

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
Fax: 303-987-2032
<https://prairiecentermd.colorado.gov>

NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Michael Tamblyn	President	2025/May 2025
Richard Merkel	Treasurer	2025/May 2025
VACANT		2025/May 2025
VACANT		2027/May 2025
VACANT		2027/May 2025
Peggy Ripko	Secretary	

DATE: Thursday, July 18, 2024

TIME: 11:00 a.m.

PLACE: Zoom: The meeting can be joined through the directions below.
** Individuals requiring special accommodation to attend and/or participate in the meeting please advise the District Manager (pripko@sdmsi.com or 303-987-0835) of their specific need(s) before the meeting.*

<https://us02web.zoom.us/j/86267550643?pwd=V3RnRGRtWkRyUIZZc1VMWTJFZjFHdz09>

Meeting ID: 862 6755 0643

Passcode: 987572

Dial In: 1-719-359-4580

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum; Approve agenda; Confirm location of meeting and posting of meeting notice.

C. Review and approve Minutes of the March 4, 2024 Special Meeting (enclosure).

II. PUBLIC COMMENTS

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

III. FINANCIAL MATTERS

- A. Ratify approval of payment of claims for the period beginning December 1, 2023 through July 12, 2024 totaling \$1,511,475.33 (enclosure).
-

- B. Review and consider approval of 2023 Audit and authorize execution of Representations Letter subject to receipt of an unmodified opinion from the auditor (draft audit – enclosed).
-

IV. LEGAL MATTERS

- A. Discuss status of modifications proposed by City of Brighton to the administrative process for collection of Public Improvements Fees and Facilities Fees from building permit applicants.
-

- B. Ratify Letter of Direction to UMB, n.a., regarding posting of Material Event Notices regarding anticipated principal and interest payment delinquencies with respect to the District's Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A, and Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B.
-

- C. Discuss and consider adoption of Resolution No. 2024-07-01, Resolution Calling a Special Election Within the District on November 5, 2024 to be Conducted as an Independent Mail Ballot Election, Submitting to the Eligible Electors of the District Questions Relating to the Issuance of Debt and Approving Other Matters in Connection Therewith (to be distributed).
-

V. CAPITAL IMPROVEMENTS

- A. Discuss status of:

1. Village V Park – Phase 2.
-

2. Interim Lutz Stormwater Detention Ponds Improvement Project and possible amendment to Comprehensive Agreement.
-

3. Expenditure verification for Prairie Center Retail 2 – Roads, Utilities and Off-Site Drainage Project.
-

4. Retail 3/4 – Roads and Utilities construction project.
-

VI. OPERATIONS

- A. Review and consider ratifying approval of Service Agreement for Mowing and Weed Mitigation between the District and Clear Water Property & Resource Management LLC on a time and materials basis as set forth therein (enclosure).
-

- B. Review and consider ratifying approval of Service Agreement for Asphalt Paving, Repairs and Maintenance between the District and Alliance Commercial Maintenance Services, Inc., in an amount not to exceed \$190,000.00 (enclosure).
-

- C. Review and consider ratifying approval of Service Agreement for Light Pole Installation between the District and Communication Construction & Engineering, Inc., in an amount not to exceed \$45,000.00 (enclosure).
-

- D. Review and consider ratifying approval of Proposal/Service Agreement for Construction Observation and Materials Testing – Prairie Center Retail 4 between the District and CTL/Thompson, Inc., in an amount not to exceed \$34,000.00 (enclosure).
-

VII. OTHER MATTERS

- A. _____
-

- VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR AUGUST 7, 2024.**

RECORD OF PROCEEDINGS

**MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE PRAIRIE CENTER
METROPOLITAN DISTRICT NO. 3 (the “District”)
HELD
MARCH 4, 2024**

A special meeting of the Board of Directors of the Prairie Center Metropolitan District No. 3 (referred to hereafter as “Board”) was convened on Monday, March 4, 2024 at 11:00 A.M. This District Board meeting was held on and properly noticed to be held via Zoom video/telephone conference. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Michael Tamblyn
Richard Merkel

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Kathy Kanda, Esq.; McGeady Becher P.C.

Thuy Dam; CliftonLarsonAllen LLP

Anastasia Khokhryakova, Esq. and Ethan Anderson, Esq.; Ballard Spahr LLP

ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. Attorney Kanda requested members of the Board disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. It was further noted by Attorney Kanda that all Directors’ Disclosure Statements have been filed and no additional conflicts were disclosed.

Quorum / Meeting Location / Posting of Meeting Notices: Attorney Kanda noted that a quorum was present. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District’s board meeting. The Board determined that the meeting would be held and via Zoom video/telephone conference. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting,

RECORD OF PROCEEDINGS

or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

Agenda: Ms. Ripko distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Agenda was approved.

Minutes: The Board reviewed the minutes of the February 15, 2024 Special Meeting.

Following review, upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Board approved the minutes of the February 15, 2024 Special Meeting.

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

There were no financial matters.

LEGAL MATTERS

Construction Agreement for Retail 4 – Roads, Utilities and Landscaping (Retail 4 aka Retail 3/4): The Board reviewed the Construction Agreement for Retail 4 – Roads, Utilities and Landscaping (Retail 4 aka Retail 3/4) by and between the District and Fiore and Sons, Inc.

Following review, upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Board approved the Construction Agreement for Retail 4 – Roads, Utilities and Landscaping (Retail 4 aka Retail 3/4) by and between the District and Fiore and Sons, Inc. in the amount of \$959,433.22 (along with Force Accounts in the amount of \$114,963.70).

Resolution Authorizing Adoption of Amendment to Amended and Restated Trust Indenture between the District and UMB Bank, N.A: Attorney Khokhryakova reviewed with the Board the Resolution Authorizing Adoption by Prairie Center Metropolitan District No. 3, in the City of Brighton, Adams County, Colorado, of the Amendment to Amended and Restated Indenture Dated as of October 1, 2017; Making Determinations and Findings as to Other Matters Related to Said Amendment; Authorizing Incidental Action; and Repealing Prior Inconsistent Actions (the “Indenture Amendment Resolution”).

RECORD OF PROCEEDINGS

Following review and discussion , upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Board adopted the Indenture Amendment Resolution.

Consent and Waiver of Owner of Series 2007 Subordinate Bonds (THF Prairie Center Development, L.L.C.): Attorney Khokhryakova reviewed with the Board the Consent and Waiver of Owner of Series 2007 Subordinate Bonds (THF Prairie Center Development, L.L.C.).

Following review and discussion, upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Board acknowledged the Consent and Waiver of Owner of Series 2007 Subordinate Bonds (THF Prairie Center Development, L.L.C.).

CAPITAL IMPROVEMENTS

_____ There were no capital improvements matters.

OPERATIONS

Task Order No. 3 to the Master Agreement for Surveying Services between the District and Aztec Consultants, Inc.: The Board reviewed Task Order No. 3 to the Master Agreement for Surveying Services between the District and Aztec Consultants, Inc, for Prairie Center Retail 3/4 Construction Management Services.

Following review, upon motion duly made by Director Tamblyn, seconded by Director Merkel, and upon vote, unanimously carried, the Board approved Task Order No. 3 to the Master Agreement for Surveying Services between the District and Aztec Consultants, Inc, for Prairie Center Retail 3/4 Construction Management Services, in the amount of \$29,900.00.

OTHER MATTERS

_____ There were no other matters.

ADJOURNMENT

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

Respectfully submitted,

By _____
Secretary for the Meeting

Prairie Center Metro District No. 3
Check register
December 1, 2023 - July 12, 2024

Date	Payee	Document no.	Amount
12/14/2023	43298-000004--Aztec Consultants, Inc.	1969	\$ 4,850.00
12/14/2023	43298-000005--Ballard Spahr LLP	1970	82,400.00
12/14/2023	43298-000014--CliftonLarsonAllen LLP	1971	8,625.94
12/14/2023	43298-000018--Colorado Community Media	1973	37.88
12/14/2023	43298-000024--Colorado Lighting, Inc,	1974	15.00
12/14/2023	43298-000027--CTL Thompson	1975	2,830.00
12/14/2023	43298-000101--Diversified Underground, Inc	1976	640.00
12/14/2023	43298-000102--Independent District Engineering Services	1977	952.50
12/14/2023	43298-000058--McGeady Becher, PC	1978	4,060.23
12/14/2023	43298-000070--Prairie Management LLC	1979	3,000.00
12/14/2023	43298-000072--Redland Consulting Group	1980	17,576.00
12/14/2023	43298-000079--Special District Mgmt. Services, Inc	1981	4,238.10
12/14/2023	43298-000092--United Power		(3,670.24)
12/14/2023	43298-000092--United Power		3,670.24
12/14/2023	43298-000093--Utility Notification Center of CO	1983	145.77
12/20/2023	43298-000092--United Power		(431.61)
12/20/2023	43298-000092--United Power		431.61
12/26/2023	43298-000016--CO Special Dist. Prop & Liab Pool	1984	33,458.00
12/26/2023	43298-000071--RCD Construction, Inc.	1985	71,469.25
12/27/2023	43298-000092--United Power		3,449.95
1/16/2024	43298-000002--Alliance CMS	1986	17,172.25
1/16/2024	43298-000004--Aztec Consultants, Inc.	1987	4,940.00
1/16/2024	43298-000103--CMS Environmental Solutions, LLC	1988	400.00
1/16/2024	43298-000024--Colorado Lighting, Inc,	1990	15.00
1/16/2024	43298-000027--CTL Thompson	1991	4,685.00
1/16/2024	43298-000101--Diversified Underground, Inc	1992	645.00
1/16/2024	43298-000100--Ensolum, LLC	1993	1,456.75
1/16/2024	43298-000102--Independent District Engineering Services	1994	845.00
1/16/2024	43298-000058--McGeady Becher, PC	1995	3,684.65
1/16/2024	43298-000070--Prairie Management LLC	1996	3,000.00
1/16/2024	43298-000071--RCD Construction, Inc.	1997	176,621.02
1/16/2024	43298-000072--Redland Consulting Group	1998	15,095.00
1/16/2024	43298-000079--Special District Mgmt. Services, Inc	1999	1,918.00
1/16/2024	43298-000092--United Power		3,543.56
1/16/2024	43298-000093--Utility Notification Center of CO	2000	153.51
1/16/2024	43298-000094--Vargas Property Service	2001	10,549.99
2/19/2024	43298-000014--CliftonLarsonAllen LLP	2002	11,404.26
2/19/2024	43298-000024--Colorado Lighting, Inc,	2004	15.00
2/19/2024	43298-000027--CTL Thompson	2005	9,977.50
2/19/2024	43298-000101--Diversified Underground, Inc	2006	590.00
2/19/2024	43298-000100--Ensolum, LLC	2007	732.25
2/19/2024	43298-000058--McGeady Becher, PC	2008	11,063.24
2/19/2024	43298-000070--Prairie Management LLC	2009	3,000.00
2/19/2024	43298-000071--RCD Construction, Inc.	2010	277,019.36
2/19/2024	43298-000072--Redland Consulting Group	2011	37,469.82
2/19/2024	43298-000079--Special District Mgmt. Services, Inc	2012	1,911.80
2/19/2024	43298-000092--United Power		3,709.82
2/19/2024	43298-000093--Utility Notification Center of CO	2013	159.96
3/18/2024	43298-000002--Alliance CMS	2014	57,121.00
3/18/2024	43298-000004--Aztec Consultants, Inc.	2015	6,540.00
3/18/2024	43298-000014--CliftonLarsonAllen LLP	2016	12,888.60

