	-
2045	2047	-	-	804,219	-	-	-	884,640	-
2046	2048	-	-	820,303	-	-	-	902,333	-
2047	2049	-	-	836,709	-	-	-	920,380	-
2048	2050	-	-	853,443	-	-	-	938,788	-
2049	2051	-	-	870,512	-	-	-	957,563	-
2050	2052	-	-	887,922	-	-	-	976,715	-
2051	2053	-	-	905,681	-	-	-	996,249	-
2052	2054	-	-	923,794	-	-	-	1,016,174	-
2053	2055	-	-	942,270	-	-	-	1,036,497	-
2054	2056	-	-	961,116	-	-	-	1,057,227	-
2055	2057	-	-	980,338	-	-	-	1,078,372	-
		122	-	62,699,400		119	-	67,275,120	

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

		SF Residential Development					
		TOTAL NON-MF RESIDENTIAL UNITS		Est. Biennial Revaluation per State Statute @ 4.0%	Cumulative Market Value of New Residences	Estimated Residential Assessment Ratio	NON-MULTI-FAMILY RESIDENTIAL ASSESSED VALUATION (To Page B5)
Construction Year	Collection Year	Total Number of Residential Units	Annual Value of New Residential Units				
2019	2021	-	-	-	-	7.15%	-
2020	2022	-	-	-	-	7.15%	-
2021	2023	-	-	-	-	7.15%	-
2022	2024	148	79,203,000	-	79,203,000	7.15%	5,663,015
2023	2025	93	50,771,520	-	129,974,520	7.15%	9,293,178
2024	2026	-	-	5,198,981	135,173,501	7.15%	9,664,905
2025	2027	-	-	-	135,173,501	7.15%	9,664,905
2026	2028	-	-	5,406,940	140,580,441	7.15%	10,051,502
2027	2029	-	-	-	140,580,441	7.15%	10,051,502
2028	2030	-	-	5,623,218	146,203,658	7.15%	10,453,562
2029	2031	-	-	-	146,203,658	7.15%	10,453,562
2030	2032	-	-	5,848,146	152,051,805	7.15%	10,871,704
2031	2033	-	-	-	152,051,805	7.15%	10,871,704
2032	2034	-	-	6,082,072	158,133,877	7.15%	11,306,572
2033	2035	-	-	-	158,133,877	7.15%	11,306,572
2034	2036	-	-	6,325,355	164,459,232	7.15%	11,758,835
2035	2037	-	-	-	164,459,232	7.15%	11,758,835
2036	2038	-	-	6,578,369	171,037,601	7.15%	12,229,188
2037	2039	-	-	-	171,037,601	7.15%	12,229,188
2038	2040	-	-	6,841,504	177,879,105	7.15%	12,718,356
2039	2041	-	-	-	177,879,105	7.15%	12,718,356
2040	2042	-	-	7,115,164	184,994,270	7.15%	13,227,090
2041	2043	-	-	-	184,994,270	7.15%	13,227,090
2042	2044	-	-	7,399,771	192,394,040	7.15%	13,756,174
2043	2045	-	-	-	192,394,040	7.15%	13,756,174
2044	2046	-	-	7,695,762	200,089,802	7.15%	14,306,421
2045	2047	-	-	-	200,089,802	7.15%	14,306,421
2046	2048	-	-	8,003,592	208,093,394	7.15%	14,878,678
2047	2049	-	-	-	208,093,394	7.15%	14,878,678
2048	2050	-	-	8,323,736	216,417,130	7.15%	15,473,825
2049	2051	-	-	-	216,417,130	7.15%	15,473,825
2050	2052	-	-	8,656,685	225,073,815	7.15%	16,092,778
2051	2053	-	-	-	225,073,815	7.15%	16,092,778
2052	2054	-	-	9,002,953	234,076,768	7.15%	16,736,489
2053	2055	-	-	-	234,076,768	7.15%	16,736,489
2054	2056	-	-	9,363,071	243,439,838	7.15%	17,405,948
2055	2057	-	-	-	243,439,838	7.15%	17,405,948
		241	129,974,520	113,465,318			

