

2023 ANNUAL REPORT
PRAIRIE POINT METROPOLITAN DISTRICT NO. 2 (FORMERLY KNOWN AS
KINGS POINT METROPOLITAN DISTRICT NO. 2)

As required by Section 32-1-207(3)(c), C.R.S. and Section VIII of the District's Service Plan, the following report of the activities of Prairie Point Metropolitan District No. 2 (the "District") from January 1, 2023 to December 31, 2023 is hereby submitted.

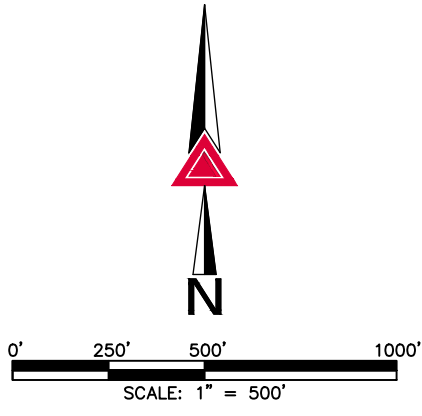
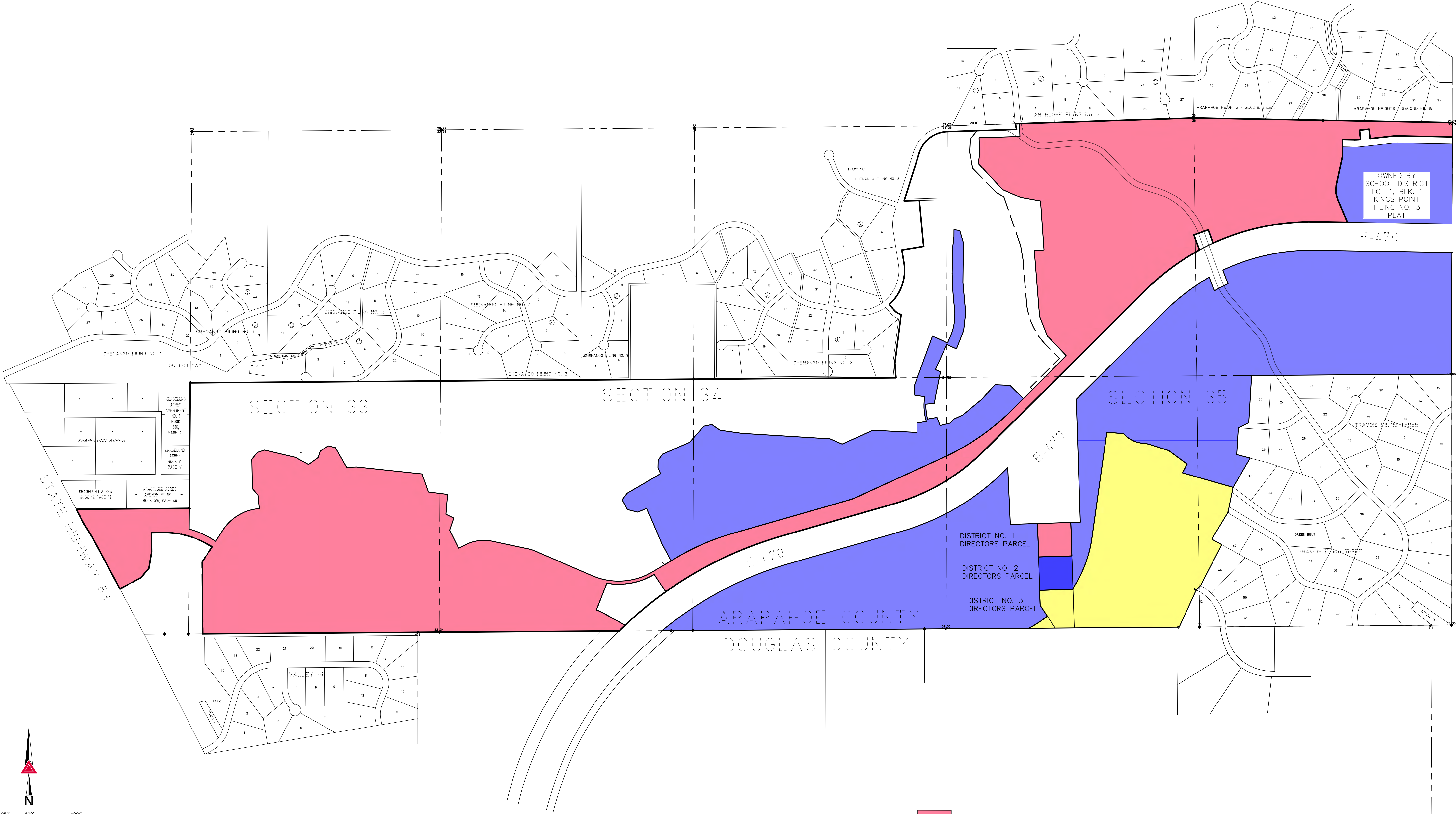
- A. Boundary changes made or proposed as of December 31, 2023: There were boundary changes made during 2023. A copy of the update boundary map is attached hereto as **Exhibit A**.
- B. Intergovernmental Agreements proposed, entered into, or terminated as of December 31, 2023:
1. Intergovernmental Agreement regarding operation and ownership of public facilities, agreements relative to certain regional improvements between the City of Aurora and Kings Point Metropolitan District No. 2 dated December 29, 2005.
 2. ARTA Establishment Agreement, as amended. Termination effective April 19, 2018.
 3. South Aurora Regional Improvement Authority Establishment Agreement dated January 24, 2018, as amended on October 2, 2018.
 4. Memorandum of Understanding between Kings Point Metropolitan District Nos. 1-3 on September 4, 2018.
 5. Mill Levy Policy Agreement between the Kings Point Metropolitan District Nos. 1-3 and The Kings Point Community Authority Board on October 19, 2021.
 6. Community Authority Board Establishment Agreement between the Kings Point Metropolitan District Nos. 1-3 and The Kings Point Community Authority Board on September 16, 2021.
 7. First Amended and Restated Community Authority Board Establishment Agreement entered into and effective June 6, 2022.
 8. Second Amended and Restated Community Authority Board Establishment Agreement entered into and effective August 3, 2023. A copy of the Second Amended and Restated Community Authority Board Establishment Agreement is attached hereto as **Exhibit B**.
- C. Access information to obtain a copy of rules and regulations adopted: The District has not adopted any rules and regulations as of December 31, 2023.

In the event the District adopts such in the future, they may be accessed on the District's website, <https://www.prairiepointmdsco.gov/>, or at the offices of the District Manager, c/o CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111.