Date	Payee	Document no.	Amount
3/18/2024	43298-000103--CMS Environmental Solutions, LLC	2017	205.00
3/18/2024	43298-000024--Colorado Lighting, Inc,	2018	543.78
3/18/2024	43298-000027--CTL Thompson	2019	4,730.00
3/18/2024	43298-000101--Diversified Underground, Inc	2020	1,195.00
3/18/2024	43298-000100--Ensolum, LLC	2021	6,993.75
3/18/2024	43298-000048--Hudick Excavating Inc	2022	6,235.50
3/18/2024	43298-000050--JR Engineering LLC	2023	500.00
3/18/2024	43298-000071--RCD Construction, Inc.	2024	42,499.27
3/18/2024	43298-000072--Redland Consulting Group	2025	11,330.00
3/18/2024	43298-000079--Special District Mgmt. Services, Inc	2026	2,585.34
3/18/2024	43298-000092--United Power		3,528.43
3/18/2024	43298-000093--Utility Notification Center of CO	2027	232.20
3/18/2024	43298-000094--Vargas Property Service	2028	18,759.98
4/17/2024	43298-000002--Alliance CMS	2030	30,586.50
4/17/2024	43298-000004--Aztec Consultants, Inc.	2031	3,730.00
4/17/2024	43298-000014--CliftonLarsonAllen LLP	2032	11,945.86
4/17/2024	43298-000103--CMS Environmental Solutions, LLC	2033	205.00
4/17/2024	43298-000018--Colorado Community Media	2034	36.12
4/17/2024	43298-000024--Colorado Lighting, Inc,	2035	15.00
4/17/2024	43298-000105--Communication Construction & Engineering, Inc	2036	390.00
4/17/2024	43298-000101--Diversified Underground, Inc	2037	435.00
4/17/2024	43298-000106--Elevated 360	2038	1,650.00
4/17/2024	43298-000100--Ensolum, LLC	2039	4,386.00
4/17/2024	43298-000041--Fiore & Sons, Inc.	2040	65,196.37
4/17/2024	43298-000104--Hines, Inc	2041	1,740.00
4/17/2024	43298-000058--McGeady Becher, PC	2042	7,748.39
4/17/2024	43298-000070--Prairie Management LLC	2043	6,000.00
4/17/2024	43298-000072--Redland Consulting Group	2044	21,831.16
4/17/2024	43298-000079--Special District Mgmt. Services, Inc	2045	2,122.77
4/17/2024	43298-000092--United Power		3,611.36
4/17/2024	43298-000093--Utility Notification Center of CO	2046	110.94
4/17/2024	43298-000094--Vargas Property Service	2047	9,379.99
5/2/2024	43298-000012--City of Brighton	2048	5,425.27
5/6/2024	43298-000002--Alliance CMS	2049	72,083.43
5/13/2024	43298-000094--Vargas Property Service	Voided - 1954	(10,969.91)
5/16/2024	43298-000002--Alliance CMS	2050	108,125.14
5/16/2024	43298-000004--Aztec Consultants, Inc.	2051	5,000.00
5/16/2024	43298-000014--CliftonLarsonAllen LLP	2052	8,878.83
5/16/2024	43298-000103--CMS Environmental Solutions, LLC	2053	205.00
5/16/2024	43298-000024--Colorado Lighting, Inc,	2054	15.00
5/16/2024	43298-000027--CTL Thompson	2055	3,692.50
5/16/2024	43298-000101--Diversified Underground, Inc	2056	440.00
5/16/2024	43298-000100--Ensolum, LLC	2057	1,090.75
5/16/2024	43298-000104--Hines, Inc	2058	275.00
5/16/2024	43298-000102--Independent District Engineering Services	2059	6,251.25
5/16/2024	43298-000058--McGeady Becher, PC	2061	6,900.35
5/16/2024	43298-000058--McGeady Becher, PC	2060	3,222.47
5/16/2024	43298-000064--Omerta Storm Water Management	2062	12,567.82
5/16/2024	43298-000070--Prairie Management LLC	2063	3,000.00
5/16/2024	43298-000072--Redland Consulting Group	2064	16,651.78
5/16/2024	43298-000078--Special District Association	2065	4,844.70
5/16/2024	43298-000079--Special District Mgmt. Services, Inc	2066	1,603.14
5/16/2024	43298-000092--United Power		3,173.76
5/16/2024	43298-000093--Utility Notification Center of CO	2067	114.81
5/16/2024	43298-000094--Vargas Property Service	2069	16,344.09
5/16/2024	43298-000094--Vargas Property Service	2068	10,969.91

Date	Payee	Document no.	Amount
6/14/2024	43298-000014--CliftonLarsonAllen LLP	2070	11,224.41
6/14/2024	43298-000103--CMS Environmental Solutions, LLC	2071	410.00
6/14/2024	43298-000024--Colorado Lighting, Inc,	2072	15.00
6/14/2024	43298-000101--Diversified Underground, Inc	2073	760.00
6/14/2024	43298-000100--Ensolum, LLC	2074	2,019.75
6/14/2024	43298-000104--Hines, Inc	2075	425.00
6/14/2024	43298-000058--McGeady Becher, PC	2076	3,140.29
6/14/2024	43298-000067--Pinnacle Landscape & Xeriscape, Inc.	2077	4,800.00
6/14/2024	43298-000070--Prairie Management LLC	2078	3,000.00
6/14/2024	43298-000072--Redland Consulting Group	2079	3,702.50
6/14/2024	43298-000079--Special District Mgmt. Services, Inc	2080	1,018.53
6/14/2024	43298-000093--Utility Notification Center of CO	2081	193.50
6/14/2024	43298-000094--Vargas Property Service	2082	9,804.99
6/24/2024	43298-000092--United Power		4,521.60
	Total for 1st Bank - PCMD3		<u>\$ 1,511,475.33</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
Adams County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2023

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
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INSERT INDEPENDENT AUDITOR'S REPORT

BASIC FINANCIAL STATEMENTS

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 550,582
Cash and Investments - Restricted	7,585,909
Accounts Receivable - Add-On Public Improvement Fees from Retail Sales	520,343
Accounts Receivable - Credit Public Improvement Fees from Retail Sales	660,622
Accounts Receivable - Shared Sales Tax Increment	941,040
Accounts Receivable - Facilities Fees	32,000
Prepaid Expenses	77,241
Due from Other Districts	22,626
Accounts Receivable - City Reimbursement (Stormwater IGA)	682,676
Capital Assets, Not Being Depreciated	6,790,569
Capital Assets, Net	9,941,241
Total Assets	<u>27,804,849</u>
LIABILITIES	
Accounts Payable	301,404
Retainage Payable	27,919
Project Management Fee Payable	727,903
Project Management Fee Interest Payable	420,012
Accrued Interest Payable - Bonds	27,546,105
Noncurrent Liabilities:	
Due Within One Year	11,770,000
Due in More than One Year	117,745,886
Total Liabilities	<u>158,539,229</u>
NET POSITION	
Net Investment in Capital Assets	(7,451,072)
Restricted for:	
Emergency Reserves	89,500
Unrestricted	<u>(123,372,808)</u>
Total Net Position	<u>\$ (130,734,380)</u>

See accompanying Notes to Basic Financial Statements.

(1)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 2,163,822	\$ -	\$ 2,972,386	\$ -	\$ 808,564
Interest and Related Costs on Long-Term Debt	10,646,151	-	-	2,367,457	(8,278,694)
Total Governmental Activities	\$ 12,809,973	\$ -	\$ 2,972,386	\$ 2,367,457	(7,470,130)
GENERAL REVENUES					
					3,027,024
					2,500,481
					139,811
					174,764
					477,706
					4,326
					6,324,112
CHANGE IN NET POSITION					
					(1,146,018)
					(129,588,362)
NET POSITION - END OF YEAR					
					\$ (130,734,380)

See accompanying Notes to Basic Financial Statements.

(2)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

ASSETS	<u>General</u>	<u>Debt Service PPI/DPI</u>	<u>Debt Service PRI</u>	<u>Capital Projects</u>	<u>Capital Projects Stormwater</u>	<u>Total Governmental Funds</u>
Cash and Investments	\$ 550,582	\$ -	\$ -	\$ -	\$ -	\$ 550,582
Cash and Investments - Restricted	89,500	4,656,186	399,405	2,440,818	-	7,585,909
Accounts Receivable - Add-On Public Improvement Fees from Retail Sales	-	520,343	-	-	-	520,343
Accounts Receivable - Credit Public Improvement Fees from Retail Sales	-	528,498	132,124	-	-	660,622
Accounts Receivable - Shared Sales Tax Increment	-	941,040	-	-	-	941,040
Accounts Receivable - Facilities Fees	-	32,000	-	-	-	32,000
Prepaid Expenses	77,241	-	-	-	-	77,241
Due from Other Districts	15,471	7,155	-	-	-	22,626
Total Assets	<u>\$ 732,794</u>	<u>\$ 6,685,222</u>	<u>\$ 531,529</u>	<u>\$ 2,440,818</u>	<u>\$ -</u>	<u>\$ 10,390,363</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 89,111	\$ 6,000	\$ -	\$ 206,293	\$ -	\$ 301,404
Retainage Payable	-	-	-	27,919	-	27,919
Project Management Fee Payable	-	-	-	670,591	-	670,591
Project Management Fee Interest Payable	-	-	-	348,958	-	348,958
Total Liabilities	<u>89,111</u>	<u>6,000</u>	<u>-</u>	<u>1,253,761</u>	<u>-</u>	<u>1,348,872</u>
FUND BALANCES						
Nonspendable:						
Prepaid Expenses	77,241	-	-	-	-	77,241
Restricted for:						
Emergency Reserves	89,500	-	-	-	-	89,500
Debt Service	-	6,679,222	531,529	-	-	7,210,751
Assigned:						
Capital Projects	-	-	-	1,187,057	-	1,187,057
Unassigned:						
General Government	476,942	-	-	-	-	476,942
Total Fund Balances	<u>643,683</u>	<u>6,679,222</u>	<u>531,529</u>	<u>1,187,057</u>	<u>-</u>	<u>9,041,491</u>
Total Liabilities and Fund Balances	<u>\$ 732,794</u>	<u>\$ 6,685,222</u>	<u>\$ 531,529</u>	<u>\$ 2,440,818</u>	<u>\$ -</u>	<u>\$ 10,390,363</u>

See accompanying Notes to Basic Financial Statements.