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	Platted and Improved Vacant Land			Estimated Vacant Land Assessment Ratio	VACANT LAND ASSESSED VALUATION (To Page B5)	Agricultural Land			AGRICULTURAL LAND ASSESSED VALUATION (To Page B5)
		Annual Actual Value of Vacant Land	Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Vacant Land			Adjustment to 2021 Actual / 2022 Prelim Valuation	Cumulative Market Value of Agricultural Land	Estimated Agricultural Land Assessment Ratio	
2019	2021	-	-	-	29.00%	-	9,862	9,862	29.00%	2,860
2020	2022	-	6,241	6,241	29.00%	1,810	(1,000)	8,862	29.00%	2,570
2021	2023	7,765,000	-	7,771,241	29.00%	2,253,660	(8,862)	-	29.00%	-
2022	2024	(2,885,000)	(3,803)	4,882,438	29.00%	1,415,907	-	-	29.00%	-
2023	2025	(4,880,000)	(2,438)	-	29.00%	-	-	-	29.00%	-
2024	2026	-	-	-	29.00%	-	-	-	29.00%	-
2025	2027	-	-	-	29.00%	-	-	-	29.00%	-
2026	2028	-	-	-	29.00%	-	-	-	29.00%	-
2027	2029	-	-	-	29.00%	-	-	-	29.00%	-
2028	2030	-	-	-	29.00%	-	-	-	29.00%	-
2029	2031	-	-	-	29.00%	-	-	-	29.00%	-
2030	2032	-	-	-	29.00%	-	-	-	29.00%	-
2031	2033	-	-	-	29.00%	-	-	-	29.00%	-
2032	2034	-	-	-	29.00%	-	-	-	29.00%	-
2033	2035	-	-	-	29.00%	-	-	-	29.00%	-
2034	2036	-	-	-	29.00%	-	-	-	29.00%	-
2035	2037	-	-	-	29.00%	-	-	-	29.00%	-
2036	2038	-	-	-	29.00%	-	-	-	29.00%	-
2037	2039	-	-	-	29.00%	-	-	-	29.00%	-
2038	2040	-	-	-	29.00%	-	-	-	29.00%	-
2039	2041	-	-	-	29.00%	-	-	-	29.00%	-
2040	2042	-	-	-	29.00%	-	-	-	29.00%	-
2041	2043	-	-	-	29.00%	-	-	-	29.00%	-
2042	2044	-	-	-	29.00%	-	-	-	29.00%	-
2043	2045	-	-	-	29.00%	-	-	-	29.00%	-
2044	2046	-	-	-	29.00%	-	-	-	29.00%	-
2045	2047	-	-	-	29.00%	-	-	-	29.00%	-
2046	2048	-	-	-	29.00%	-	-	-	29.00%	-
2047	2049	-	-	-	29.00%	-	-	-	29.00%	-
2048	2050	-	-	-	29.00%	-	-	-	29.00%	-
2049	2051	-	-	-	29.00%	-	-	-	29.00%	-
2050	2052	-	-	-	29.00%	-	-	-	29.00%	-
2051	2053	-	-	-	29.00%	-	-	-	29.00%	-
2052	2054	-	-	-	29.00%	-	-	-	29.00%	-
2053	2055	-	-	-	29.00%	-	-	-	29.00%	-
2054	2056	-	-	-	29.00%	-	-	-	29.00%	-
2055	2057	-	-	-	29.00%	-	-	-	29.00%	-
		-	-	-		-	-	-		-

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED ASSESSED VALUATION
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Construction Year	Collection Year	RESIDENTIAL OTHER THAN MULTI-FAMILY ASS'D VALUATION (See Page B3)	VACANT LAND ASSESSED VALUATION (See Page B4)	AGRICULTURAL LAND ASSESSED VALUATION (See Page B4)	OIL AND GAS ASSESSED VALUATION 0.00%	TOTAL ASSESSED VALUATION (To Page B1)	Collection Year
2019	2021	-	-	2,860	265,780	268,640	2021
2020	2022	-	1,810	2,570	130,490	134,870	2022
2021	2023	-	2,253,660	-	-	2,253,660	2023
2022	2024	5,663,015	1,415,907	-	-	7,078,922	2024
2023	2025	9,293,178	-	-	-	9,293,178	2025
2024	2026	9,664,905	-	-	-	9,664,905	2026
2025	2027	9,664,905	-	-	-	9,664,905	2027
2026	2028	10,051,502	-	-	-	10,051,502	2028
2027	2029	10,051,502	-	-	-	10,051,502	2029
2028	2030	10,453,562	-	-	-	10,453,562	2030
2029	2031	10,453,562	-	-	-	10,453,562	2031
2030	2032	10,871,704	-	-	-	10,871,704	2032
2031	2033	10,871,704	-	-	-	10,871,704	2033
2032	2034	11,306,572	-	-	-	11,306,572	2034
2033	2035	11,306,572	-	-	-	11,306,572	2035
2034	2036	11,758,835	-	-	-	11,758,835	2036
2035	2037	11,758,835	-	-	-	11,758,835	2037
2036	2038	12,229,188	-	-	-	12,229,188	2038
2037	2039	12,229,188	-	-	-	12,229,188	2039
2038	2040	12,718,356	-	-	-	12,718,356	2040
2039	2041	12,718,356	-	-	-	12,718,356	2041
2040	2042	13,227,090	-	-	-	13,227,090	2042
2041	2043	13,227,090	-	-	-	13,227,090	2043
2042	2044	13,756,174	-	-	-	13,756,174	2044
2043	2045	13,756,174	-	-	-	13,756,174	2045
2044	2046	14,306,421	-	-	-	14,306,421	2046
2045	2047	14,306,421	-	-	-	14,306,421	2047
2046	2048	14,878,678	-	-	-	14,878,678	2048
2047	2049	14,878,678	-	-	-	14,878,678	2049
2048	2050	15,473,825	-	-	-	15,473,825	2050
2049	2051	15,473,825	-	-	-	15,473,825	2051
2050	2052	16,092,778	-	-	-	16,092,778	2052
2051	2053	16,092,778	-	-	-	16,092,778	2053
2052	2054	16,736,489	-	-	-	16,736,489	2054
2053	2055	16,736,489	-	-	-	16,736,489	2055
2054	2056	17,405,948	-	-	-	17,405,948	2056
2055	2057	17,405,948	-	-	-	17,405,948	2057