- D. Summary of litigation involving the District's public improvements: To our knowledge, the District was not involved in any litigation in 2023.
- E. Status of the District's construction of public improvements: As of December 31, 2023, the Prairie Point Community Authority Board has begun construction of capital improvements categorized as Streets, Water, Sanitary Sewer and Parks and Recreation facilities.
- F. Conveyances or dedications of facilities or improvements, constructed by the District, to the City: There have been no facilities or improvements dedicated to and accepted by the City as of December 31, 2023.
- G. Final assessed valuation of the District for the report year: \$47,467.
- H. Current year's budget: A copy of the District's 2024 budget is attached hereto as **Exhibit C**.
- I. Audited financial statements for the reporting year (or application for exemption from audit): The District is currently exempt from audit, pursuant to Section 29-1-604, C.R.S. A copy of the 2023 Application for Exemption from Audit is attached hereto as **Exhibit D**.
- J. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument: To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.
- K. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period: To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
BOUNDARY MAP

PRAIRIE POINT METROPOLITAN DISTRICTS 1, 2 & 3 BOUNDARY MAP



- DISTRICT NO. 1
- DISTRICT NO. 2
- DISTRICT NO. 3

G:\171721-01 - KINGS POINT SURVEY TASKS\DWG\DISTRICT EXHIBITS\DISTRICT 1 2 3 MAP-INTERIM.DWG



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PRAIRIE POINT
 METRO DISTRICT
 MAPPING
 2023 UPDATE

DATE OF PREPARATION:	12/13/2023
SCALE:	1"=500'
SHEET 1 OF 1	

AzTec Proj. No.: 171721-01

EXHIBIT B
SECOND AMENDED AND RESTATED COMMUNITY AUTHORITY BOARD
ESTABLISHMENT AGREEMENT

**SECOND AMENDED AND RESTATED
FACILITIES FUNDING AND ACQUISITION AGREEMENT**

This **SECOND AMENDED AND RESTATED FACILITIES FUNDING AND ACQUISITION AGREEMENT** (“**Agreement**”) is entered into this 6th day of June, 2024, and made effective as of the 23rd day of September, 2021, by and between the **PRAIRIE POINT COMMUNITY AUTHORITY BOARD**, a public corporation and political subdivision of the State of Colorado (the “**CAB**”), and **CLAYTON PROPERTIES GROUP, INC.**, a Tennessee corporation duly authorized to transact business in Colorado, formerly known as Clayton Properties Group II, Inc., a Colorado corporation (the “**Developer**”). For purposes of this Agreement, the CAB and the Developer are individually referred to as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. The Developer (i) , either itself or by virtue of being the surviving entity in the merger between itself and Clayton Properties Group II, Inc., is developing property within a project located in the City of Aurora, Colorado, commonly known as Prairie Point, formerly known as Kings Point (the “**Property**”) and has otherwise been involved in the development of the Property as contemplated herein and (ii) in connection with such development, intends to enter into multiple Purchase and Sale Agreements with various builders, pursuant to which each such builder would purchase a portion of the Property and deliver letters of credit (each, a “**Builder Letter of Credit**” and, collectively, the “**Builder Letters of Credit**”) as a portion of the purchase price thereunder to secure payment of a portion of the cost of developing the Property, which Letters of Credit shall be held in escrow (the “**PCIIA Escrow**”) by Clifton Larson Allen LLP (“**CLA**”) pursuant to a Post-Closing Infrastructure Improvements Agreement (“**PCIIA**”), to which the Developer, such builders (“**Builders**”) and the CAB are parties.

B. The CAB was organized by Prairie Point Metropolitan District Nos. 1, 2 and 3, formerly known as Kings Point Metropolitan District Nos. 1, 2 and 3 (the “**Districts**”), and pursuant to the laws of the State of Colorado in order to finance, construct, operate and maintain certain public facilities and improvements in accordance with the Third Amended and Restated Prairie Point Community Authority Board Establishment Agreement, dated May 2, 2024, having an original effective date of September 16, 2021, as may be amended or amended and restated from time to time (the “**CABEA**”), and each of the service plans for the Districts.

C. The Property is within the CAB’s Service Area (as defined in the CABEA), and the CAB and the Districts were formed to provide public improvements to the Service Area, including to the Prairie Point development (the “**Improvements**”).

D. Pursuant to the CABEA, the CAB is permitted to enter into contracts and agreements affecting the affairs of the CAB.

E. In order for the Property to be developed, the Improvements need to be constructed and/or acquired.

F. The CAB does not have sufficient monies currently available to fund the cost of the Improvements or to acquire the Improvements at this time.

G. Funds related to the design, testing, engineering, and construction of the Improvements, together with the related consultant and management fees associated with the construction of the Improvements, have been or will be expended by the Parties (“**Construction Related Expenses**”).

H. It is anticipated that the CAB will issue its Limited Tax Supported Revenue Bonds, Series 2024A (the “**Series 2024A Bonds**”), and its Subordinate Limited Tax Supported Revenue Bonds, Series 2024B (the “**Series 2024B Bonds**”), the proceeds of which (i) may be used in part to reimburse the Developer for advances made to the CAB or on behalf of the CAB for Construction Related Expenses, or the acquisition of Improvements, if applicable, and (ii) will be deposited in the PCIIA Escrow and disbursed in accordance with the PCIIA.

I. It is also anticipated that, at or about the date of issuance for the Series 2024A Bonds and the Series 2024B Bonds, the CAB will issue its Junior Subordinate Limited Tax Supported Revenue Bonds, Series 2024C (the “**Series 2024C Bonds**” and collectively with the Series 2024A Bonds and the Series 2024B Bonds, the “**Series 2024 Bonds**”), pursuant to the Series 2024C Bonds Junior Subordinate Indenture of Trust (the “**Series 2024C Junior Subordinate Indenture**”).

J. The Series 2024C Bonds will be structured as “draw down” bonds, in that each such bond, also referred to as a “draw” or an “advance” (referred to for purposes of this Agreement as a “**Series 2024C Draw Down Bond**”), will be issued to CMH Capital, Inc., a Delaware corporation (“**CMH Capital**”), as the designee of the Developer, upon either (a) the deposit of monies, by or on behalf of the Developer, into the Project Fund (as defined in the Series 2024C Junior Subordinate Indenture), at which point a Series 2024C Draw Down Bond in that same amount will be issued to CMH Capital, or (b) the provision of a certified engineer’s report to the CAB stating the amount of Improvement costs and Construction Related Expenses owed, at which point such certified amount will be (1) advanced by the Developer to the CAB pursuant to this Agreement for payment consistent with the certified engineer’s report and (2) exchanged pursuant to the Series 2024C Junior Subordinate Indenture for a Series 2024C Draw Down Bond issued to CMH Capital (such Series 2024C Draw Down Bond based upon a certified engineer’s report, an “**Advanced 2024C Draw Down Bond**”); with each such Series 2024C Draw Down Bond contemplated to be issued in minimum denominations of \$100,000 (or integral multiples of \$1,000 in excess thereof).

K. In order to encourage development of the Property, the CAB and the Developer previously determined that, prior to the issuances of the Series 2024 Bonds, it would be in the best interests of the CAB for the Developer to advance funds to the CAB, or to Prairie Point Metropolitan District No. 1 (“**District No. 1**”) on behalf of the CAB, as may be necessary, for Construction Related Expenses (the “**Pre-Issuance Advances**”), which the CAB desires to reimburse to the Developer as provided herein.

L. The CAB and the Developer acknowledge that, following the issuances of the Series 2024 Bonds, including, without limitation, until such time as the maximum amount of the

Series 2024C Draw Down Bonds has been drawn, it will be in the best interests of the CAB for the Developer to advance funds to the CAB, as may be necessary, for Construction Related Expenses (the “**Post-Issuance Advances**”), which the CAB desires to reimburse to the Developer as provided herein.

M. The CAB desires to reimburse the Developer for funds advanced to the CAB, or to District No. 1 on behalf of the CAB, in relation to the Construction Related Expenses, as provided herein, and to acquire such Improvements completed by the Developer, if applicable.

N. The CAB and the Developer desire to set forth the rights, obligations, and procedures for the acquisition of the Improvements, if applicable, and for the CAB to reimburse the Developer, all as provided herein.

O. Prior to the formation of the CAB, District No. 1 and Kings Point Development Company, a Colorado corporation (the “**Former Developer**”), entered into a Facilities Funding and Acquisition Agreement, dated August 25, 2005, as amended by the First Amendment to Facilities Funding and Acquisition Agreement, dated November 29, 2007 (collectively, the “**KPDC FFAA**”).

P. The Developer purchased the Property from the Former Developer in May 2021, and the Former Developer executed a Termination of Facilities Funding and Operation Funding Agreements, whereby any amounts owed to the Former Developer from January 1, 2016, to May 19, 2021, under the KPDC FFAA (the “**KPDC Capital Costs**”) were transferred to the Developer.