(3)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2023**

Fund Balances - Total Governmental Funds	\$ 9,041,491
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	6,790,569
Capital Assets, Net	9,941,241
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
Accounts Receivable - City Reimbursement	682,676
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Developer Advance Payables	(21,688,274)
Accrued Interest Payable - Developer Advances	(25,723,865)
Project Management Fee Payable	(57,312)
Project Management Fee Interest Payable	(71,054)
Bonds Payable	(80,890,000)
Accrued Interest Payable - Bonds	(27,546,105)
Bonds Discount	175,966
Funding Fees on Developer Advances	<u>(1,389,713)</u>
Net Position of Governmental Activities	<u><u>\$ (130,734,380)</u></u>

See accompanying Notes to Basic Financial Statements.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	General	Debt Service PPI/DPI	Debt Service PRI	Capital Projects	Capital Projects Stormwater	Total Governmental Funds
REVENUES						
Credit Public Improvement Fees from Retail Sales	\$ -	\$ 2,421,619	\$ 605,405	\$ -	\$ -	\$ 3,027,024
Add-On Public Improvement Fees from Retail Sales	-	2,500,481	-	-	-	2,500,481
Add-On Public Improvement Fees from Building Permits	-	139,811	-	-	-	139,811
Credit Public Improvement Fees from Building Permits	-	139,811	34,953	-	-	174,764
Facilities Fees	-	90,433	-	-	-	90,433
Net Investment Income	5,508	414,524	30,132	27,542	-	477,706
City Reimbursement (Stormwater IGA)	-	-	-	-	-	-
Other Revenue	4,326	-	-	-	-	4,326
Shared Sales Tax Increment	-	941,040	-	-	-	941,040
Transfer from Other Districts	2,972,386	1,335,984	-	-	-	4,308,370
Total Revenues	<u>2,982,220</u>	<u>7,983,703</u>	<u>670,490</u>	<u>27,542</u>	<u>-</u>	<u>11,663,955</u>
EXPENDITURES						
General and Operating	1,026,462	-	-	-	-	1,026,462
Debt Service	-	7,822,692	656,100	-	-	8,478,792
Capital Outlay	-	-	-	1,516,155	-	1,516,155
Total Expenditures	<u>1,026,462</u>	<u>7,822,692</u>	<u>656,100</u>	<u>1,516,155</u>	<u>-</u>	<u>11,021,409</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,955,758	161,011	14,390	(1,488,613)	-	642,546
OTHER FINANCING SOURCES (USES)						
Transfers (to) Other Funds	(1,750,000)	-	-	-	-	(1,750,000)
Transfers from Other Funds	-	-	-	1,750,000	-	1,750,000
Developer Advances - Project Management Fee	-	-	-	57,312	-	57,312
Total Other Financing Sources (Uses)	<u>(1,750,000)</u>	<u>-</u>	<u>-</u>	<u>1,807,312</u>	<u>-</u>	<u>57,312</u>
NET CHANGE IN FUND BALANCES	205,758	161,011	14,390	318,699	-	699,858
Fund Balances - Beginning of Year	<u>437,925</u>	<u>6,518,211</u>	<u>517,139</u>	<u>868,358</u>	<u>-</u>	<u>8,341,633</u>
FUND BALANCES - END OF YEAR	<u>\$ 643,683</u>	<u>\$ 6,679,222</u>	<u>\$ 531,529</u>	<u>\$ 1,187,057</u>	<u>\$ -</u>	<u>\$ 9,041,491</u>

See accompanying Notes to Basic Financial Statements.

(5)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023**

Net Change in Fund Balances - Total Governmental Funds \$ 699,858

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

Governmental funds report capital outlay as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

Capital Outlay	1,458,843
Depreciation	(747,933)

The issuance of long-term debt (e.g., bonds, Developer advances) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds record the effect of premiums, discounts, and similar items when debt is first issued as expenditures, whereas these amounts are deferred and amortized in the statement of activities.

Bond Discount Amortization	(15,597)
Bond Principal - Series 2017	1,065,000
Bond Principal - Series 2018	505,000
Developer Advances - Project Management Fee	(57,312)
Developer Advances - Project Management Fee Interest	(71,054)

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

Funding Fees on Developer Advances	\$ (78,574)	
Accrued Interest on Developer Advances - Change in Liability	(4,947,249)	
Accrued Interest on Bonds - Change in Liability	1,304,061	(3,721,762)

Change in Net Position of Governmental Activities \$ (1,146,018)

See accompanying Notes to Basic Financial Statements.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Net Investment Income	\$ -	\$ 7,000	\$ 5,508	\$ (1,492)
Other Revenue	-	4,326	4,326	-
Transfer from Other Districts	2,846,192	2,961,376	2,972,386	11,010
Total Revenues	<u>2,846,192</u>	<u>2,972,702</u>	<u>2,982,220</u>	<u>9,518</u>
EXPENDITURES				
Accounting	118,000	139,000	126,395	12,605
Audit	8,100	11,100	11,100	-
Bond Consultants	-	100,000	90,908	9,092
Detention Pond Maintenance	40,000	40,000	29,924	10,076
District Asset Management	36,000	36,000	36,000	-
District Management	35,000	25,000	20,514	4,486
Dues and Memberships	3,800	4,479	4,479	-
Election Expense	10,000	3,000	2,296	704
Insurance	45,000	47,463	47,463	-
Landscaping	175,000	200,000	166,390	33,610
Legal	44,000	110,000	89,782	20,218
Miscellaneous/Contingency	18,100	103,862	5,479	98,383
Site Lighting	23,000	20,000	19,910	90
Snow Removal	200,000	200,000	130,511	69,489
Electric - Street lights and Other	10,000	8,000	8,428	(428)
Street Repairs and Maintenance	200,000	250,000	190,155	59,845
Street Sweeping	15,000	12,096	12,096	-
Eagle Monument Maintenance	60,000	40,000	34,632	5,368
Total Expenditures	<u>1,041,000</u>	<u>1,350,000</u>	<u>1,026,462</u>	<u>323,538</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,805,192	1,622,702	1,955,758	333,056
OTHER FINANCING SOURCES (USES)				
Transfers (to) Other Funds	(1,750,000)	(1,750,000)	(1,750,000)	-
Total Other Financing Sources (Uses)	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>(1,750,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	55,192	(127,298)	205,758	333,056
Fund Balance - Beginning of Year	<u>427,347</u>	<u>437,925</u>	<u>437,925</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 482,539</u>	<u>\$ 310,627</u>	<u>\$ 643,683</u>	<u>\$ 333,056</u>

See accompanying Notes to Basic Financial Statements.

(7)

DRAFT. NO ASSURANCE IS PROVIDED ON THESE FINANCIAL STATEMENTS.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 DEFINITION OF REPORTING ENTITY

Prairie Center Metropolitan District No. 3 (District) is a quasi-municipal corporation located in the City of Brighton, Adams County, Colorado and is governed pursuant to the provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized on June 6, 2006, to serve as the Operating District, concurrently with Prairie Center Metropolitan District Nos. 4-10 (the Taxing Districts), pursuant to an order and decree of the Adams County District Court. The Service Plan for the District was approved by the City of Brighton on February 21, 2006, modified on November 13, 2006, and amended and restated on November 4, 2008, and modified on April 14, 2013. Prior to the organization of the District, Prairie Center Metropolitan Districts Nos. 1 and 2 (respectively, District No. 1 and District No. 2) were organized and commenced development and construction of initial phases of public improvements. In order to increase development flexibility and to avoid unfairly burdening existing development with the costs of public infrastructure required in future phases, District Nos. 3-10 were formed and several inclusions and exclusions of property were completed to generally locate commercial/retail property in District No. 4 and multi-family property in District No. 5. Subsequent to the formation of the District, the obligations of District No. 1 and District No. 2 were assumed by the District as were the assets constructed by those Districts, with the exception of improvements related to the London Mine Water Tunnel and Extension Tunnel Facility and the rights and obligations related to the operation of such Facility. Such rights and obligations were assumed by District No. 9 on January 1, 2008 and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved in 2019.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including streets, transportation, drainage improvements, traffic and safety controls, park and recreation facilities, water, sewer, television relay and translation and mosquito and pest control services. The District is authorized to operate and maintain any improvements not otherwise conveyed to the City or other entities.

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

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

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

The Debt Service Fund – PPI/DPI accounts for the resources accumulated and payments made for principal and interest on the Series 2007 and Series 2017 long-term debt of the governmental funds.

The Debt Service Fund – PRI accounts for the resources accumulated and payments made for principal and interest on the Series 2018 long-term debt of the government funds.

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

The Capital Projects Fund – Stormwater is used to account for financial resources to be used for the acquisition and construction of stormwater improvements which are reimbursed by the City through certain stormwater impact fees.

Budgets

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

The District has amended its annual budget for the year ended December 31, 2023.

Pooled Cash and Investments

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Original Issue Discount/Premium

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Capital Assets

Capital assets, which include property and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress/not yet conveyed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements that will be dedicated to other governmental entities are not depreciated. Improvements to be owned by the District are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Streets	20 Years
Detention Pond Improvements	25 Years
Monumentation/Signage	15 to 20 Years

Facilities Fees

The District assesses and charges a facilities fee for use of the District's improvements and service system. The facilities fee for nonresidential structures is seventy-five cents (\$0.75) per square foot of gross building space. The facilities fee for dwelling units follows: a) three thousand dollars (\$3,000) per single-family, detached dwelling unit, b) one thousand five hundred dollars (\$1,500) per townhome or condominium, and c) five hundred dollars (\$500) per apartment. The facilities fee is due on or before the date of issuance of a building permit by the City of Brighton or County of Adams.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

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

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

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

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

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

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2023, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 550,582
Cash and Investments - Restricted	<u>7,585,909</u>
Total Cash and Investments	<u><u>\$ 8,136,491</u></u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with Financial Institutions	\$ 47,851
Investments	<u>8,088,640</u>
Total Cash and Investments	<u><u>\$ 8,136,491</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2023, the District's cash deposits had a bank balance of \$343,375 and carrying balance of \$47,851.