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
PROJECTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS
UNDER THE HYPOTHETICAL ASSUMPTIONS IN NOTE 15
DEBT SERVICE FUND ONLY
SCHEDULE OF ESTIMATED BONDS DEBT SERVICE REQUIREMENTS
FOR THE CALENDAR YEARS ENDING 2021 THROUGH 2057

Series 2021 Cash Flow Bond Issue Dated: October 13, 2021 \$7,062,000 Issued: October 13, 2021 Interest Rate: 5.000% compounded annually Principal payments due on December 1 to the extent of Pledged Revenue							
Year	Bond Principal		Bond Interest			Total 2021 Bonds Debt Service Payments (To Page B1)	Year
	Principal Payments	Outstanding Balance	Interest Accrued on Outstanding Principal and Unpaid Interest	Interest Payments	Cumulative Unpaid Interest		
2021	-	7,062,000	47,080	11,163	35,917	11,163	2021
2022	-	7,062,000	354,896	1,604	389,209	1,604	2022
2023	-	7,062,000	372,560	89,644	672,126	89,644	2023
2024	-	7,062,000	386,706	290,143	768,689	290,143	2024
2025	-	7,062,000	391,534	382,150	778,073	382,150	2025
2026	-	7,062,000	392,004	397,596	772,480	397,596	2026
2027	-	7,062,000	391,724	397,596	766,608	397,596	2027
2028	-	7,062,000	391,430	413,660	744,379	413,660	2028
2029	-	7,062,000	390,319	413,660	721,038	413,660	2029
2030	-	7,062,000	389,152	430,366	679,823	430,366	2030
2031	-	7,062,000	387,091	430,366	636,548	430,366	2031
2032	-	7,062,000	384,927	447,741	573,734	447,741	2032
2033	-	7,062,000	381,787	447,741	507,780	447,741	2033
2034	-	7,062,000	378,489	465,811	420,458	465,811	2034
2035	-	7,062,000	374,123	465,811	328,770	465,811	2035
2036	-	7,062,000	369,539	484,603	213,706	484,603	2036
2037	-	7,062,000	363,785	484,603	92,888	484,603	2037
2038	53,000	7,009,000	357,744	450,632	-	503,632	2038
2039	154,000	6,855,000	350,450	350,450	-	504,450	2039
2040	181,000	6,674,000	342,750	342,750	-	523,750	2040
2041	191,000	6,483,000	333,700	333,700	-	524,700	2041
2042	222,000	6,261,000	324,150	324,150	-	546,150	2042
2043	232,000	6,029,000	313,050	313,050	-	545,050	2043
2044	266,000	5,763,000	301,450	301,450	-	567,450	2044
2045	280,000	5,483,000	288,150	288,150	-	568,150	2045
2046	316,000	5,167,000	274,150	274,150	-	590,150	2046
2047	332,000	4,835,000	258,350	258,350	-	590,350	2047
2048	373,000	4,462,000	241,750	241,750	-	614,750	2048
2049	391,000	4,071,000	223,100	223,100	-	614,100	2049
2050	435,000	3,636,000	203,550	203,550	-	638,550	2050
2051	457,000	3,179,000	181,800	181,800	-	638,800	2051
2052	506,000	2,673,000	158,950	158,950	-	664,950	2052
2053	531,000	2,142,000	133,650	133,650	-	664,650	2053
2054	585,000	1,557,000	107,100	107,100	-	692,100	2054
2055	613,000	944,000	77,850	77,850	-	690,850	2055
2056	672,000	272,000	47,200	47,200	-	719,200	2056
2057	272,000	-	13,600	13,600	-	285,600	2057
	<u>7,062,000</u>		<u>10,679,641</u>	<u>10,679,641</u>		<u>17,741,641</u>	

<u>USES OF FUNDS</u>	
Project Fund	6,684,884
Costs of Issuance	250,000
Underwriter's discount	127,116
	<u>7,062,000</u>

This financial information should be read only in connection with the accompanying Summary of Significant Forecast Assumptions and Accounting Policies and Accountant's Compilation Report.

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE REGISTERED OWNERS OF THE BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The District and the Trustee may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purpose of payment of the principal of or interest or premium, if any, on the Bonds, giving any notice permitted or required to be given to registered owners under the Indenture, including any notice of redemption, registering the transfer of Bonds, obtaining any consent or other action to be taken by registered owners and for all other purposes whatsoever, and will not be affected by any notice to the contrary. The District and the Trustee will not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any DTC Direct Participant, Indirect Participant or other person not shown on the records of the Trustee as being a registered owner with respect to: the accuracy of any records maintained by DTC, any DTC Direct Participant or Indirect Participant regarding ownership interests in the Bonds; the payment by DTC, any DTC Direct Participant or Indirect Participant of any amount in respect of the principal of or interest or premium, if any, on the Bonds; the delivery to any DTC Direct Participant, Indirect Participant or any Beneficial Owner of any notice which is permitted or required to be given to registered owners under the Authorizing Document, including any notice of redemption; the selection by DTC, any DTC Direct Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as a registered owner.