Q. Prior to the formation of the CAB, District No. 1 entered into a Facilities Funding and Acquisition Agreement dated August 5, 2021, with Clayton Properties Group II, Inc. (the “**Clayton/District 1 FFAA**” and, together with the KPDC FFAA, the “**Prior FFAA**”).

R. The Developer made advances to District No. 1 pursuant to the terms of the Clayton/District 1 FFAA (the “**Clayton Capital Costs**” and, together with the KPDC Capital Costs, the “**Prior Capital Costs**”).

S. The Parties desire to prioritize the CAB’s payment of any outstanding Prior Capital Costs, Pre-Issuance Advances, Post-Issuance Advances, and otherwise acknowledge the CAB’s obligations relative to the 2024C Draw Down Bonds as set forth in the Series 2024C Junior Subordinate Indenture.

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

COVENANTS AND AGREEMENTS

ARTICLE I FUNDING OF ORGANIZATION EXPENSES

1.1 Acknowledgment of Expenses. Prior to the organization of the CAB, the Developer advanced funds to the Districts, and on behalf of the Districts for construction related

expenses that shall be treated as Construction Related Expenses for purposes of this Agreement. In addition, the Developer advanced funds to the Districts for payment of the organization expenses of the CAB that shall also be treated as Construction Related Expenses for purposes of this Agreement.

ARTICLE II FUNDING OF IMPROVEMENTS TO BE CONSTRUCTED BY THE CAB

2.1 Improvements Constructed by the CAB. The Parties acknowledge that the CAB will design, construct, and complete certain Improvements and incur Construction Related Expenses in accordance with the provisions of this Article.

2.2 Acknowledgement of Anticipated Shortfall. The Developer acknowledges that in connection with the construction of the Improvements, the CAB has incurred, and will continue to incur, Construction Related Expenses in reliance upon the Developer's commitments herein to provide funding. The current estimated costs that the CAB may need from Developer to cover Construction Related Expenses and otherwise complete construction of the Improvements, including contingencies, is not anticipated to exceed One Hundred Twenty-Three Million (\$123,000,000) Dollars (the "**Shortfall Amount**").

2.3 Payment of Shortfall. The Developer shall advance funds necessary to fund the Construction Related Expenses and costs of Improvements incurred by the CAB on a periodic basis as needed, up to the Shortfall Amount. The CAB shall, from time to time, provide written notice to the Developer that an advance of all or part of the Shortfall Amount is required. The Developer shall for advance payment requests for anticipated costs, make an advance of funds to the CAB within fifteen (15) days of receipt from the CAB of any such written notice that an advance of funds is required ("**Developer Advance(s)**"). For payment requests made to Builders under the PCIIA for costs incurred, the PCIIA shall provide that such payment shall be made within five (5) business days of receipt from the CAB of (1) a Final CAB Engineer's Report and Verification of Costs pertaining thereto (such payments shall also be considered Developer Advances) and, if applicable, (2) a Final Cost Certification from CLA as to any soft costs (including legal, accounting, and management costs) associated with capital expenditures pertaining thereto (such payments shall also be considered Developer Advances). Such Developer Advances shall first be securitized as an Advanced 2024C Draw Down Bond (as such term is defined herein), pursuant to the Series 2024C Junior Subordinate Indenture, until such time as the maximum amount of the Series 2024C Draw Down Bonds has been drawn. Thereafter, such Developer Advances shall be advanced as Post-Issuance Advances in accordance with this Agreement and reimbursed to the Developer pursuant to the terms hereof.

(a) Construction Contracts. The Developer acknowledges the CAB requires funds to be on deposit prior to the award of a construction contract. Therefore, to the extent that there are not available proceeds of the Series 2024A Bonds or the Series 2024B Bonds in the PCIIA Escrow, the CAB will provide the Developer with a funding request in writing prior to the award of a construction contract, which request shall contain the name of the contractor, the scope of the work and the total bid amount (the "**Construction Contract Funding Notice**"). Within five (5) business days of receipt of the Construction Contract Funding Notice, the Developer will provide the CAB with the

funds necessary to cover the full amount of the construction contract by either depositing such funds with the CAB, or providing or supplementing the Letter of Credit (defined in Article IV), which can be satisfied to the extent of any available Builder Letters of Credit then being held in the PCIIA Escrow under the PCIIA. If after posting a Letter of Credit pursuant to this Section 2.3(a), such Letter of Credit shall be returned to Developer to the extent of any available Series 2024A Bond proceeds, Series 2024B Bond proceeds, or Builder Letters of Credit in the PCIIA Escrow.

2.4 Accounting. The CAB shall keep an accounting of each Developer Advance, including the accrued and unpaid interest thereon, and shall provide unaudited financial statements reflecting this accounting to the Developer upon request from the Developer.

ARTICLE III CONSTRUCTION OF IMPROVEMENTS TO BE ACQUIRED BY THE CAB

3.1 Improvements Acquired by CAB. The Parties agree that, to the extent the Developer requests the CAB acquire any Improvements pursuant to this Agreement, the CAB shall obtain a certification of an independent engineer that the Construction Related Expenses are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area, and verification from the CAB's accountant that the Construction Related Expenses are reimbursable ("**Verified Costs**") based on the copies of the invoices, bills, and requests for payment provided to the CAB pursuant to Section 3.4 herein. The Developer shall provide the CAB and/or the independent engineer with written evidence of the date that payment was made by the Developer for all Verified Costs. The Developer shall advance to the CAB funds necessary to pay the costs incurred by the CAB for such review and cost verification, including legal, accounting, management, and engineering expenses.

3.2 Construction Contract Requirements. The Developer agrees that any construction contract for all or any portion of the Improvements shall require the contractor, and if the Developer is the contractor, the Developer to provide a warranty from the date of initial acceptance of the completed Improvements and a security mechanism to secure the warranty approved by the CAB or as required by the applicable government entity to which the Improvements shall be dedicated.

3.3 Periodic Reports. If the CAB so requests, the Developer will provide periodic reports on the status of completion of any Improvements the Developer is installing and/or accounting of Construction Related Expenses.

3.4 Acquisition of the Improvements. If applicable, the CAB shall acquire the Improvements after preliminary acceptance from the appropriate accepting jurisdiction and prior to final acceptance upon receipt, review and approval by the CAB's accountant and engineer, as applicable, of the following:

- (a) As-built drawings for the Improvements to be conveyed by the Developer;
- (b) Lien waivers and indemnifications from each contractor verifying that all amounts due to contractors, subcontractors, material providers, or suppliers have been paid in full, in a form acceptable to the CAB;

(c) An assignment from the Developer to the CAB of any warranties associated with the Improvements, in a form acceptable to the CAB, such as a warranty agreement;

(d) Copies of all contracts, pay requests, change orders, invoices and evidence of payment of same, the final AIA payment form (or similar form approved by the CAB), canceled checks, and any other requested documentation to verify the amount of reimbursable Construction Related Expenses requested;

(e) An executed Bill of Sale conveying the Improvements to the CAB, substantially in the form attached hereto as **Exhibit A**; and

(f) Such other documentation, records and verifications as may reasonably be required by the CAB.

ARTICLE IV LETTER OF CREDIT

4.1 **Letter of Credit.** Concurrently with the execution of this Agreement, the Developer shall deliver to the CAB an irrevocable letter of credit procured from a federally insured banking institution (the “**Letter of Credit**”). The Letter of Credit shall name the CAB as the sole beneficiary, and shall be in a form and manner, and include terms, acceptable to the CAB in its reasonable discretion.