Investments

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

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

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

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2023, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Surplus Asset Trust Fund (CSAFE)	Weighted-Average Under 60 Days	\$ 8,088,640

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE.

CSAFE CASH FUND operates similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601.

CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

CSAFE (Continued)

A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

The following is an analysis of the changes in the District's capital assets for the year ended December 31, 2023:

	Balance - December 31, 2022	Increases	Decreases	Balance - December 31, 2023
Capital Assets, Not Being Depreciated:				
Construction in Progress/ Not Yet Conveyed	\$ 5,331,726	\$ 1,458,843	\$ -	\$ 6,790,569
Total Capital Assets, Not Being Depreciated	5,331,726	1,458,843	-	6,790,569
Capital Assets, Being Depreciated:				
Streets	9,684,835	-	-	9,684,835
Detention Pond Improvements	3,523,907	-	-	3,523,907
Monumentation/Signage	3,032,366	-	-	3,032,366
Total Capital Assets, Being Depreciated	16,241,108	-	-	16,241,108
Less Accumulated Depreciation For:				
Streets	(3,442,406)	(484,242)	-	(3,926,648)
Detention Pond Improvements	(1,127,648)	(140,956)	-	(1,268,604)
Monumentation/Signage	(981,880)	(122,735)	-	(1,104,615)
Total Accumulated Depreciation	(5,551,934)	(747,933)	-	(6,299,867)
Total Capital Assets, Being Depreciated, Net	10,689,174	(747,933)	-	9,941,241
Governmental Activities Capital Assets, Net	<u>\$ 16,020,900</u>	<u>\$ 710,910</u>	<u>\$ -</u>	<u>\$ 16,731,810</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

General Government	\$ 747,933
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During 2023, a significant portion of the capital assets constructed by the District were conveyed to other governmental entities. The costs of all capital assets transferred to other governmental entities were removed from the District's financial records.

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District's long-term obligations for the year ended December 31, 2023:

	Balance - December 31, 0	Additions	Retirements	Balance - December 31, 1899	Current Portion
Bonds Payable:					
Bonds Payable - Series 2017	\$ 45,585,000	\$ -	\$ 1,065,000	\$ 44,520,000	\$ 1,145,000
Bond Discount - Series 2017	(160,100)	-	(12,384)	(147,716)	-
Bonds Payable - Series 2018	2,970,000	-	505,000	2,465,000	265,000
Bond Discount - Series 2018	(31,463)	-	(3,213)	(28,250)	-
Subtotal of Bonds Payable	48,363,437	-	1,554,403	46,809,034	1,410,000
Direct Borrowings and Direct Placements:					
Bonds Payable - Series 2007	33,905,000	-	-	33,905,000	10,360,000
Subtotal of Direct Borrowings and Direct Placements	33,905,000	-	-	33,905,000	10,360,000
Other Debts:					
Developer Advance - Debt Service	2,066,963	-	-	2,066,963	-
Accrued Interest on Developer Advance - Debt Service	2,729,299	558,755	-	3,288,054	-
Developer Advance - Capital	19,621,311	-	-	19,621,311	-
Accrued Interest on Developer Advance - Capital	18,047,317	4,388,494	-	22,435,811	-
Funding Fee Payable	1,311,139	78,574	-	1,389,713	-
Subtotal of Other Debts	43,776,029	5,025,823	-	48,801,852	-
Total Long-Term Obligations	\$ 126,044,466	\$ 5,025,823	\$ 1,554,403	\$ 129,515,886	\$ 11,770,000

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$47,095,000 Limited Property Tax Supported Primary Improvements Revenue Refunding Bonds, Series 2017A, and \$2,180,000 Limited Property Tax Supported District Improvements Revenue Refunding Bonds, Series 2017B

On October 26, 2017, the District issued its Series 2017A and Series 2017B Bonds (the Series 2017 Refunding Bonds) in the total amount of \$49,275,000. The proceeds from the Series 2017 Refunding Bonds were used to refund all of the Series 2006 Bonds and a portion of the Series 2007 Subordinate Bonds. The Series 2017 Refunding Bonds are special limited obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the development, revenues generated from the commercial and residential facilities fees imposed by Prairie Center Metropolitan Districts No. 4 (District No. 4), No. 5 (District No. 5), and No. 10 (District No. 10), from the imposition by District No. 4 and District No. 5 of ad valorem property taxes not in excess of 50 mills subject to adjustment caused by changes in the method of determining assessed valuation by the state of Colorado, and the related specific ownership taxes, and a portion of City sales tax revenues (such sales tax revenue sharing in accordance with the Cooperation Agreement and General Fund Sales Tax Sharing Agreement, each of which are described in Note 8).

The Series 2017 Bonds are also secured by funds to be held by the Trustee in the Reserve Funds in the required amounts of \$3,409,143 for Series 2017A Bonds and \$163,500 for the Series 2017B Bonds.

The Series 2017A Bonds are term bonds maturing as follows: \$9,370,000 due December 15, 2027, at an interest rate of 4.125% and \$37,725,000 due December 15, 2041, at an interest rate of 5.00%. The Series 2017B Bonds of \$2,180,000 are term bonds due December 15, 2041, at an interest rate of 5.00%. Bonds are subject to optional redemption in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest with no redemption premium, with respect to the Series 2017 Bonds commencing on December 15, 2026. Bonds are subject to mandatory sinking redemption equal to the scheduled amounts plus accrued interest with respect to Series 2017A Bonds maturing in 2027 beginning on December 15, 2018, Series 2017A Bonds maturing in 2041 beginning on December 15, 2028, and Series 2017B Bonds beginning on December 15, 2018. The Series 2017 Bonds are subject to special mandatory redemption on a pro rata basis on any interest payment date on when funds on deposit are sufficient to pay 100% of the amount to be redeemed plus accrued interest. The Series 2017 Refunding Bonds are not subject to early termination.

Event of Default occurs if the District fail to collect the Pledged Revenue, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. There is no acceleration of the payment of the Series 2017 Refunding Bonds upon occurrence of an Event of Default under the Indenture.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$47,095,000 Limited Property Tax Supported Primary Improvements Revenue Refunding Bonds, Series 2017A, and \$2,180,000 Limited Property Tax Supported District Improvements Revenue Refunding Bonds, Series 2017B (Continued)

The Series 2017A Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,090,000	\$ 2,085,488	\$ 3,175,488
2025	1,165,000	2,040,525	3,205,525
2026	1,250,000	1,992,469	3,242,469
2027	1,325,000	1,940,906	3,265,906
2028	1,415,000	1,886,250	3,301,250
2029-2033	8,710,000	8,264,250	16,974,250
2034-2038	13,065,000	5,739,000	18,804,000
2039-2041	14,535,000	1,617,250	16,152,250
Total	<u>\$ 42,555,000</u>	<u>\$ 25,566,138</u>	<u>\$ 68,121,138</u>

The Series 2017B Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,000	\$ 98,250	\$ 153,250
2025	55,000	95,500	150,500
2026	60,000	92,750	152,750
2027	65,000	89,750	154,750
2028	70,000	86,500	156,500
2029-2033	430,000	375,000	805,000
2034-2038	650,000	250,000	900,000
2039-2041	580,000	59,500	639,500
Total	<u>\$ 1,965,000</u>	<u>\$ 1,147,250</u>	<u>\$ 3,112,250</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$4,510,000 Special Revenue Bonds (Park and Recreation Improvements) Series 2018

On March 8, 2018, the District issued its \$4,510,000 Special Revenue Bonds (Park and Recreation Improvements), Series 2018 (2018 PRI Bonds). The proceeds of the 2018 PRI Bonds were used to reimburse the Developer for a portion of advances made to the District under the Facilities Funding and Acquisition Agreement for construction of Park and Recreation Improvements. The 2018 PRI Bonds are special limited revenue obligations of the District secured by and payable from pledged revenues, consisting of revenues attributable to privately imposed public improvements fees payable with respect to certain retail sales transactions and construction activities occurring within the development. The 2018 PRI Bonds are also secured by funds to be held by the Trustee in the Reserve Fund in the required amount of \$346,706.

The 2018 PRI Bonds are term bonds due December 15, 2042, at an interest rate of 5.125%. The 2018 PRI Bonds are subject to mandatory redemption on any interest payment date on which there are sufficient funds to redeem at least one bond in the denomination of \$5,000. The 2018 PRI Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, on any date on or after December 15, 2023, at a redemption price equal to 100% of the principal amount thereof plus interest and a redemption premium until December 15, 2026, after which there is no redemption premium. The 2018 PRI Bonds are also subject to special redemption in whole on any interest payment date when fund on deposit are sufficient to pay 100% of the principal amount then outstanding with interest.

The principal and interest payments for the 2018 PRI Bonds are based on the amount of funds available on 45 calendar days preceding each interest payment date.

Event of Default occurs if the District fail to collect the Pledged Revenue, or to apply the Pledged Revenues as required by the Indenture, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. There is no acceleration of the payment of the 2018 PRI Bonds upon occurrence of an Event of Default under the Indenture.

The Series 2018 Bonds principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 265,000	\$ 126,331	\$ 391,331
2025	280,000	112,750	392,750
2026	305,000	98,400	403,400
2027	320,000	82,769	402,769
2028	345,000	66,369	411,369
2029-2031	950,000	88,663	1,038,663
Total	<u>\$ 2,465,000</u>	<u>\$ 575,281</u>	<u>\$ 3,040,281</u>

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A, and \$2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B

On June 7, 2007, the District issued its Series 2007A and 2007B Bonds (collectively, Series 2007 Subordinate Bonds) in the total amount of \$43,515,000. The proceeds from the Series 2007 Subordinate Bonds were used for the purposes of funding public infrastructure costs, funding reserve and capitalized interest accounts, and paying bond issuance costs. The Series 2007 Subordinate Bonds are special limited obligations of the District secured by and payable from the pledged revenues, subject in all respects to the prior lien in favor of the senior bonds, which consist of the 2017 Refunding Bonds as well as any additional senior bonds that may be issued in the future. Pledged revenues consist primarily of revenues attributable to privately imposed public improvement fees payable with respect to certain retail sales transactions and construction activities occurring within the Development, revenues generated from the commercial and residential Facilities Fee imposed by District No. 4, District No. 5, and District No. 10, and from the imposition of ad valorem property taxes by District No. 4 and District No. 5 not in excess of 50 mills so long as the statutory mill levy limitation set forth in Section 32.1.1101(6)(b) of the Colorado Revised Statutes is applicable and, if not, subject to adjustment caused by changes in the method of determining assessed valuation by the state of Colorado, and the related specific ownership taxes.