As long as the DTC book-entry system is used for the Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered owners of Bonds only to DTC or its nominee. Any failure of DTC to advise any DTC Direct Participant, of any DTC Direct Participant to notify any Indirect Participant, of any DTC Direct Participant or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the Bonds called for redemption or of any other action premised on such notice.

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APPENDIX E

SUMMARY OF CERTAIN DEFINITIONS IN THE INDENTURE

The following definitions in this Appendix E and in the body of this Limited Offering Memorandum under the captions “INTRODUCTION,” “THE BONDS” and “SECURITY FOR THE BONDS” are in substantially final form and are qualified in all respects by reference to the Indenture. Copies of the Indenture may be obtained from the District and the Underwriter as provided under the caption “INTRODUCTION – Additional Information” in the body of this Limited Offering Memorandum.

2020 Election: the election held within the District on November 3, 2020.

Act: Title 32, Article 1, Colorado Revised Statutes.

Additional Bonds: (1) all obligations of the District for borrowed money and reimbursement obligations, (2) all obligations of the District constituting a lien upon any ad valorem tax revenues of the District or any part of the Pledged Revenue, (3) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, (4) all obligations of the District to pay the deferred purchase price of property or services, (5) all obligations of the District as lessee under leases, but excluding such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed \$500,000, or consist of payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District, and (6) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term “Additional Bonds” does not include:

(a) obligations the repayment of which is contingent upon the District’s annual determination to appropriate moneys therefor, other than leases as set forth in (5) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the District to impose any tax, fee, or other governmental charge;

(b) obligations which are payable solely from the proceeds of additional District obligations, when and if issued;

(c) obligations payable solely from periodic, recurring service charges (*e.g.*, not including Capital Fees) imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under Colorado law; and

(d) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (i) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any bonds, notes, or other obligations of the District permitted to be issued under the Indenture, and (ii) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements.

Authorized Denominations: initially, the amount of \$500,000 or any integral multiple of \$1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than \$500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than \$500,000, in integral multiples of not less than \$1,000 each or any integral multiple thereof.

Beneficial Owner: any person for which a Participant acquires an interest in the Bonds.

Board: the Board of Directors of the District.

Bond Fund: the “Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021, Bond Fund”, established by the provisions of the Indenture for the purposes set forth herein.

Bond Resolution: the resolution authorizing the issuance of the Bonds and the execution of the Indenture, certified by the Secretary or an Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

Bond Year: the period from December 2 of any calendar year to December 1 of the following calendar year.

Bonds: the General Obligation Limited Tax Bonds, Series 2021, in the aggregate principal amount of \$7,062,000, issued by the District pursuant to the Indenture and the Bond Resolution.

Capital Fees: all fees, rates, tolls, penalties, and charges of a capital nature (excluding periodic, recurring service charges) imposed by the District or any District-owned “enterprise” under Article X, Section 20 of the Colorado Constitution, for services, programs, or facilities furnished by the District, whether now in effect or imposed in the future; and including the revenue derived from any action to enforce the collection of Capital Fees, and the revenue derived from the sale or other disposition of property acquired by the District from any action to enforce the collection of Capital Fees.

Cede: Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

Certified Public Accountant: a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

Code: the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

Consent Party: the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond. The District may at its option determine whether the Owner or the Participant is the Consent Party with respect to any particular amendment or other matter under the Indenture.

Counsel: a person, or firm of which such a person is a member, authorized in any state to practice law.

County: means Weld County, Colorado.

C.R.S.: the Colorado Revised Statutes, as amended and supplemented as of the date of the Indenture.

Depository: any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

District: Johnstown Farms East Metropolitan District, Town of Johnstown, Weld County, Colorado, and its successors and assigns.

District Representative: the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President or Vice President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

DTC: the Depository Trust Company, New York, New York, and its successors and assigns.

Event of Default: any one or more of the events set forth in the Indenture.

Federal Securities: direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

Maximum Debt Mill Levy Imposition Term: this term shall have the meaning ascribed thereto by the Service Plan.

Net Effective Interest Rate: shall have the meaning set forth in §32-1-103, C.R.S., provided that: such calculation shall assume the payment of principal due as a result of mandatory sinking fund redemption, which mandatory sinking fund redemption dates shall be deemed a maturity of the stated mandatory sinking fund redemption amount for purposes of this definition; and, for the avoidance of doubt, for any obligation without a schedule of mandatory principal redemption (e.g., a “cash flow obligation”), 100% of the then-outstanding principal

amount of such an obligation shall be assumed to mature at the stated maturity date for purposes of this definition.

Outstanding or Outstanding Bonds: as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under the Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indenture) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to the Indenture) shall have been placed in escrow and in trust; and

(ii) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

Owner(s) or Owner(s) of Bonds: the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee.