4.2 **Amount.** The Letter of Credit shall be in the amount matching the total contract amounts for construction of the Improvements listed on **Exhibit B**, attached hereto and incorporated herein by this reference, as may be updated from time to time by the mutual written agreement of the Parties, but in no event greater than the Shortfall Amount and taking into account all Letters of Credit. The Letter of Credit may be supplemented by one or more additional letters of credit (including Builder Letters of Credit) from time to time for other necessary Improvements for which the Developer agrees to make Developer Advances and the CAB agrees to construct. Any such supplemental letters of credit shall be included in the definition of “Letter of Credit” for purposes of this Agreement and shall otherwise meet the requirements of this Article.

4.3 **Term.** The Letter of Credit shall have a term of at least one (1) year that automatically renews for consecutive periods of not less than one (1) year.

4.4 **Draws.** The Letter of Credit shall provide for partial draws. If the Developer fails, within the time frame specified in Section 2.3 above, to make any Developer Advance pursuant to this Agreement that are needed for the payment of a contract for Improvements that the CAB has agreed to construct and the Developer has agreed to fund, the CAB may make a demand for payment under any of the Letters of Credit in an amount equal to the requested Developer Advance for the construction of Improvements. In the event the costs associated with the construction of Improvements are less than the amounts set forth herein or as initially determined by the CAB for future Improvements, the Developer may reduce the amount under the applicable Letter of Credit to amounts approved by the CAB. In addition, from time to time the Developer may request reductions in the amount of the Letter of Credit based on Developer

Advances made to the CAB for the Improvement for which the Letter of Credit was issued. The approval of such requests shall be in the sole discretion of the CAB and the Developer shall keep the Letter of Credit in full force and effect until the earlier of the final payment for all contracts related to the construction of the applicable Public Improvements, as approved by the Board, or upon the termination of this Agreement.

ARTICLE V REIMBURSEMENT OF DEVELOPER

5.1 Reimbursement of Developer. Subject to the receipt of funding pursuant to this Agreement, the CAB agrees to make payment to the Developer for all Prior Capital Costs, Pre-Issuance Advances, and Post-Issuance Advances, together with interest thereon, unless otherwise agreed to in writing by the Parties.

5.2 Reimbursement Obligations; Priority. The Parties acknowledge that the Former Developer is not entitled to any reimbursement or payment related to the Prior Capital Costs or otherwise, from the CAB or any of the Districts. The CAB acknowledges that it is responsible for the reimbursement obligations contemplated hereunder as they may relate to Prior Capital Costs, Pre-Issuance Advances, and Post-Issuance Advances. The Parties agree the CAB is responsible to make such payments, which will credit in the following order:

- (a) Against the principal amount of any Prior Capital Costs.
- (b) Against accrued and unpaid interest related to any Prior Capital Costs.
- (c) Against the principal amount of the Pre-Issuance Advances.
- (d) Against accrued and unpaid interest related to outstanding Pre-Issuance Advances.
- (e) Against the principal amount of the Post-Issuance Advances.
- (f) Against accrued and unpaid interest related to outstanding Post -Issuance Advances.

5.3 Interest. Simple interest will accrue on Prior Capital Costs, Pre-Issuance Advances, and Post-Issuance Advances, at the rate of six percent (6%) per annum, until paid, in accordance with the Section:

- (a) For Pre-Issuance Advances and Post-Issuance Advances, simple interest will accrue as follows:
 - (i) On each Construction Related Expense, from the date of deposit into the CAB's account.
 - (ii) On Verified Costs for amounts expended by the Developer for Improvements constructed after the Organization Date, from the date Verified Costs were incurred by the Developer.

(b) For Clayton Capital Costs, from the date such Clayton Capital Costs were incurred by the Developer, subject to Section 5.5.

(c) For KPDC Capital Costs, from January 1, 2016, subject to Section 4.5.

5.4 Funding Requirement. The Parties agree that no payment shall be required of the CAB hereunder unless and until the CAB issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the Prior Capital Costs and Pre-Issuance Advances. The CAB agrees to exercise reasonable efforts to issue bonds to reimburse the Developer subject to the limitations herein. The CAB anticipates issuing the Series 2024 Bonds. In addition, the CAB agrees to use any available moneys not otherwise pledged to payment of bonds, used for operation and maintenance expenses, or otherwise encumbered, to reimburse the Developer. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse the Developer hereunder, but that this Agreement shall not constitute a debt or indebtedness of the CAB within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple fiscal year financial obligation for the purposes of Article X, Section 20 of the Colorado Constitution, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the CAB. By acceptance of this Agreement, the Developer agrees and consents to all of the limitations in respect of the payment of the principal and interest due hereunder and in each of the Districts' respective Service Plans, entered into by and between each District and the City of Aurora, Colorado, approved on August 22, 2005.

5.5 Certification and Verification.

(a) Prior Capital Costs, Pre-Issuance Advances, and Post-Issuance Advances. Notwithstanding any other provision of this Agreement, the Developer shall only be entitled to reimbursement, with interest, relating to Prior Capital Costs, Pre-Issuance Advances, and Post-Issuance Advances, to the extent that the CAB obtains a certification of an independent engineer that such amounts are reasonable and comparable for similar projects as constructed in the Denver Metropolitan Area, and verification from the CAB's accountant that such amounts are reimbursable based on the copies of the invoices, bills, and requests for payment provided to the CAB pursuant to any request for payment, which request shall meet those requirements set forth in Section 3.4 of this Agreement as they relate to the acquisition of Improvements, if applicable.

(b) Cost Verification. The Developer shall be obligated to advance to the CAB the funds necessary to pay the costs incurred by the CAB for the cost verification processes contemplated in this Agreement, including, without limitation, legal, accounting, management, and engineering expenses.

ARTICLE VI 2024C DRAW DOWN BONDS

6.1 Payment Obligation of 2024C Draw Down Bonds. The Parties acknowledge and agree that any and all obligations relating to the 2024C Draw Down Bonds (including any Advanced 2024C Draw Down Bonds) shall be created, and otherwise be exclusively subject to, the Series 2024C Junior Subordinate Indenture. In accordance with the Series 2024C Junior

Subordinate Indenture, the CAB acknowledges that it is responsible for and therefore agrees to make payment in satisfaction of, the 2024C Draw Down Bonds. The CAB acknowledges and agrees that interest will accrue on the 2024C Draw Down Bonds in accordance with the Series 2024C Junior Subordinate Indenture.

6.2 Certification of Advanced 2024C Draw Down Bonds. Notwithstanding any provision of this Agreement to the contrary, the Parties agree that any and all amounts corresponding with an Advanced 2024C Draw Down Bond must, prior to being exchanged for a 2024C Draw Down Bond pursuant to the Series 2024C Junior Indenture, go through the cost certification and verification process as described in Section 5.5 of this Agreement.

ARTICLE VII GENERAL PROVISIONS

7.1 Representations. The Developer hereby represents and warrants to and for the benefit of the CAB as follows:

(a) The Developer is a Colorado corporation in good standing and qualified to conduct business under the laws of the State of Colorado.

(b) The Developer has the full power and legal authority to enter into this Agreement. Neither the execution and delivery of this Agreement nor the compliance by the Developer with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which the Developer is a party or by which the Developer is or may be bound. The Developer has taken or performed all requisite acts or actions that may be required by its organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

(c) The Developer represents that it has sufficient available funds to fulfill its obligations under this Agreement.

(d) The foregoing representations and warranties are made as of the date hereof and shall be deemed continually made by the Developer to the CAB for the entire term of this Agreement.

7.2 Term; Repose. Notwithstanding anything set forth in this Agreement to the contrary, the CAB shall not be obligated to the Developer for any Clayton Capital Costs, Pre-Issuance Advances, or Post-Issuance Advances incurred by the Developer, but not invoiced (as evidenced by the delivery of the documents described in Article 3 above) to the CAB within one hundred eighty (180) days of the date incurred. In the event the CAB has not paid or reimbursed the Developer for any Prior Capital Costs, Pre-Issuance Advances, or Post-Issuance Advances by December 31, 2064, whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full. Any termination of obligations relating to the Advanced 2024C Draw Down Bonds shall be exclusively as set forth in the Series 2024C Junior Subordinate Indenture.