The Series 2007A Bonds are term bonds maturing as follows: \$40,610,000 due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. The Series 2007B Bonds of \$2,905,000 are term bonds due December 15, 2031, at an interest rate of 8.75% through December 14, 2007, and 9.50% thereafter. Bonds are subject to optional redemption in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest with no redemption premium, with respect to the Series 2007 Subordinate Bonds on any date. The Series 2007A and 2007B Subordinate Bonds are subject to mandatory sinking fund redemption equal to the scheduled amounts plus accrued interest beginning December 15, 2017.

During 2023, the District did not pay the principal and the full amount of accrued interest due on the Series 2007 Subordinate Bonds. Pursuant to the indenture for the bonds, due to the limited nature of the revenues pledged, the failure to pay interest and principal when due does not, in itself, create an event of default if the District is otherwise in compliance with the bond documents. The unpaid amount is not subject to compounding interest. A portion of the Series 2007 Subordinate Bonds were refunded by the issuance of the District's Series 2017 Refunding Bonds.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

\$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A, and \$2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B (Continued)

The Subordinate Bonds Series 2007A principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 9,675,000	\$ 27,390,222	\$ 37,065,222
2025	2,335,000	2,087,625	4,422,625
2026	2,655,000	1,865,800	4,520,800
2027	2,905,000	1,613,575	4,518,575
2028	3,130,000	1,337,600	4,467,600
2029-2031	10,950,000	2,133,225	13,083,225
Total	<u>\$ 31,650,000</u>	<u>\$ 36,428,047</u>	<u>\$ 68,078,047</u>

The Subordinate Bonds Series 2007B principal and interest will mature as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 685,000	\$ 3,131,323	\$ 3,816,323
2025	165,000	149,150	314,150
2026	190,000	133,475	323,475
2027	205,000	115,425	320,425
2028	225,000	95,950	320,950
2029-2031	785,000	153,425	938,425
Total	<u>\$ 2,255,000</u>	<u>\$ 3,778,748</u>	<u>\$ 6,033,748</u>

Authorized Debt

On May 2, 2006, the District's voters authorized total indebtedness of \$6,790,000,000 for construction of public improvements and operating and maintenance expenditures and \$750,000,000 each for debt refunding and debt related to intergovernmental agreements or other contracts with other public entities.

At December 31, 2023, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized on May 2, 2006	Authorization Used					Authorized But Unissued
		Series 2006 Bonds	Series 2007 Bonds	Note 2010	Series 2017 Refunding	Series 2018 Bonds	
Streets	\$ 750,000,000	\$ 18,180,000	\$ 40,403,506	\$ 450,000	\$ -	\$ -	\$ 690,966,494
Water	750,000,000	13,089,600	559,022	-	-	-	736,351,378
Sewer	750,000,000	5,090,400	1,269,163	-	-	-	743,640,437
Parks and Recreation	750,000,000	-	750,071	-	-	4,510,000	744,739,929
Transportation	750,000,000	-	-	-	-	-	750,000,000
Traffic and Safety Controls	750,000,000	-	533,238	-	-	-	749,466,762
Mosquito Control	20,000,000	-	-	-	-	-	20,000,000
Tele Relay and Translation	20,000,000	-	-	-	-	-	20,000,000
Operations and Maintenance	750,000,000	-	-	50,000	-	-	749,950,000
Intergovernmental Agreements	750,000,000	-	-	-	-	-	750,000,000
Debt Refunding	750,000,000	-	-	-	49,275,000	-	700,725,000
Total	<u>\$ 6,790,000,000</u>	<u>\$ 36,360,000</u>	<u>\$ 43,515,000</u>	<u>\$ 500,000</u>	<u>\$ 49,275,000</u>	<u>\$ 4,510,000</u>	<u>\$ 6,655,840,000</u>

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Service Plans of District Nos. 2-10, the maximum aggregate principal of debt that may be incurred by all of such Districts, together with District No. 1, collectively is \$750,000,000. In 2010, the District issued a Subordinate Nonrevolving Line of Credit Note, Series 2010 in the principal sum of \$670,125,000, of which \$500,000 has been applied to the District's authorized indebtedness and the principal outstanding under the 2010 Note, totaling \$500,000, and accrued interest, were added to the amount payable to the Developer under the Facilities Funding and Acquisition Agreement.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

Developer Advances

The District has entered into the Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreement (Agreement) with the Developer wherein the District agrees to reimburse the Developer for advances made on behalf of the District.

As of December 31, 2023, outstanding advances under the Agreement totaled \$2,066,963 for debt service costs, and \$19,621,311 for capital costs. Accrued interest on Developer advances as of December 31, 2023, totaled \$3,288,054 for debt service costs, and \$19,621,311 for capital costs.

Funding Fee

Under the Agreement, at the Developer's discretion, the District shall pay an additional funding fee on outstanding Developer advances, subject to annual appropriation. As of December 31, 2023, the outstanding Funding Fee is \$1,389,713.

NOTE 6 NET POSITION

The District has net position consisting of three components – net investments in capital interests, restricted, and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 6 NET POSITION (CONTINUED)

As of December 31, 2023, the District had the following net investment in capital assets, calculated as follows:

	Governmental Activities
Net Investment in Capital Assets:	
Capital Assets, Net	\$ 9,941,241
Less Capital Related Debt:	
Current Portion of Long-Term Obligations	(2,119,309)
Noncurrent Portion of Long-Term Obligations	(15,273,004)
Net Investment in Capital Assets	\$ (7,451,072)

The restricted component of net position includes assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position at December 31, 2023, as follows:

	Governmental Activities
Restricted Net Position:	
Emergency Reserves	\$ 89,500
Total Restricted Net Position	\$ 89,500

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds issued for public improvements, a portion of which have been conveyed and/or will be conveyed to other governmental entities.

NOTE 7 INTERFUND TRANSFERS

The transfer from the General Fund to Capital Projects Fund was made to support budgeted capital expenditures.

NOTE 8 AGREEMENTS

Facilities Funding, Construction, and Operations Agreement (FFCO)

On November 8, 2006, the District entered into the Facilities Funding, Construction and Operations Agreement (as amended on May 11, 2017, the FFCO) with District Nos. 2 and 4-10 establishing certain expectations as to the financing, construction, operation and maintenance of improvements as contemplated in the Service Plans for the purpose of providing, in a timely and coordinated fashion, essential services within the Districts. By Notice dated December 19, 2017, District No. 7 terminated its participation as a party to the FFCO and was released from any obligations thereunder by the other Districts. Effective September 4, 2019, District No. 9 gave notice of its termination as a party to the FFCO, and District No. 9 was subsequently dissolved on September 26, 2019.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Facilities Funding, Construction, and Operations Agreement (FFCO) (Continued)

Pursuant to the FFCO, the District is designated as the Operating District and agrees to provide the following: 1) project administration services (generally comprised of contracting for and supervising the acquisition, construction, operation and maintenance of public improvements), and 2) district administration services (including, but not limited to, serving as the depository for district records, coordinating board meetings, filing and notices, preparing financial reports and budgets and coordinating legal, accounting, management, engineering and other professional services) for the other Districts which remain parties to the FFCO (Taxing Districts). The FFCO anticipates that the District will enter into intergovernmental agreements with the respective Taxing Districts whereby the Taxing Districts will agree to share in the Districts' administration costs Operations IGAs and/or pledge certain revenues to pay capital projects costs incurred and/or to repay bonds issued by the District (Capital Pledge Agreements).

Comprehensive Agreement

The Comprehensive Funding Plan, Master Development Agreement, Pre-Annexation Agreement and Intergovernmental Agreement for Prairie Center (Comprehensive Agreement) was made and entered into, in December 2005, by and between the City of Brighton (City), the City of Brighton Water, Sewer and Drainage Enterprise, THF Prairie Center Development L.L.C., THF Prairie Center Retail One L.L.C., Prairie Center Metropolitan District No. 1 (District No. 1), and Prairie Center Metropolitan District No. 2 (District No. 2) (collectively the Districts). The Comprehensive Agreement establishes the framework for the construction and financing of public infrastructures required by the Prairie Center Development, and sets forth the terms and provisions pertaining to the imposition, collection and application of the privately imposed Credit Public Improvement Fee (Credit PIF) and privately imposed Add-On Public Improvement Fee (Add-On PIF), and the implementation of the City Sales/Use Tax Credit. The Agreement categorizes the public infrastructure required by the Development and legally permitted to be funded by the Districts into: 1) Primary Public Improvements (PPI), such as major and minor arterial streets and related landscaping and trails, collector streets and related landscaping and trails, traffic signals, certain potable and nonpotable water distribution lines, regional/community/neighborhood parks, trails and open spaces; 2) Parks and Recreation Public Improvements (PRI); and 3) District Public Improvements (DPI) which is comprised of all other improvements that may be provided by the Districts. The Comprehensive Agreement provides that the Districts' receipt of the 1.25% Credit PIF (for which the City grants a credit against the municipal sales and use taxes that would otherwise be payable on sales and use tax transactions) may only be used for PPI improvements. Further, the Comprehensive Agreement allows the Districts to receive a 1% Add-On PIF to finance any other public improvements or services (DPI) that the Districts are authorized by statute and its Service Plans to provide.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Comprehensive Agreement (Continued)

On November 8, 2006, an Assignment of Agreement was made between and among District No. 1, District No. 2, and the District. As of the date of the assignment, District No. 1 and District No. 2 assigned to the District, and the District assumed, all their rights, benefits, obligations and duties under the Agreement, with the exception of District No. 1's rights and obligations related to the operation of the London Mine Water Tunnel and Extension Tunnel Facility and activities related to such operation. Such rights and obligations were assigned to District No. 9 on January 1, 2008 and were conveyed by District No. 9 to a private entity in 2016. District No. 9 was dissolved in 2019.

In July 2009, the First Amendment to the Comprehensive Agreement was executed to include certain properties to the Incorporated Property for all purposes under the Comprehensive Agreement and to increase maximum amount of PPI costs that the Districts can finance with Credit PIF Revenues (Cap Amount) from \$125,000,000 to \$146,476,240.

In February 2012, the Second Amendment to the Comprehensive Agreement was executed to modify certain terms of the Agreement. The Second Amendment, among other matters, redefined Shared Revenues to include Credit PIF Revenues, Shared City Fees, Shared Sales Tax Incremental Revenues (see Cooperation Agreement below), Shared General Fund Sales Taxes (see General Fund Sales Tax Sharing Agreement below), and other City or Brighton Urban Renewal Authority (BURA) revenues that the parties agree are to be shared by the City or BURA with the District to pay or reimburse Eligible Costs. The terms as to when and how the new Revenues (such as General Fund Sales Taxes) will be shared were also explained in the Second Amendment. Further, the Second Amendment restated and clarified the definitions of Eligible Costs, which is comprised of Hard Costs, Soft Costs, Interest Costs, and Financing Costs, that can be paid from Shared Revenues. With regard to the Interest Costs incurred by the District in connection with a Developer Advance and payable from Shared Revenues, the Second Amendment allows a simple rate of 5% per annum accruing from the date of such Developer Advance.