Parity Bonds: the Bonds and any Additional Bonds having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds, payable in whole or in part from moneys described in SECOND of the Section of the Indenture entitled "Flow of Funds". For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon the District's ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

Participants: any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

Permitted Investments: shall mean any investment or deposit the District is permitted to make under then applicable law.

Permitted Refunding Bonds: Parity Bonds issued solely for the purpose of refunding or refinancing all or any portion of the Bonds and any other Parity Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, similar funds, and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing, so long as each of the following conditions are met:

(a) the Net Effective Interest Rate of such Permitted Refunding Bonds will be at least 25 basis points less than the Net Effective Interest Rate of the obligations being refunded (calculated as of the date of such issuance of such Permitted Refunding Bonds); and

(b) the maximum ad valorem mill levy, if any, pledged to the payment of such Permitted Refunding Bonds, together with the Required Mill Levy imposed under the Indenture, shall not be higher than the maximum mill levy set forth in the definition of Required Mill Levy herein, and the resolution, indenture or other document pursuant to which such Permitted Refunding Bonds are issued shall provide that any ad valorem property taxes imposed for the payment of such Permitted Refunding Bonds shall be applied in the same manner and priority as provided in the Section of the Indenture entitled “Flow of Funds”.

PILOT: an agreement or other arrangement which provides for a tax equivalency payment or similar payment in lieu of taxes against any property which would be subject to the Required Mill Levy but for the fact that it is classified by the county assessor as exempt from ad valorem property taxation, which agreement or other arrangement complies with the requirements set forth in Treasury Regulation §1.141-4(e)(5).

Pledged Revenue: the moneys derived by the District from the following sources:

- (a) the Required Mill Levy;
- (b) the Capital Fees, if any;
- (c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and
- (d) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Project: the acquisition, construction, and installation of public facilities the debt for which was approved at the 2020 Election, including without limitation necessary or appropriate equipment.

Project Costs: the District’s costs properly attributable to the Project or any part thereof, including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;
- (e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

- (f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Bonds;
- (j) the costs of amending the Indenture, the Bond Resolution, or any other instrument relating to the Bonds or the Project;
- (k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (m) the costs of demolition, removal, and relocation; and
- (n) all other lawful costs as determined by the Board.

Project Fund: the “Johnstown Farms East Metropolitan District General Obligation Limited Tax Bonds, Series 2021, Project Fund”, established by the provisions of the Indenture for the purpose of paying the Project Costs.

Record Date: the fifteenth (15th) day of the calendar month next preceding each interest payment date.

Required Mill Levy: shall have the following meaning, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(c) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in the amount of 40 mills, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided however, that if, on or after September 21, 2020, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided herein shall 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 September 21, 2020, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(d) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax

revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Service Plan: the service plan for the District, as approved pursuant to the Act, including all amendments and supplements made thereto as of the date of the Indenture.

Special Record Date: the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to the Indenture.

Specific Ownership Tax: the specific ownership tax which is collected by the county and remitted to the District pursuant to §42-3-107, C.R.S., or any successor statute.

State: State of Colorado.

Subordinate Bonds: Additional Bonds having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, payable in whole or in part from moneys described in THIRD of the Section of the Indenture entitled "Flow of Funds", but having no claim on moneys described in SECOND of such Section. For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon, the District's ad valorem tax revenues, shall be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Subordinate Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

Supplemental Act: the "Supplemental Public Securities Act", being Title 11, Article 57, Part 2, C.R.S.

Tax Certificate: the certificate to be signed by the District relating to the requirements of Sections 103 and 141-150 of the Code.

Termination Date: December 2, 2060, being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

Trust Estate: the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

Trustee: UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee under the Indenture, or any successor trustee appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Indenture.

Trustee Fees: means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties rendered under the Indenture (and under any other indenture entered into by the District in connection with the issuance of Parity Bonds or Subordinate Bonds), as the same become due and payable as

described in Section 9.02(a) of the Indenture, but not in excess of \$4,000 annually per bond issue; provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in Section 9.02(b) of the Indenture, which expenses shall be payable by the District in accordance with the provisions thereof.

Underwriter: Hilltop Securities Inc., of Denver, Colorado.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

\$7,062,000

**Johnstown Farms East Metropolitan District
In the Town of Johnstown, Weld County, Colorado
General Obligation Limited Tax Bonds
Series 2021**

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) is entered into on October 13, 2021, by and among **JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT**, in the Town of Johnstown, Weld County, Colorado (the “District”), **TF JOHNSTOWN FARMS, L.P.**, a Delaware limited partnership (the “Developer”), and **UMB BANK, N.A.**, Denver, Colorado, as trustee (the “Trustee”) for the above-captioned bonds (the “Bonds”).

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and to assist in the marketing of the Bonds by Hilltop Securities, Inc. (the “Underwriter”).

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indenture (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

“*Annual Report*” has the meaning assigned to such term in Section 3 of this Agreement.

“*Audited Financial Statements*” means the most recent annual financial statements for the District prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Bond Resolution*” means the resolution or resolutions authorizing the issuance of the Bonds adopted by the Board of Directors of the District on September 20, 2021.