7.3 Termination of Reimbursement Obligations. Notwithstanding any provision herein to the contrary, the CAB's obligations to reimburse the Developer for any Prior Capital Costs, Pre-Issuance Advances, or Post-Issuance Advances advanced or otherwise payable to the Developer under and pursuant to this Agreement (whether the Developer has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) shall terminate automatically and be of no further force or effect upon the occurrence of (a) Developer's voluntary filing of a Chapter 7 bankruptcy petition (liquidation), so long as prior to such filing mutually agreed alternative provisions have been made (by issuance of a bond by the CAB, or otherwise) for the obligation to reimburse the Developer required under this Agreement (provided that Developer has complied with its obligations provided in the second to last sentence of this Section); or (b) administrative dissolution (or other legal process not initiated by the Developer dissolving the Developer as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process, and if not remedied within such sixty (60)-day period, such termination shall occur so long as prior to the end of such sixty (60)-day period mutually agreed alternative provisions have been made (by issuance of a bond by the CAB, or otherwise) for the obligation to reimburse the Developer required under this Agreement (provided that Developer has complied with its obligations provided in the second to last sentence of this Section). The termination of the CAB's reimbursement obligations as set forth in this Section shall be absolute and binding upon the Developer, its successors, and assigns. The Developer, by its execution of this Agreement, waives and releases any and all claims and rights, whether existing now or in the future, against the CAB relating to or arising out of the CAB's reimbursement obligations under this Agreement in the event that any of the occurrences described in this Section occur. In the event the Developer intends to proceed to voluntarily dissolve, liquidate, wind-up, or cease to carry on business activities as a going concern (including as a result of the filing of a petition in bankruptcy), the Developer will provide prior written notice of such intent to the CAB and the Developer and the CAB will work in good faith to assure provision is made for the obligation to reimburse the Developer required under this Agreement as it is not the intent of the Parties that the obligation to reimburse be terminated under those circumstances. Any termination of obligations relating to the 2024C Draw Down Bonds shall be exclusively as set forth in the Series 2024C Junior Subordinate Indenture and is not governed by this Agreement.

7.4 Notices. All notices, demands, requests or other communications to be sent by one Party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via FedEx or other nationally recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To CAB:	Prairie Point Community Authority Board c/o McGeady Becher P.C. 450 E. 17 th Avenue, Suite 400 Denver, CO 80203-1254 Phone: 303-592-4380 Email: legalnotices@specialdistrictlaw.com
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With a copy to: McGeady Becher P.C.
450 East 17th Avenue, Suite 400
Denver, CO 80203-1254
Phone: 303-592-4380
Email: legalnotices@specialdistrictlaw.com

To Developer: Clayton Properties Group, Inc.
4908 Tower Road
Denver, CO 80249
Attention: Bruce Rau
Phone: 303-486-8500
Email: BRau@OakwoodHomesCo.com

With a copy to: Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Attention: Charles P. Leder
Phone: 303-839-3800
Email: CLeder@SpencerFane.com

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with FedEx or other nationally recognized overnight air courier service, on the date of transmission if sent by electronically-confirmed email transmission, or three (3) business days after deposit in the United States mail. By giving the other Party hereto at least ten (10) days' written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address or contact information.

7.5 Assignment. The Developer shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

7.6 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 CAB and the Developer any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the CAB and the Developer shall be for the sole and exclusive benefit of the CAB and the Developer.

7.7 Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity. In the event of any litigation, arbitration, or other proceeding to enforce the terms, covenants, or conditions hereof, the prevailing Party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

7.8 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this

Agreement shall be exclusive to the State District Court in and for the County of Arapahoe, Colorado.

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

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

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

7.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

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

7.14 Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the CAB or the Developer unless the same is in writing and duly executed by the Parties hereto.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE TO SECOND AMENDED AND RESTATED
FACILITIES FUNDING AND ACQUISITION AGREEMENT**

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

**PRAIRIE POINT COMMUNITY AUTHORITY
BOARD**, a public corporation and political
subdivision of the State of Colorado

By: David Carro
David Carro, President

Attest:

Lisa Johnson
Lisa Johnson, Secretary

CLAYTON PROPERTIES GROUP, INC., a
Tennessee corporation duly authorized to transact
business in Colorado, formerly known as Clayton
Properties Group II, Inc., a Colorado corporation

By: [Signature]
Name: BRETT PRICE
Its: ASSISTANT SECRETARY

EXHIBIT A

Bill of Sale

KNOW ALL BY THESE PRESENTS that _____, a _____, whose address is _____ (the "**Grantor**"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto the Prairie Point Community Authority Board, a public corporation and political subdivision of the State of Colorado, whose address is c/o McGeady Becher P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado 80203 (the "**CAB**"), its successors and assigns, all of Grantor's right, title and interest in and to the facilities, personal property and the improvements shown on **Schedule I** attached hereto and incorporated herein by this reference (the "**Improvements**"), excluding therefrom those Improvements previously conveyed to other jurisdictions for perpetual ownership.

TO HAVE AND TO HOLD the same unto the CAB, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said Improvements made unto the CAB, its successors and assigns, against all and every person or persons whomsoever, and warrants that (i) the conveyance of the Improvements to the CAB, its successors and assigns, is made free from any claim or demand whatsoever; and (ii) the Improvements were constructed and installed in accordance with plans and specifications reviewed and approved by the CAB and all applicable Rules and Regulations of the CAB.

IN WITNESS WHEREOF, Grantor executes this Bill of Sale this ____ day of _____, 20__.

GRANTOR:
_____, a _____
By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

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

Witness my hand and official seal.
My commission expires: _____

Notary Public

SCHEDULE I

Improvements

Project Description

Estimated Cost

EXHIBIT B

Improvements; Project Name and Description	Estimate	Letter of Credit
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
TOTAL	\$	\$

EXHIBIT C
2024 BUDGET

LETTER OF BUDGET TRANSMITTAL

Date: January 31, 2024

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2024 Budget and budget message for the PRAIRIE POINT METROPOLITAN DISTRICT NO. 2 in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on December 7, 2023. If there are any questions on the budget, please contact:

CliftonLarsonAllen LLP
Attn: Lisa Johnson, District Manager
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-4525
Lisa.Johnson@claconnect.com

I, Lisa Johnson, District Manager of the Prairie Point Metropolitan District No. 2 hereby certify that the attached is a true and correct copy of the 2024 Budget.

By: 

Lisa Johnson, District Manager

RESOLUTION NO. 2023-12-03

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF**

**PRAIRIE POINT METROPOLITAN DISTRICT NO. 2, ARAPAHOE COUNTY,
COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING
EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND
APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2024**

A. The Board of Directors of Prairie Point Metropolitan District No. 2 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2023 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 7, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

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

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

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
PRAIRIE POINT METROPOLITAN DISTRICT NO. 2, ARAPAHOE COUNTY,
COLORADO:**

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

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

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

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on December 7, 2023.