The Third Amendment to the Comprehensive Agreement was entered into as of June 16, 2015. The Third Amendment reduced the principal amount of the 1.25% Credit PIF to be applied to PRI Improvements from \$14 million to \$9 million and requires that \$2.5 million of such revenues be paid to the City for design and/or construction of the second phase of an adult recreation center and relieved the District of its obligations under the original Cooperation Agreement related to the initial phase of the adult recreation center. The Third Amendment also provides for the City to rebate portions of certain City bridge/crossing and traffic impact fees paid with respect to development of the phase of residential single-family dwelling units known as Prairie Center Residential Village One in the total amount of \$2.5 million, which rebated fees shall be applied to specified street improvements and shall count against the Cap Amount. The rebated use tax and rebated building permit fees (or any other rebated fees approved by Council) do not need to be applied to eligible costs related to primary public improvements and do not count against the Cap Amount.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Cooperation Agreement

On July 18, 2012, the District entered into the Cooperation Agreement with the City and BURA. Pursuant to the Cooperation Agreement, to the extent that the District designs, finances and constructs Primary Public Improvements to serve the Southeast Brighton Regional Urban Renewal Plan Area, BURA will reimburse the District for Eligible Costs, according to the terms and provisions of the Comprehensive Agreement and this Cooperation Agreement, by a pledge of certain General Fund Sales Tax Incremental Revenues, subject to the Cap Amount initially commencing when taxable retail sales within the Plan Area are at least \$150 million or at least one Qualifying Retailer opens for business. The City shall be obligated to transfer to BURA only the Allocated Increment Amount, which initially shall be equal to 30% (and increase to 49% as additional development triggers are met) of the City's General Fund Sales Tax of two percent (2.0%) after deduction of (i) the General Fund Sales Tax Base Amount (\$2,273,417) and (ii) the proportionate share of costs and expenses related to the collection of the General Fund Sales Tax in the Plan Area. BURA's obligation to remit the Allocated Increment Amount to the District terminates upon the earlier of (i) the District's repayment of bonds and Developer Advances for Primary Public Improvement Costs, (ii) receipt of Credit PIF, General Fund Sales Tax Incremental Revenues and other Shared Revenues (defined in the Comprehensive Agreement) up to the Cap Amount, or (iii) April 3, 2037.

On September 14, 2017, the District entered into a Memorandum of Understanding (MOU) with the City of Brighton and BURA setting forth the terms for administration of the collection and sharing of sales tax incremental revenues to further the intent of the Southeast Brighton Regional Urban Renewal Plan, the Second Amendment to the Comprehensive Agreement, and the Cooperation Agreement. The MOU describes the method for determination of such revenues and when transfers of such revenues are to be made.

General Fund Sales Tax Sharing Agreement

The District entered into the General Fund Sales Tax Sharing Agreement (Sharing Agreement) with the City on July 18, 2012. Pursuant to the Sharing Agreement, the term of this Agreement commences upon the termination or expiration of the Cooperation Agreement to the extent that the District has not repaid in full bonds and Developer Advances for Primary Public Improvement Costs and the Cap Amount has not been fully utilized. Under the Sharing Agreement, the City agrees on an annual appropriation basis to remit to the District Shared General Fund Sales Taxes after retail sales of taxable goods and services equal (i) at least \$150 million in any calendar year, one-half of one percent (0.50%) as a portion of the City's 2.0% General Fund Sales Tax collected from the project, and (ii) at least \$300 million in any calendar year, three-quarters of one percent (0.75%) as a portion of the City's 2.0% General Fund Sales Tax collected from the project.

The City's obligation to remit Shared General Fund Sales Taxes is subject to annual appropriation and terminates upon the earlier of (i) the District's repayment of bonds and Developer advances for Primary Public Improvements, or (ii) receipt of Shared General Sales Taxes and other Shared Revenues up to Cap Amount.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements

In May 2011, the District entered into the Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements (Stormwater IGA) with the City. Pursuant to the Stormwater IGA, the District will design, finance, and construct drainage improvements subject to reimbursement from the City to the District from certain stormwater impact fees for certain of the District's costs to design, finance, and construct such drainage improvements. With respect to the Over-Detention Ponds, the eligible costs which the City may reimburse the District totaled \$1.2 million. With respect to the Outfall Channel/Fulton Ditch Improvements, the eligible costs which the City may reimburse the District will not exceed \$3,000,000. The Stormwater IGA also provides the procedures for certifying costs, requesting reimbursement and calculation of applicable interest.

In January 2012, the First Amendment to the Intergovernmental Agreement Regarding Design, Financing, and Construction of Regional Drainage Improvements was executed to, among other matters, amend the District's commencement of construction of the Fulton Ditch Improvements, and increase the maximum costs of the Outfall Channel/Fulton Ditch Improvements to an amount not to exceed \$3,600,000.

Capital Pledge Agreement with District Nos. 4 and 5 and 10

On October 1, 2017, the District entered into an Amended and Restated Capital Pledge Agreement with UMB Bank, District No. 4 and District No. 5 (each a Taxing District; and collectively the Taxing Districts) (Pledge Agreement), which superseded in its entirety a prior Capital Pledge Agreement among the parties dated December 1, 2006 as amended in 2009 and 2010. Pursuant to the Pledge Agreement, the District shall issue Bonds as necessary to finance and construct Improvements for the benefit of the Taxing Districts. The Pledge Agreement obligates the Taxing Districts to impose annually in each year through 2040 a mill levy at a rate of 25.000 mills for District No. 4 and 40.000 mills for District No. 5, subject to certain adjustments, and remit to the District's Trustee tax revenues derived from such mill levies, together with facilities fees and a portion of specific ownership taxes collected by the Taxing Districts, to repay the Bonds. The Taxing Districts' obligation to pay such revenues to the District constitute an irrevocable lien on such revenues, and each Taxing District has agreed not to issue or incur Bonds, notes or other obligations payable in whole or in part from, or constituting a lien upon, the revenues pledged to the District without the District's prior consent. The rate of maximum mill levy permitted to be levied by each Taxing District is 50.000 mills, subject to certain adjustments.

On October 1, 2017, the District entered into an Amended and Restated Capital Pledge Agreement with District No. 10 (Second Pledge Agreement), which superseded in its entirety a prior Capital Pledge Agreement between the parties dated March 1, 2009. Pursuant to the Second Pledge Agreement, the District agrees to finance a portion of the costs of public improvements within District No. 10 through the issuance of bonds; and District No. 10 agrees to pledge to the District, for purposes of paying debt service on the bonds, if needed, and otherwise for funding certain improvements, revenues resulting from the imposition of facilities fees. Prior to March 1, 2009, facilities fees collected by District No. 10 were not pledged to the District for debt service.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Operations Financing Intergovernmental Agreements

On May 11, 2017, the District entered into Amended and Restated Operations Financing IGAs (IGAs), separately, with each of District No. 4 and District No. 5. The IGAs, which superseded in their entirety prior Operations Financing IGAs dated December 19, 2006, require that District No. 4 and District No. 5 impose, collect, and remit to the District an operations mill levy in order to pay for certain administrative and management costs incurred by the District. The operational mill levy imposed individually by District No. 4 and District No. 5, cannot exceed the maximum mill levy for operations and maintenance authorized by the Districts' Service Plans less the number of mills the applicable Taxing District has pledged to levy for payment of debt service under any Capital Pledge Agreement.

On December 4, 2008, the District and District No. 10 entered into an Operations Financing IGA, which requires District No. 10 to impose, collect, and remit an operations mill levy to the District for administrative and management costs. Total mills to be levied by District No. 10 may not exceed 60.000 mills for operations and maintenance and debt service.

On December 7, 2022, the District entered into an Operations Financing IGA with Prairie Center Metropolitan District No. 1 (District No. 1), which requires District No. 1 to impose, collect and remit an operations mill levy to the District for administrative and maintenance costs. The operations mill levy imposed by District No. 1 cannot exceed the maximum mill levy for operations and maintenance authorized by its Service Plan less the number of mills, if any, it has pledged for payment of debt service.

Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreement

On December 26, 2006, the District entered into the Facilities Funding and Acquisition Agreement and Novation of Funding and Reimbursement Agreements (Funding Agreement) with THF Prairie Center Development L.L.C. and THF Prairie Center Retail One L.L.C. (collectively the Developer). Pursuant to the Funding Agreement, the Developer agrees to advance funds to the District to pay for capital and operational expenses when the District's revenues are not sufficient to pay for such expenses. The District will pay the Developer interest compounding semi-annually, from the date of each Developer advance, at the rate of three percent (3%) per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri. In addition, at the Developer's discretion, the District shall pay an additional funding fee of one percent (1%) on amounts outstanding twenty-four (24) months from the funding date, said fee being charged once every twenty-four (24) months while the amounts remain outstanding. The District's payment of Developer advances under this Agreement is subject to annual appropriation.

Upon execution of the Funding Agreement, the District assumed the obligation to acquire certain public infrastructure constructed and financed by the Developer. Additionally, the District assumed the repayment obligations of District No. 1 and District No. 2 under a prior funding agreement with the Developer.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 AGREEMENTS (CONTINUED)

Construction Management Agreement

On June 28, 2018, the District entered into the Construction Management Agreement, with an effective date of July 1, 2018, with R.G. Brinkman Company for Prairie Center Village I Subdivision, Filing No. 1, to supervise the construction of public improvements. This agreement supersedes the previous Construction Management Agreement dated January 18, 2007, as amended September 8, 2015. Under this agreement, the Construction Manager's duties include, but are not limited to, conducting the competitive bid process for public improvements; provide oversight and construction management services and monitoring the progress of the project and budget. In consideration of the Construction Manager's services, the District shall pay, on a monthly basis, a fee of five percent (5%) of the aggregate payments the District makes to approved contractors. Commencing July 2018, the District shall additionally pay the Construction Manager \$11,929 per month for certain administrative, equipment, and materials expenses incurred in course of performing the work.

Facilities Management Agreement

The District entered into the Facilities Management Agreement, effective as of July 1, 2006, with Prairie Management, L.L.C. (Facilities Manager), an entity affiliated with the Developer, pursuant to which the Facilities Manager shall manage the operation, maintenance and repair of public improvements owned by the District or for which the District has operation and maintenance responsibilities. The compensation paid to the Facilities Manager is \$3,000 per month.