“*Development Substantial Completion Date*” has the meaning assigned to such term in Section 5 of this Agreement.

“*Indenture*” means the Indenture of Trust relating to the Bonds dated as of October 13, 2021, by and between the District and the Trustee, as such Indenture may be amended or supplemented from time to time.

“*Limited Offering Memorandum*” means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds, dated October 6, 2021.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“*Person*” means an individual, partnership, joint venture, limited liability company, association, corporation, trust or any other legal entity.

“*Quarterly Report*” has the meaning assigned to such term in Section 3 of this Agreement.

“*Report Deadline*” has the meaning assigned to such term in Section 3 of this Agreement. “*Trustee Filing Deadline*” has the meaning assigned to such term in Section 3 of this Agreement.

Section 3. Procedures for Providing Quarterly and Annual Reports.

(a) **Provisions of Quarterly Information to Trustee.** The form of the quarterly report required to be filed is appended as Appendix A hereto (a “Quarterly Report”). After the Developer Completion Date, Sections 2 through 6 of the Quarterly Report are solely the obligation of the District (the “Annual Report”). The Developer, as to Section 1 of the Quarterly Report and the District, as to Sections 2 through 6 of the Quarterly Report, hereby undertake and agree, respectively, to provide to the Trustee by no later than each May 15 (for the calendar quarter ending March 31), each August 15 (for the calendar quarter ending June 30), each November 15 (for the calendar quarter ending September 30) and each February 15 (for the calendar quarter ending December 31) (each, a “Report Deadline”), commencing with February 15, 2022 (for the calendar quarter ending on December 31, 2021), the information set forth in the form of the Quarterly Report. The District shall further provide its Audited Financial Statements no later than September 30 of each year unless the Audited Financial Statements were included by August 15 of each year as part of the June 30 Quarterly Report in such year. After the Developer Completion Date, the District shall provide its Annual Report to the Trustee no later than September 30 of each year. The information required to be provided by the District under Section 5 of the Quarterly Report may be provided as part of the Audited Financial Statements of the District. Any or all of the items required to be updated in a Quarterly Report or Annual Report may be incorporated by reference from other documents, including official statement of debt issues which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Developer and the District, as applicable, shall clearly identify each such document incorporated by reference.

(b) **Provision of Reports to the MSRB.** The Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Quarterly Report by no later than May 25 (for a calendar quarter ending on March 31), August 25 (for a calendar quarter ending on June 30), November 25 (for a calendar quarter ending on September 30) and February 25 (for a calendar quarter ending on December 31) and for the Annual

Report, November 25 (each, a “Trustee Filing Deadline”). Each Quarterly Report may be submitted as a single document or as separate document comprising a package, and may cross-reference other information as provided in Section 3(a) above; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Quarterly Report due on each August 25.

If the Developer or the District fails to provide to the Trustee the information in the Quarterly Report required to be provided by it by the applicable Report Deadline, which results in the Trustee’s inability to provide a complete Quarterly Report to the MSRB by the applicable Trustee Filing Deadline, then, as soon as practicable after the Trustee Filing Deadline, the Trustee shall promptly file such portion of the Quarterly Report as has been provided to it as of such date, and shall file or cause to be filed a notice in substantially the form attached as Appendix B with the MSRB.

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Quarterly Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Quarterly Report and/or the notice described in the preceding paragraph with the MSRB, the Trustee shall, upon request, send a report to the Developer and the District stating the date that such report or notice was filed and listing all the entities to which it was provided.

(c) **Means of Transmitting Information.** Subject to technical and economic feasibility, the Developer and the District shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 4. Notice of Material Events. Whenever the District obtains actual knowledge of the occurrence of any of the following events, the District shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) Any Event of Default occurs under the Indenture, including a description of such default;

(b) Any non-payment related default under the Indenture (if the District deems such default to be material to the Owners), including a description of such default;

(c) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(d) Modifications to rights of Bond owners, if material;

- (e) Bond calls, if material and tender offers; and
- (f) Defeasances.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, “actual knowledge” of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. Termination. The obligations of the District and the Trustee under this Agreement shall terminate at such time as none of the Bonds are Outstanding under the Indenture. The obligations of the Developer hereunder shall terminate (1) at such time as none of the Bonds are Outstanding under the Indenture; or (2) the date when the Developer certifies to the Trustee in writing that the Developer or an affiliate no longer owns any undeveloped land within the District (the “Development Substantial Completion Date”).

Section 6. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Owners holding in the aggregate the majority of the Bonds outstanding under the Indenture.

Section 7. Failure to Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder. If the Developer fails to comply with this Agreement, the District, within 20 days of receipt of notice in substantially the form attached as Appendix B from the Trustee, shall be obligated to update Sections 1(a) and 2(a) of Appendix A since the last Quarterly Report, but only to the extent that such information is publicly available. Any other provisions of this Agreement notwithstanding, the undertaking and agreement of the Developer shall be limited to its commercially reasonable efforts to obtain and provide the referenced information.