**PRAIRIE POINT METROPOLITAN
DISTRICT NO. 2**

By: David Carro
President

Attest:

By: Lisa Johnson
Secretary

EXHIBIT A

Budget

PRAIRIE POINT METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2024

**PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	1,051	1,961	4,110
Specific ownership taxes	66	128	247
Interest income	-	40	10
Other revenue	-	-	633
Total revenues	<u>1,117</u>	<u>2,129</u>	<u>5,000</u>
Total funds available	<u>1,117</u>	<u>2,129</u>	<u>5,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	16	29	62
Contingency	-	-	633
Intergovernmental expenditures	1,101	2,100	4,305
Total expenditures	<u>1,117</u>	<u>2,129</u>	<u>5,000</u>
Total expenditures and transfers out requiring appropriation	<u>1,117</u>	<u>2,129</u>	<u>5,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

ACTUAL	ESTIMATED	BUDGET
2022	2023	2024

ASSESSED VALUATION

Commercial	\$ 890	\$ 1,298	\$ 25
Agricultural	8,512	4,265	7,902
State assessed	1,550	17,690	39,120
Vacant land	1,740	435	420
	12,692	23,688	47,467
Certified Assessed Value	\$ 12,692	\$ 23,688	\$ 47,467

MILL LEVY

General	0.000	82.776	86.591
Total mill levy	0.000	82.776	86.591

PROPERTY TAXES

General	\$ -	\$ 1,961	\$ 4,110
Levied property taxes	-	1,961	4,110
Budgeted property taxes	\$ -	\$ 1,961	\$ 4,110

BUDGETED PROPERTY TAXES

General	\$ -	\$ 1,961	\$ 4,110
	\$ -	\$ 1,961	\$ 4,110

PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

Prairie Point Metropolitan District No. 2 (the "District") was organized December 10, 2001 by Order of the Arapahoe County District Court and has an Amended and Restated Service Plan dated August 22, 2005, to provide financing for the design, acquisition, installation and construction of water, streets, public transportation, traffic safety, parks, open space and recreation, sewer and drainage facilities, mosquito control, limited fire protection and emergency medical, limited television relay and operation and maintenance of the District. The District's service area is located entirely within the City of Aurora in Arapahoe County, Colorado.

On August 3, 2023, Prairie Point Metropolitan District Nos. 1-3 (the "Districts") entered into that certain Second Amended and Restated Prairie Point Community Authority Board Establishment Agreement (the "CABEA"), having an effective date of September 16, 2021, creating the Prairie Point Community Authority Board (the "CAB"). The CAB was formed for the general purposes of coordinating the provision of services and Public Improvements for the Prairie Point development (the "Development") in accordance land use regulations and development standards of the City of Aurora and Arapahoe County. Among other items, the CABEA establishes that the CAB will issue indebtedness to finance the Public Improvements that the Districts are authorized to finance, construct and/or acquire pursuant to their respective Service Plans, and that the Districts will levy ad valorem property taxes and transfer the related revenue to the CAB for making payment towards such indebtedness and for funding administrative expenses of the Districts as well as operations and maintenance expenses related to the Development.

At the November 6, 2018 election, District voters approved authorization to increase property tax up to \$20,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$2,500,000,000 for the above listed facilities and \$250,000,000 for the purpose of refunding debt. The voters also authorized debt of \$250,000,000 for the cost of operating and maintaining the District's systems. The election provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. However, the District's Service Plan stipulates that the total debt that the District will be permitted to issue will not exceed \$250,000,000.

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

**PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues

Property Taxes

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

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

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

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 6% of the property taxes collected.

**PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Aurora Regional Improvements Mill Levy

Pursuant to the Service Plan, the District is required to impose a mill levy for payment of the planning, designing, permitting, construction, acquisition and financing of the regional improvements described in the ARI Master Plan. The ARI Master Plan is one or more master plans adopted by an ARI Authority establishing Regional Improvements which will benefit the taxpayers and service users of the districts which constitute such ARI Authority, which master plan will change from time to time. The District is a participant in the South Aurora Regional Improvement Authority. Revenues collected and held under the ARI mill levy will be held in a segregated account for the benefit of the Authority. The required mill levy is 1.000 mill for collection beginning in the first year of collection of a debt service mill levy and continuing for 20 years, and thereafter, for another 20 years (or until the date of repayment for debt incurred for Public Improvements (excluding Regional Improvements), whichever is first) the required mill levy is 5.000 mills, and for the following 10 years, the required mill levy is equal to the average debt service mill levy imposed in the 10 years prior to the date of repayment of the debt incurred for Public Improvements other than Regional Improvements.

Expenditures

Intergovernmental Expenditure – Prairie Point Community Authority Board

Property taxes generated from the mills levied by the District for operations and maintenance, net of fees and other administrative expenditures, are expected to be transferred to the CAB, which pays all other administrative expenditures.

County Treasurer's Fees

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

Debt and Leases

The District has no outstanding debt. Additionally, the District has no operating or capital leases.

Reserve Funds

Emergency Reserves

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all funds received by the District are transferred to Prairie Point Community Authority Board, which pays for all District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's budget.

This information is an integral part of the accompanying budget.

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Prairie Point Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Prairie Point Metropolitan District No.2 held on December 7, 2023.

Lisa Johnson

Secretary

RESOLUTION NO. 2023-12-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE PRAIRIE POINT METROPOLITAN DISTRICT NO. 2
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2023, TO HELP DEFRAY THE COSTS OF GOVERNMENT
FOR THE 2024 BUDGET YEAR**

A. The Board of Directors of the Prairie Point Metropolitan District No. 2 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on December 7, 2023.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the Prairie Point Metropolitan District No. 2, Arapahoe County, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2024 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Board of County Commissioners of Arapahoe County, Colorado, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on December 7, 2023.

**PRAIRIE POINT METROPOLITAN
DISTRICT NO. 2**

By: David Carro
President

Attest:

By: Lisa Johnson
Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____
(taxing entity)^A
the _____
(governing body)^B
of the _____
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____ assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ _____ (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: _____ for budget/fiscal year _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	_____ mills	\$ _____
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< _____ > mills	\$ < _____ >
SUBTOTAL FOR GENERAL OPERATING:	<input type="text"/> mills	\$ <input type="text"/>
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<input type="text"/> mills	\$ <input type="text"/>

Contact person: _____ Phone: (303) 779-5710
Signed: *Carie Satorn* Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

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

Notes:

^A **Taxing Entity**—A jurisdiction authorized by law to impose ad valorem property taxes on taxable property located within its territorial limits (please see notes B, C, and H below). For purposes of the DLG 70 only, a *taxing entity* is also a geographic area formerly located within a *taxing entity's* boundaries for which the county assessor certifies a valuation for assessment and which is responsible for payment of its share until retirement of financial obligations incurred by the *taxing entity* when the area was part of the *taxing entity*. For example: an area of excluded property formerly within a special district with outstanding general obligation debt at the time of the exclusion or the area located within the former boundaries of a dissolved district whose outstanding general obligation debt service is administered by another local government^C.

^B **Governing Body**—The board of county commissioners, the city council, the board of trustees, the board of directors, or the board of any other entity that is responsible for the certification of the *taxing entity's* mill levy. For example: the board of county commissioners is the governing board ex officio of a county public improvement district (PID); the board of a water and sanitation district constitutes ex officio the board of directors of the water subdistrict.

^C **Local Government** - For purposes of this line on Page 1 of the DLG 70, the *local government* is the political subdivision under whose authority and within whose boundaries the *taxing entity* was created. The *local government* is authorized to levy property taxes on behalf of the *taxing entity*. For example, for the purposes of this form:

1. a municipality is both the *local government* and the *taxing entity* when levying its own levy for its entire jurisdiction;
2. a city is the *local government* when levying a tax on behalf of a business improvement district (BID) *taxing entity* which it created and whose city council is the BID board;
3. a fire district is the *local government* if it created a subdistrict, the *taxing entity*, on whose behalf the fire district levies property taxes.
4. a town is the *local government* when it provides the service for a dissolved water district and the town board serves as the board of a dissolved water district, the *taxing entity*, for the purpose of certifying a levy for the annual debt service on outstanding obligations.