Project Management Agreement

On August 2, 2006, the District entered into the Project Management Agreement (Project Agreement) with Prairie Management L.L.C. (Project Manager), an entity affiliated with the Developer. Pursuant to the Project Agreement, the Project Manager shall provide all management services relating to the planning, design, construction, and installation of and obtaining municipal approval of the public improvements. The Project Manager's duties also include supervision, on behalf of the District, of the Construction Manager. As compensation for services provided by the Project Manager, the District shall pay, on a monthly basis, a fee of four percent (4%) of the actual cost of public improvements. Any unpaid fees will accrue interest at the rate of two percent (2%) per annum above the prime rate announced by Bank of America, N.A., St. Louis, Missouri. The Agreement is for one year and shall renew annually thereafter for a period of twenty (20) years. As of December 31, 2023, the outstanding balances of the project management fees and related interest are \$727,903 and \$420,012, respectively.

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8 AGREEMENTS (CONTINUED)

Intergovernmental Agreement Regarding Facilities Fee Collection

On November 13, 2007, the District entered into the Intergovernmental Agreement Regarding Facilities Fee Collection with District Nos. 2 and 4-10; agreeing to have the District administer and collect facilities fees imposed by District Nos. 2 and 4-10; provided, however, that the revenue derived from facilities fees of a specific District shall remain the property and subject to the control of such District's Board of Directors. To the extent required by any Capital Pledge Agreement, the District will deposit facilities fees collected on behalf of said Districts with the applicable bond trustee. The agreement was amended on September 4, 2019 to remove District No. 9 as a party, due to that District's dissolution. Pursuant to the Intergovernmental Agreement Regarding Assignment of Revenues between the District and District No. 7 (described below), the District will remit to District No. 7 certain assigned revenues, including facilities fees, collected by Prairie Center Village I Subdivision No. 1 (Village I).

Prairie Center Major Retail 4 Subdivision Development Agreement

On May 15, 2018, the District entered into the Prairie Center Major Retail 4 Subdivision Development Agreement, with an effective date of May 15, 2018, with the City and THF Prairie Center Development, L.L.C., a Colorado limited liability company (the Developer). Under this Agreement, the Developer shall pay all fees related to: development of the Property; engineering services; maintenance of all improvements for one-year from the date of acceptance by the City; inspection or testing; securing any necessary land, right-of ways, or easements; the coordination and installation of all utilities; and those fees related to street improvements. The Developer is compensated based upon the verified costs submitted and approved by the City.

Infrastructure Reimbursement Agreement

On November 6, 2018, the District entered into the Infrastructure Reimbursement Agreement, effective November 6, 2018, with the Developer, Bromley & Buckley, L.L.C. and Case 238, L.L.C. (collectively, the Developers), and the City. Under this Agreement, the Parties agreed that in the event the District advanced more than its pro rata share for financing the design and construction of public improvements that benefitted other property or were over-sized to serve the projected growth of the City, the District would be eligible for reimbursement. The City will collect this reimbursement amount from those benefitted landowners on a pro rata basis, to be paid to the District or Developers as needed. The Developers, THF Prairie Center Development, LLC, and the District agree that Developer's pro rata share of cost of the public improvements is \$231,628 as of November 6, 2018.

Intergovernmental Agreement Regarding Assignment of Revenues (IGA)

On May 23, 2019, the District and District No. 7 entered into an Intergovernmental Agreement Regarding Assignment of Revenues (the IGA). On July 22, 2020, the District amended and restated the IGA, with an effective date of December 19, 2017. Per the IGA, the District agrees to transfer to District No. 7 its rights to receive revenues as set forth in the IGA that are directly attributable to Village I. The District is relieved from providing any public improvements or management services related to Village I as it is being developed by District No. 7, separately from the remaining development.

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 RELATED PARTY

The developer of the property which constitutes the District is collectively THF Prairie Center Development, L.L.C., a Colorado limited liability company, and THF Prairie Center Retail One, L.L.C., a Missouri limited liability company. All members of the Board of Directors are officers or employees of an entity affiliated with the Developer or the majority owner of the Developer and may have conflicts of interest in dealing with the District (see Note 8).

In September 2010, THF Prairie Center Development, L.L.C. purchased and became the owner of the District's Series 2007 Subordinate Bonds. Such bonds were partially refunded by the issuance of the District's Series 2017A and Series 2017B Bonds.

The Developer advanced funds to the District pursuant to following agreements (see Note 5 Long-Term Obligations and Note 8 Agreements for additional information):

Facilities Acquisition and Reimbursement Agreement

- Purpose: To fund public improvements within the District.
- Parties: The District and GKT Brighton Residential Development, L.L.C.
- Effective Date: December 26, 2006.
- Interest Rate: 3% per annum above the rate announced by Bank of America, N.A., St. Louis, Missouri, compounding semi-annually, not to exceed 9%.
- Principal Balance at December 31, 2023: \$19,621,311.
- Accrued Interest Balance at December 31, 2023: \$22,435,811.

The Developer holds the Series 2007A and 2007B Bonds, issued by the District on June 7, 2007, with a combined principal amount of \$43,515,000 and maturing on December 31, 2031. The bonds bear interest of 8.75-9.50% per annum and are structured as cash flow bonds meaning there are no scheduled payments of principal and interest. Principal and interest are payable from available pledged revenues. As of December 31, 2023, the principal balance on these bonds payable totaled \$33,905,000 and accrued interest total \$27,441,763. (see Note 5 Long-Term Obligations for additional information).

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 RISK MANAGEMENT

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

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

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

NOTE 11 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or benefit increases.

On May 2, 2006, a majority of the District's electors authorized the District to increase property taxes \$10,000,000 annually, without limitation to rate, to pay the District's operations and maintenance costs. Additionally, the District's voters authorized the District to collect, retain and spend all revenue in excess of TABOR spending, revenue raising or other limitations.

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

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 SUBSEQUENT EVENTS

On April 16, 2024, the District issued its Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2024A (Series 2024A) in the amount of \$29,320,000 and Limited Property Tax Supported District Improvements Revenue Bonds, Series 2024B (Series 2024B) in the amount of \$9,870,000 (collectively, the 2024 Bonds). The proceeds of the 2024 Bonds were used to reimburse the Developer for advances made to the District under the Facilities Funding and Acquisition Agreement for public improvements and refund a portion of Series 2007A Subordinate Bonds. The 2024 Bonds mature on December 15, 2046 with an interest rate of 5.875%.

SUPPLEMENTARY INFORMATION

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND – PPI/DPI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Credit Public Improvement Fees from Retail Sales	\$ 2,635,000	\$ 2,440,000	\$ 2,421,619	\$ (18,381)
Add-On Public Improvement Fees from Retail Sales	2,665,000	2,470,000	2,500,481	30,481
Add-On Public Improvement Fees from Building Permits	5,000	113,000	139,811	26,811
Credit Public Improvement Fees from Building Permits	5,000	113,000	139,811	26,811
Facilities Fees	2,500	90,932	90,433	(499)
Net Investment Income	150,000	320,000	414,524	94,524
Transfer from Other Districts	1,336,655	1,329,546	1,335,984	6,438
Shared Sales Tax Increment	1,100,000	950,000	941,040	(8,960)
Other Revenue	100,000	-	-	-
Total Revenues	<u>7,999,155</u>	<u>7,826,478</u>	<u>7,983,703</u>	<u>157,225</u>
EXPENDITURES				
Bond Interest - Series 2007	4,250,000	4,523,586	4,523,586	-
Bond Interest - Series 2017	2,228,106	2,228,106	2,228,106	-
Bond Principal - Series 2017	1,065,000	1,065,000	1,065,000	-
Contingency	100,894	177,308	-	177,308
Paying Agent Fees	6,000	6,000	6,000	-
Total Expenditures	<u>7,650,000</u>	<u>8,000,000</u>	<u>7,822,692</u>	<u>177,308</u>
NET CHANGE IN FUND BALANCE	349,155	(173,522)	161,011	334,533
Fund Balance - Beginning of Year	<u>6,455,855</u>	<u>6,518,211</u>	<u>6,518,211</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,805,010</u>	<u>\$ 6,344,689</u>	<u>\$ 6,679,222</u>	<u>\$ 334,533</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND – PRI
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Budget Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Credit Public Improvement Fees from Retail Sales	\$ 658,750	\$ 605,405	\$ (53,345)
Credit Public Improvement Fees from Building Permits	1,250	34,953	33,703
Net Investment Income	15,000	30,132	15,132
Other Revenue	50,000	-	(50,000)
Total Revenues	<u>725,000</u>	<u>670,490</u>	<u>(54,510)</u>
EXPENDITURES			
Bond Principal - Series 2018	520,000	505,000	15,000
Bond Interest - Series 2018	145,550	147,600	(2,050)
Contingency	50,950	-	50,950
Paying Agent Fees	3,500	3,500	-
Total Expenditures	<u>720,000</u>	<u>656,100</u>	<u>63,900</u>
NET CHANGE IN FUND BALANCE	5,000	14,390	9,390
Fund Balance - Beginning of Year	<u>520,273</u>	<u>517,139</u>	<u>(3,134)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 525,273</u></u>	<u><u>\$ 531,529</u></u>	<u><u>\$ 6,256</u></u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Net Investment Income	\$ -	\$ 27,542	\$ 27,542
Total Revenues	<u>-</u>	<u>27,542</u>	<u>27,542</u>
EXPENDITURES			
Primary Public Improvements	3,300,000	1,458,843	1,841,157
DPI Overhead	191,920	57,312	134,608
PRI Overhead	80	-	80
Total Expenditures	<u>3,492,000</u>	<u>1,516,155</u>	<u>1,975,845</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,492,000)	(1,488,613)	2,003,387
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	1,800,000	1,750,000	(50,000)
Developer Advances - Project Management Fee	192,080	57,312	(134,768)
Total Other Financing Sources (Uses)	<u>1,992,080</u>	<u>1,807,312</u>	<u>(184,768)</u>
NET CHANGE IN FUND BALANCE	(1,499,920)	318,699	1,818,619
Fund Balance - Beginning of Year	<u>1,877,775</u>	<u>868,358</u>	<u>(1,009,417)</u>
FUND BALANCE - END OF YEAR	<u>\$ 377,855</u>	<u>\$ 1,187,057</u>	<u>\$ 809,202</u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
 CAPITAL PROJECTS FUND – STORMWATER
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
 BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
City Reimbursement (Stormwater IGA)	\$ 50,000	\$ -	\$ (50,000)
Total Revenues	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
EXPENDITURES			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	50,000	-	(50,000)
OTHER FINANCING SOURCES (USES)			
Transfers (to) Other Funds	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2023**