Section 8. Severability. If any section, paragraph, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 10. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 11. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Trustee and the Owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 12. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement and no implied covenants or obligation shall be read into this Agreement against the Trustee. District agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or report (including without limitation any Quarterly Report) prepared by the Developer or the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 13. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 14. Assignment. The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

Section 15. Counterparts. This Agreement may be executed on counterpart signature pages.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names, all as of the date first above written.

JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT, in the Town of Johnstown, Weld County, Colorado

By _____
Craig Campbell, President

TF JOHNSTOWN FARMS, L.P., a Delaware limited partnership

By _____
Name _____
Title _____

UMB BANK N.A., as Trustee

By _____
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A

FORM OF QUARTERLY [ANNUAL] REPORT

\$7,062,000

**Johnstown Farms East Metropolitan District
In the Town of Johnstown, Weld County, Colorado
General Obligation Limited Tax Bonds
Series 2021**

Date of Report: _____, 20__

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (the “Agreement”) entered into on October 13, 2021, by and among Johnstown Farms East Metropolitan District, in the Town of Johnstown, Weld County, Colorado (the “District”), TF Johnstown Farms, L.P., a Delaware limited partnership, (the “Developer”) and UMB Bank, n.a., Denver, Colorado, as trustee (the “Trustee”), under the Indenture relating to the above-captioned bonds (the “Bonds”). Unless otherwise stated herein, capitalized terms shall have the meanings assigned them in the Limited Offering Memorandum dated October 6, 2021, pertaining to the Bonds, and all information contained herein is the most current information available as of the Date of Report specified above, and is provided with respect to development within the Development.

Section 1. Development. [Developer to complete; to be updated each quarter until the Development Substantial Completion Date.] Provide the following information with respect to property within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds.

(a) Status of Sales, Construction and Entitlements

	Lots	Completed/ Sold to Homeowners	Completed/ Not Sold to Homeowners	Under Construction and Under Contract	Under Construction and Not Under Contract	Vacant and Under Contract (Platted)	Vacant and Not Under Contract (Platted)	(Unplatted)
Owned by Lennar	120	--	--	--	--	--		--
Owned by Century	121	--	--	--	--	--		--
Owned by Post Modern	120	--	--	--	--	--		
Totals:	361	--	--	--	--	--		

(b) **Other Activity.** In the event that the Developer’s site development plan has changed materially from that described in the Limited Offering Memorandum, please describe such change in the Developer’s site development plan.

(c) **Zoning.** Describe any changes to the zoning of the property initiated by the Developer or of which the Developer has been given written notice by other owners of property within the Development since the last Quarterly Report (including any amendments to any final plan, sketch plat, preliminary development plans, or final development plans).

Section 2. Inclusions and Exclusions. [District to complete; to be updated each quarter until the Development Substantial Completion Date.] Describe any property, by parcel designation and acreage, which has been included within or excluded from the boundaries of the District since the last Quarterly Report, if applicable.

Section 3. Fund Balances and Transfers. [District to complete, based upon information received from the Trustee; to be updated each quarter on and prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.]

The amount on deposit in each of the following funds is set forth below, as of _____, 20__:

- (a) the amount on deposit in the Project Fund is \$_____
- (b) the amount on deposit in the Bond Fund is \$_____

Section 4. Assessed Value, Actual Value and Mill Levies. [District to complete to be provided annually with the Quarterly Report due [February 15] prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.]

.]

The District shall complete and update the following tables for the applicable five-year period, ending with the current year as the last Collection Year:

History of Assessed Valuations and Mill Levies for the District

Levy Year	Collection Year	Assessed Valuation	Percent Increase	Mill Levies
2020	2021			
2021	2022			
Future Years				

Source: Weld County Assessor's Office

Property Tax Collections in the District

Levy Year	Collection Year	Taxes Levied	Current Tax Collections¹	Current Collections As a % of Tax Levied
2020	2021			
2021	2022			
Future years as				

Source: Weld County Treasurer's Office

Section 5. Annual District Financial Information. [District to complete; to be updated each quarter on and prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.] Each of the annual information items set forth below must be provided only once each year as indicated below. Audited Financial Statements shall be provided with, and no later than, the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Audited Financial Statements of the District for the year ending _____, _____. (Must be provided with the Quarterly Report due November 15.)

(b) Annual budget of the District for fiscal year _____. Such annual budget has not been adopted by the Board of Directors of the District. (Must be provided with the Quarterly Report due February 15.)

Section 6. Authorized Denominations. [District to complete; to be updated each quarter on and prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.]

The Bonds are presently outstanding in Authorized Denominations of:

(a) \$500,000 or any integral multiple of \$1,000 in excess thereof; or

(b) pursuant to paragraph (c) of the definition of Authorized Denomination in the Indenture, the Authorized Denominations were reduced to \$1,000 or any integral multiple thereof on _____, _____ [insert date].

The information contained herein has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness.

The party executing this report on behalf of each of the District and the Developer hereby certifies that he/she is authorized to execute this report on behalf of the party on whose behalf he/she has so executed. The Developer hereby further certifies as to the information provided in Section 1 only of the foregoing report, the District hereby further certifies as to the information provided in Sections 2 through 6 only of the foregoing report and that such information is, to the best of its knowledge, true, accurate and complete. This report may be executed below on counterpart signature pages.