^D **GROSS Assessed Value** - There will be a difference between gross assessed valuation and net assessed valuation reported by the county assessor only if there is a “tax increment financing” entity (see below), such as a downtown development authority or an urban renewal authority, within the boundaries of the *taxing entity*. The board of county commissioners certifies each *taxing entity's* total mills upon the *taxing entity's* *Gross Assessed Value* found on Line 2 of Form DLG 57.

^E **Certification of Valuation by County Assessor, Form DLG 57** - The county assessor(s) uses this form (or one similar) to provide valuation for assessment information to a *taxing entity*. The county assessor must provide this certification no later than August 25th each year and may amend it, one time, prior to December 10th. Each entity must use the **FINAL** valuation provided by assessor when certifying a tax levy.

^F **TIF Area**—A downtown development authority (DDA) or urban renewal authority (URA), may form plan areas that use “tax increment financing” to derive revenue from increases in assessed valuation (gross minus net, Form DLG 57 Line 3) attributed to the activities/improvements within the plan area. The DDA or URA receives the differential revenue of each overlapping *taxing entity's* mill levy applied against the *taxing entity's* gross assessed value after subtracting the *taxing entity's* revenues derived from its mill levy applied against the net assessed value.

^G **NET Assessed Value**—The total taxable assessed valuation from which the *taxing entity* will derive revenues for its uses. It is found on Line 4 of Form DLG 57. **Please Note:** A downtown development authority (DDA) may be both a *taxing entity* and have also created its own *TIF area* and/or have a URA *TIF Area* within the DDA's boundaries. As a result DDAs may both receive operating revenue from their levy applied to their certified *NET assessed value* and also receive TIF revenue generated by any *tax entity* levies overlapping the DDA's *TIF Area*, including the DDA's own operating levy.

^H General Operating Expenses (DLG 70 Page 1 Line 1)—The levy and accompanying revenue reported on Line 1 is for general operations and includes, in aggregate, all levies for and revenues raised by a *taxing entity* for purposes not lawfully exempted and detailed in Lines 3 through 7 on Page 1 of the DLG 70. For example: a fire pension levy is included in general operating expenses, unless the pension is voter-approved, if voter-approved, use Line 7 (Other).

^I Temporary Tax Credit for Operations (DLG 70 Page 1 Line 2)—The Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction of 39-1-111.5, C.R.S. may be applied to the *taxing entity*'s levy for general operations to effect refunds. Temporary Tax Credits (TTCs) are not applicable to other types of levies (non-general operations) certified on this form because these levies are adjusted from year to year as specified by the provisions of any contract or schedule of payments established for the payment of any obligation incurred by the *taxing entity* per 29-1-301(1.7), C.R.S., or they are certified as authorized at election per 29-1-302(2)(b), C.R.S.

^J General Obligation Bonds and Interest (DLG 70 Page 1 Line 3)—Enter on this line the total levy required to pay the annual debt service of all general obligation bonds. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments. Title 32, Article 1 Special districts and subdistricts must complete Page 2 of the DLG 70.

^K Contractual Obligation (DLG 70 Page 1 Line 4)—If repayment of a contractual obligation with property tax has been approved at election and it is not a general obligation bond (shown on Line 3), the mill levy is entered on this line. Per 29-1-301(1.7) C.R.S., the amount of revenue levied for this purpose cannot be greater than the amount of revenue required for such purpose as specified by the provisions of any contract or schedule of payments.

^L Capital Expenditures (DLG 70 Page 1 Line 5)—These revenues are not subject to the statutory property tax revenue limit if they are approved by counties and municipalities through public hearings pursuant to 29-1-301(1.2) C.R.S. and for special districts through approval from the Division of Local Government pursuant to 29-1-302(1.5) C.R.S. or for any *taxing entity* if approved at election. Only levies approved by these methods should be entered on Line 5.

^M Refunds/Abatements (DLG 70 Page 1 Line 6)—The county assessor reports on the *Certification of Valuation* (DLG 57 Line 11) the amount of revenue from property tax that the local government did not receive in the prior year because taxpayers were given refunds for taxes they had paid or they were given abatements for taxes originally charged to them due to errors made in their property valuation. The local government was due the tax revenue and would have collected it through an adjusted mill levy if the valuation errors had not occurred. Since the government was due the revenue, it may levy, in the subsequent year, a mill to collect the refund/abatement revenue. An abatement/refund mill levy may generate revenues up to, but not exceeding, the refund/abatement amount from Form DLG 57 Line 11.

1. Please Note: Pursuant to Article X, Section 3 of the Colorado Constitution, if the *taxing entity* is in more than one county, as with all levies, the abatement levy must be uniform throughout the entity's boundaries and certified the same to each county. To calculate the abatement/refund levy for a *taxing entity* that is located in more than one county, first total the abatement/refund amounts reported by each county assessor, then divide by the *taxing entity*'s total net assessed value, then multiply by 1,000 and round down to the nearest three decimals to prevent levying for more revenue than was abated/refunded. This results in an abatement/refund mill levy that will be uniformly certified to all of the counties in which the *taxing entity* is located even though the abatement/refund did not occur in all the counties.

^N Other (DLG 70 Page 1 Line 7)—Report other levies and revenue not subject to 29-1-301 C.R.S. that were not reported above. For example: a levy for the purposes of television relay or translator facilities as specified in sections 29-7-101, 29-7-102, and 29-7-105 and 32-1-1005 (1) (a), C.R.S.; a voter-approved fire pension levy; a levy for special purposes such as developmental disabilities, open space, etc.

I, Lisa A. Johnson, hereby certify that I am the duly appointed Secretary of the Prairie Point Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Prairie Point Metropolitan District No. 2 held on December 7, 2023.

Lisa Johnson

Secretary

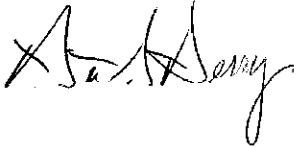
SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated November 16 A.D. 2023 and that the last publication of said notice was in the issue of said newspaper dated November 16 A.D. 2023.

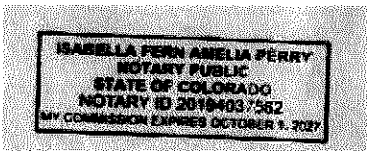
I witness whereof I have hereunto set my hand this 16th day of November A.D. 2023.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 16th day of November A.D. 2023.



Notary Public



NOTICE AS TO PROPOSED 2024 BUDGET AND AMENDMENT OF 2023 BUDGET PRAIRIE POINT COMMUNITY AUTHORITY BOARD AND PRAIRIE POINT METROPOLITAN DISTRICT NOS. 1-3 ARAPAHOE COUNTY, COLORADO

NOTICE IS HEREBY GIVEN, pursuant to Sections 29-1-108 and 109, C.R.S., that proposed budgets have been submitted to the Boards of Directors of the Prairie Point Community Authority Board and Prairie Point Metropolitan District Nos. 1 - 3 (the "Districts") for the ensuing year of 2024. The necessity may also arise for the amendment of the 2023 budgets of the Districts. Copies of the proposed 2024 budget and 2023 amended budget (if appropriate) are on file in the office of the District's Accountant, CliftonLarsonAllen LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111, where same are available for public inspection. Such proposed 2024 budgets and 2023 amended budgets will be considered at a joint regular meeting to be held on December 7, 2023 at 9:00 a.m. via video teleconference.

To join the meeting by video teleconference, visit https://teams.microsoft.com/join/19%3ameeting_NDg0YWlXMTIhNjc5ZC00YjhLTkZlYWRlNDk0ZjYzMGU4YVYm%40thread_v2/0?context=%7b%22Tid%22%3a%224aa468e-93ba4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d. To join the meeting by phone, call 720-547-5281 and enter Conference ID: 249 149 815#.

Any interested elector within the Districts may, at any time prior to the final adoption of the 2024 budgets or the 2023 amended budgets, inspect the 2024 budgets and the 2023 amended budgets and file or register any objections thereto.

PRAIRIE POINT COMMUNITY AUTHORITY BOARD AND PRAIRIE POINT METROPOLITAN DISTRICT NOS. 1-3 CLIFTONLARSONALLEN LLP Managers for the District

Publication: November 16, 2023
Sentinel

EXHIBIT D
2023 AUDIT EXEMPTION

APPLICATION FOR EXEMPTION FROM AUDIT

SHORT FORM

**NAME OF GOVERNMENT
ADDRESS**

Prairie Point Metropolitan District No. 2
121 South Tejon Street
Suite 1100
Colorado Springs, CO 80903
Carrie Bartow
719-635-0330
Carrie.Bartow@claconnect.com

**For the Year Ended
12/31/23
or fiscal year ended:**

**CONTACT PERSON
PHONE
EMAIL**

PART 1 - CERTIFICATION OF PREPARER

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

**NAME:
TITLE
FIRM NAME (if applicable)
ADDRESS
PHONE**

Carrie Bartow
Accountant for the District
CliftonLarsonAllen LLP
121 South Tejon Street, Suite 1100, Colorado Springs, CO 80903
719-635-0330

PREPARER <small>(SIGNATURE REQUIRED)</small>	DATE PREPARED
SEE ATTACHED ACCOUNTANT'S COMPILATION REPORT	2/23/2024

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types	GOVERNMENTAL <small>(MODIFIED ACCRUAL BASIS)</small>	PROPRIETARY <small>(CASH OR BUDGETARY BASIS)</small>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PART 2 - REVENUE

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

Line#	Description	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 1,972	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 117	
2-3	Sales and use	\$ -	
2-4	Other (specify):	\$ -	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ 75	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 2,164	

PART 3 - EXPENDITURES/EXPENSES

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

Line#	Description	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	County Treasurer's fee	\$ 30	
3-25	Intergovernmental expenditures	\$ 2,135	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 2,164	

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

PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">There is no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain below: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">There is no debt</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	Outstanding at end of prior year*	Issued during year	Retired during year
	Outstanding at year-end		
	General obligation bonds	\$ -	\$ -
	Revenue bonds	\$ -	\$ -
	Notes/Loans	\$ -	\$ -
	Lease & SBITA** Liabilities [GASB 87 & 96]	\$ -	\$ -
	Developer Advances	\$ -	\$ -
	Other (specify):	\$ -	\$ -
	TOTAL	\$ -	\$ -

**Subscription Based Information Technology Arrangements

*Must agree to prior year-end balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? Date the debt was authorized:		
	\$ 2,750,000,000.00		
	11/6/2018		
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?		
	\$ -		
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?		
	\$ -		
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? What is the original date of the lease? Number of years of lease?		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What are the annual lease payments?		
	\$ -		

Part 4 - Please use this space to provide any explanations/comments or attach separate documentation, if needed

PART 5 - CASH AND INVESTMENTS

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

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
	Total Cash Deposits		\$ -
	Investments (if investment is a mutual fund, please list underlying investments):		
	Colotrust	\$ 317	
5-3		\$ -	
		\$ -	
		\$ -	
	Total Investments		\$ 317
	Total Cash and Investments		\$ 317

Please answer the following questions by marking in the appropriate boxes

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

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

PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

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

Yes No

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

N/A

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased & SBITA Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ -	\$ -	\$ -	\$ -

*must tie to prior year ending balance

Part 6 - Please use this space to provide any explanations/comments or attach documentation, if needed:

PART 7 - PENSION INFORMATION

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

Yes No

- 7-1 Does the entity have an "old hire" firefighters' pension plan? Yes No
- 7-2 Does the entity have a volunteer firefighters' pension plan? Yes No
- If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
TOTAL	\$ -
What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?	\$ -

Part 7 - Please use this space to provide any explanations or comments:

PART 8 - BUDGET INFORMATION

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

Yes No N/A

- 8-1 Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.? If no, **MUST** explain: Yes No N/A

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

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

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 3,425

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

Please answer the following question by marking in the appropriate box

- | | | Yes | No |
|------------|---|-------------------------------------|--------------------------|
| 9-1 | Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?
<small>Note: An election to exempt the government from the spending limitations of TABOR does not exempt the government from the 3 percent emergency reserve requirement. All governments should determine if they meet this requirement of TABOR.</small> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

If no, MUST explain:

PART 10 - GENERAL INFORMATION

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

- | | | Yes | No |
|-------------|--|-------------------------------------|-------------------------------------|
| 10-1 | Is this application for a newly formed governmental entity? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If yes: | Date of formation: <input style="width: 450px; height: 15px;" type="text"/> | | |
| 10-2 | Has the entity changed its name in the past or current year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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

- | | | | |
|-------------|---|-------------------------------------|--------------------------|
| 10-3 | Is the entity a metropolitan district? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Please indicate what services the entity provides: | | |

- | | | | |
|-------------|---|-------------------------------------|--------------------------|
| 10-4 | Does the entity have an agreement with another government to provide services? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|

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

- | | | | |
|-------------|--|--------------------------|-------------------------------------|
| 10-5 | Has the district filed a <i>Title 32, Article 1 Special District Notice of Inactive Status</i> during | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|-------------|--|--------------------------|-------------------------------------|

If yes: **Date Filed:**

- | | | | |
|-------------|--|-------------------------------------|--------------------------|
| 10-6 | Does the entity have a certified Mill Levy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--|-------------------------------------|--------------------------|

If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills			-
General/Other mills			82.776
Total mills			82.776
	Yes	No	N/A

- | | | | | |
|-------------|---|-------------------------------------|--------------------------|--------------------------|
| 10-7 | NEW 2023! If the entity is a Title 32 Special District formed on or after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 [Section 32-1-207 C.R.S.]? If NO, please explain. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|-------------|---|-------------------------------------|--------------------------|--------------------------|

Please use this space to provide any additional explanations or comments not previously included:

10-3: Streets, water, traffic control, sewer, parks and recreation, mosquito control, safety protection, and emergency medical and television relay.

10-4: Intergovernmental agreement with the City of Aurora incorporating the service plan of the District. The District is associated with Prairie Point Metropolitan District No. 1 and 3.

PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

Policy - Requirements

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

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

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

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

Print the names of ALL members of current governing body below.

A MAJORITY of the members of the governing body must sign below.

<p>Board Member 1</p>	<p>Print Board Member's Name David Carro</p>	<p>I, David Carro, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2027</p>
<p>Board Member 2</p>	<p>Print Board Member's Name Brandon Wyszynski</p>	<p>I, Brandon Wyszynski, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: May 2025</p>
<p>Board Member 3</p>	<p>Print Board Member's Name Brett Price</p>	<p>I, Brett Price, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Brett Price</u> Date: <u>3/29/2024</u> My term Expires: May 2025</p>
<p>Board Member 4</p>	<p>Print Board Member's Name P. Joseph Knopinski</p>	<p>I, P. Joseph Knopinski, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>P. Joseph Knopinski</u> Date: <u>3/28/2024</u> My term Expires: May 2027</p>
<p>Board Member 5</p>	<p>Print Board Member's Name Bertrand (Randy) Bauer</p>	<p>I, Bertrand (Randy) Bauer, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed <u>Bertrand (Randy) Bauer</u> Date: <u>3/28/2024</u> My term Expires: May 2027</p>
<p>Board Member 6</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>
<p>Board Member 7</p>	<p>Print Board Member's Name</p>	<p>I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____</p>



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

Accountant's Compilation Report

Board of Directors
Prairie Point Metropolitan District No. 2
Arapahoe County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Prairie Point Metropolitan District No. 2 as of and for the year ended December 31, 2023, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

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

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

We are not independent with respect to Prairie Point Metropolitan District No. 2

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP".

Colorado Springs, Colorado
February 23, 2024