JOHNSTOWN FARMS EAST METROPOLITAN
DISTRICT, in the Town of Johnstown, Weld
County, Colorado

By _____
Name _____
Title _____

TF JOHNSTOWN FARMS, L.P., a Delaware
limited partnership

By _____
Name _____
Title _____

APPENDIX B

NOTICE OF FAILURE TO FILE REPORT

Name of District: Johnstown Farms East Metropolitan District, in the Town of Johnstown, Weld County, Colorado

Name of Bond Issue: Johnstown Farms East Metropolitan District, in the Town of Johnstown, Weld County, Colorado, General Obligation Limited Tax Bonds, Series 2021, in the original aggregate principal amount of \$7,062,000

CUSIP: 47953A AA3

Date of Issuance: October 13, 2021

NOTICE IS HEREBY GIVEN that the (check as appropriate) District Developer has not provided a portion of the information required for a (check as appropriate) Quarterly Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated October 13, 2021, among the District, the Developer and the Trustee. The (check as appropriate) District Developer anticipates that such information required by such Report will be filed by _____.

Dated: _____, 20__

UMB BANK, N.A., as Trustee

By _____
Name _____
Title _____

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APPENDIX G

FORM OF BOND COUNSEL OPINION

SHERMAN & HOWARD L.L.C.

633 Seventeenth Street, Suite 3000, Denver, CO 80202-3622
Telephone: 303.297.2900 Fax: 303.298.0940 www.shermanhoward.com

October 13, 2021

Johnstown Farms East Metropolitan District
Town of Johnstown, Weld County, Colorado

\$7,062,000
Johnstown Farms East Metropolitan District
Town of Johnstown, Weld County, Colorado
General Obligation Limited Tax Bonds, Series 2021

Ladies and Gentlemen:

We have acted as bond counsel to Johnstown Farms East Metropolitan District, Town of Johnstown, Weld County, Colorado (the “District”), in connection with its issuance of \$7,062,000 General Obligation Limited Tax Bonds, Series 2021 (the “Bonds”). In such capacity, we have examined the District’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

The Bonds are issued and secured pursuant to an authorizing resolution of the Board of Directors of the District adopted on September 20, 2021 (the “Bond Resolution”), and pursuant to that certain Indenture of Trust dated as of October 13, 2021 (the “Indenture”), between the District and UMB Bank, n.a., as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Indenture.

Regarding questions of fact material to our opinions, we have relied upon the District’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding limited tax general obligations of the District, payable solely from the Pledged Revenue and from funds and accounts pledged therefor under the Indenture.

2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.

3. Assuming due authorization, execution, and delivery by the Trustee, the Indenture constitutes a valid and binding obligation of the District.

4. The Indenture creates a valid lien on the Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Pledged Revenue or on the funds and accounts created by the Indenture.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District incurred pursuant to the Bonds, the Bond Resolution, and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

Except as specifically stated above regarding the Required Mill Levy, no opinion is rendered herein regarding the validity or enforceability of any fees, charges, or other revenue sources which comprise a portion of the Pledged Revenue.

The Bonds have been designated by the District as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Tax Code.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Limited Offering Memorandum relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.



SUPPLEMENT TO PRELIMINARY LIMITED OFFERING MEMORANDUM

**JOHNSTOWN FARMS EAST METROPOLITAN DISTRICT
(IN THE TOWN OF JOHNSTOWN, WELD COUNTY, COLORADO)**

\$7,062,000*

GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2021

This Supplement to Preliminary Limited Offering Memorandum (this “Supplement”) supplements the Preliminary Limited Offering Memorandum dated September 22, 2021 (the “Preliminary Limited Offering Memorandum”), with respect to the above-referenced Bonds. This Supplement constitutes an integral part of the Preliminary Limited Offering Memorandum and recipients are requested to attach this Supplement to the Preliminary Limited Offering Memorandum. Capitalized terms used in this Supplement and not otherwise defined have the meanings set forth in the Preliminary Limited Offering Memorandum.

The Preliminary Limited Offering Memorandum is hereby supplemented as follows:

1. The words “BANK QUALIFIED” are hereby added under the words “NOT RATED” on the cover.

2. The italicized language on the cover is hereby amended to read as follows:

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS.” The District has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Tax Code. See “FINANCIAL INSTITUTION INTEREST DEDUCTION.”

3. The following major heading is hereby added after the major heading “TAX MATTERS”:

FINANCIAL INSTITUTION INTEREST DEDUCTION

The Tax Code generally provides that a financial institution may not deduct that portion of its interest expense which is allocable to tax-exempt interest. The interest expense which is allocable to tax-exempt interest is an amount which bears the same ratio to the institution’s interest expense as the institution’s average adjusted basis of tax-exempt obligations acquired after August 7, 1986 bears to the average adjusted basis of all assets of the institution. Tax-exempt obligations may be treated as if issued prior to August 7, 1986 (and therefore are not subject to this

* Preliminary; subject to change.