Bonds and Interest Maturing in the Year Ending December 31,	\$40,610,000 Subordinate Limited Property Tax Supported Primary Improvements Revenue Bonds, Series 2007A Dated June 7, 2007 Interest Rate at 8.75% - 9.50% Interest Payable June 15 and December 15 Principal Due December 15			\$2,905,000 Subordinate Limited Property Tax Supported District Improvements Revenue Bonds, Series 2007B Dated June 7, 2007 Interest Rate at 8.75% - 9.50% Interest Payable June 15 and December 15 Principal Due December 15		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 9,675,000	\$ 27,390,222	\$ 37,065,222	\$ 685,000	\$ 3,131,323	\$ 3,816,323
2025	2,335,000	2,087,625	4,422,625	165,000	149,150	314,150
2026	2,655,000	1,865,800	4,520,800	190,000	133,475	323,475
2027	2,905,000	1,613,575	4,518,575	205,000	115,425	320,425
2028	3,130,000	1,337,600	4,467,600	225,000	95,950	320,950
2029	3,375,000	1,040,250	4,415,250	240,000	74,575	314,575
2030	3,645,000	719,625	4,364,625	260,000	51,775	311,775
2031	3,930,000	373,350	4,303,350	285,000	27,075	312,075
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-	-	-	-	-	-
2035	-	-	-	-	-	-
2036	-	-	-	-	-	-
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
Total	\$ 31,650,000	\$ 36,428,047	\$ 68,078,047	\$ 2,255,000	\$ 3,778,748	\$ 6,033,748

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	\$47,095,000 Limited Property Tax Supported Revenue Bonds, Series 2017A Dated October 26, 2017 Interest Rate at 4.125% - 5.000% Interest Payable June 15 and December 15 Principal Due December 15			\$2,180,000 Limited Property Tax Supported Revenue Bonds, Series 2017B Dated October 26, 2017 Interest Rate at 5.000% Interest Payable June 15 and December 15 Principal Due December 15		
	Principal	Interest	Total	Principal	Interest	Total
	2024	\$ 1,090,000	\$ 2,085,488	\$ 3,175,488	\$ 55,000	\$ 98,250
2025	1,165,000	2,040,525	3,205,525	55,000	95,500	150,500
2026	1,250,000	1,992,469	3,242,469	60,000	92,750	152,750
2027	1,325,000	1,940,906	3,265,906	65,000	89,750	154,750
2028	1,415,000	1,886,250	3,301,250	70,000	86,500	156,500
2029	1,515,000	1,815,500	3,330,500	75,000	83,000	158,000
2030	1,625,000	1,739,750	3,364,750	80,000	79,250	159,250
2031	1,735,000	1,658,500	3,393,500	85,000	75,250	160,250
2032	1,860,000	1,571,750	3,431,750	90,000	71,000	161,000
2033	1,975,000	1,478,750	3,453,750	100,000	66,500	166,500
2034	2,115,000	1,380,000	3,495,000	105,000	61,500	166,500
2035	2,250,000	1,274,250	3,524,250	110,000	56,250	166,250
2036	2,615,000	1,161,750	3,776,750	130,000	50,750	180,750
2037	2,780,000	1,031,000	3,811,000	140,000	44,250	184,250
2038	3,305,000	892,000	4,197,000	165,000	37,250	202,250
2039	3,675,000	726,750	4,401,750	180,000	29,000	209,000
2040	3,910,000	543,000	4,453,000	190,000	20,000	210,000
2041	6,950,000	347,500	7,297,500	210,000	10,500	220,500
Total	<u>\$ 42,555,000</u>	<u>\$ 25,566,138</u>	<u>\$ 68,121,138</u>	<u>\$ 1,965,000</u>	<u>\$ 1,147,250</u>	<u>\$ 3,112,250</u>

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2023

Bonds and Interest Maturing in the Year Ending December 31,	\$4,510,000 Special Revenue Bonds Series 2018 Dated March 8, 2018 Interest Rate at 5.125% Interest Payable June 15 and December 15 Principal Due December 15					
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 265,000	\$ 126,331	\$ 391,331	\$ 11,770,000	\$ 32,831,614	\$ 44,601,614
2025	280,000	112,750	392,750	4,000,000	4,485,550	8,485,550
2026	305,000	98,400	403,400	4,460,000	4,182,894	8,642,894
2027	320,000	82,769	402,769	4,820,000	3,842,425	8,662,425
2028	345,000	66,369	411,369	5,185,000	3,472,669	8,657,669
2029	365,000	48,688	413,688	5,570,000	3,062,013	8,632,013
2030	390,000	29,981	419,981	6,000,000	2,620,381	8,620,381
2031	195,000	9,994	204,994	6,230,000	2,144,169	8,374,169
2032	-	-	-	1,950,000	1,642,750	3,592,750
2033	-	-	-	2,075,000	1,545,250	3,620,250
2034	-	-	-	2,220,000	1,441,500	3,661,500
2035	-	-	-	2,360,000	1,330,500	3,690,500
2036	-	-	-	2,745,000	1,212,500	3,957,500
2037	-	-	-	2,920,000	1,075,250	3,995,250
2038	-	-	-	3,470,000	929,250	4,399,250
2039	-	-	-	3,855,000	755,750	4,610,750
2040	-	-	-	4,100,000	563,000	4,663,000
2041	-	-	-	7,160,000	358,000	7,518,000
Total	\$ 2,465,000	\$ 575,281	\$ 3,040,281	\$ 80,890,000	\$ 67,495,464	\$ 148,385,464

SERVICE AGREEMENT FOR MOWING AND WEED MITIGATION

THIS SERVICE AGREEMENT FOR MOWING AND WEED MITIGATION (“Agreement”) is entered into and effective as of the 1st day of June, 2024, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **CLEAR WATER PROPERTY & RESOURCE MANAGEMENT LLC**, a Colorado limited liability company (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto on a time and materials basis, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above for calendar year 2024, and shall automatically renew unless terminated in accordance with Section 3.2.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant 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 of no effect.

5.2 Modification; 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 District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 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.

5.4 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.

5.5 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 Adams, Colorado.

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

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

5.8 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 District: Prairie Center Metropolitan District No. 3
141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
Phone: (303) 987-0825
Email: pripko@sdmsi.com
Attn: Peggy Ripko

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Clear Water Property & Resource Management LLC
8716 Appletree Place
Highlands Ranch, CO 80126
Phone: (303) 521-7465
Email: jkc@kennys-lpm.com
Attn: Jordan Kenneth Carns

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 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.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:

CLEAR WATER PROPERTY & RESOURCE MANAGEMENT LLC

By: _____

Its: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of Clear Water Property & Resource Management LLC.

Witness my hand and official seal.

My commission expires: _____

Notary Public

District:

PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

By: _____

Michael Tamblyn, President

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Michael Tamblyn, as President of Prairie Center Metropolitan District No. 3.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
SCOPE OF SERVICES

Mowing and weed mitigation in the areas depicted on the map attached hereto as page A-2. It is anticipated that the Services, as more specifically described on **Exhibit B**, shall be provided on a time and materials basis three times a year in June, August and October, unless otherwise directed and authorized by the District's Property Manager.

Spray Weeds
Around Office.

— = 2-3 mowing
PASSES



Brighton - Google Maps

**EXHIBIT B
COMPENSATION**

Item	Description	U/M	Rate
Mowing	<p>Mowing of the perimeter of designated native grass areas. (See map on page A-2)</p> <p>Two to three passes around the perimeter of each defined area executed with a zero turn commercial mower or tractor with brush hog mowing deck.</p>	Acre	\$250.00/AC
Weed Mitigation	<p>Mitigation of weeds in the designated area. (See map on page A-2)</p> <p>Any extremely large weeds too strong for herbicide will be removed by hand and disposed of. Smaller weeds capable of being killed with herbicide will be sprayed.</p> <p>Rate includes a three man crew, trucks, equipment and tools.</p> <p>Disposal fees and herbicide will be billed separately.</p> <p>Disposal cost will depend on the rates at the most efficient local land fill or composting facility unless disposal can be provided on site by the district.</p>	<p>Hour</p> <p>Day</p>	<p>\$200.00/hr</p> <p>\$1,500.00/dy</p>

EXHIBIT C
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20____
Increase of this Change Order: \$ _____	New Term: Expires _____, 20____
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	
By:	
	District

APPROVED:	
By:	
	Consultant

OFFICE OF THE SECRETARY OF STATE
OF THE STATE OF COLORADO

CERTIFICATE OF FACT OF GOOD STANDING

I, Jena Griswold, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Clear Water Property & Resource Management LLC

is a

Limited Liability Company

formed or registered on 07/25/2018 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20181588380 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 06/07/2024 that have been posted, and by documents delivered to this office electronically through 06/12/2024 @ 12:28:31 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 06/12/2024 @ 12:28:31 in accordance with applicable law. This certificate is assigned Confirmation Number 16116533 .



Jena Griswold

Secretary of State of the State of Colorado

*****End of Certificate*****

Notice: A certificate issued electronically from the Colorado Secretary of State's website is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's website, <https://www.coloradosos.gov/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our website, <https://www.coloradosos.gov> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."

**SERVICE AGREEMENT FOR
ASPHALT PAVING, REPAIRS AND MAINTENANCE**

THIS SERVICE AGREEMENT FOR ASPHALT PAVING, REPAIRS AND MAINTENANCE (“**Agreement**”) is entered into and effective as of April 22, 2024, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**” or “**Owner**”), and **ALLIANCE COMMERCIAL MAINTENANCE SERVICES, INC.**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in **Exhibit A** hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed \$190,000.00, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in **Exhibit B**, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire upon satisfactory completion of the Services. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least fifteen (15) business days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least fifteen (15) business days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant 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 of no effect.

5.2 Modification; 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 District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 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.

5.4 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.

5.5 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 Adams, Colorado.

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

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

5.8 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 District: Prairie Center Metropolitan District No. 3
141 Union Boulevard, Suite 150
Lakewood, CO 80228
Phone: (303) 987-0835
Email: pripko@sdmsi.com
Attn: Peggy Ripko

With a Copy To: McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203
Phone: (303) 592-4380
Email: legalnotices@specialdistrictlaw.com

To Consultant: Alliance Commercial Maintenance Services, Inc.
1385 S. Huron Street
Denver, CO 80223
Phone: (720) 445-2833
Email: jcunningham@alliance-cms.com
Attn: James Cunningham

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and

regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 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.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:
**ALLIANCE COMMERCIAL
MAINTENANCE SERVICES, INC.**
By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of Alliance Commercial Maintenance Services, Inc.

Witness my hand and official seal.

My commission expires: _____

Notary Public

District:
**PRAIRIE CENTER METROPOLITAN
DISTRICT NO. 3**
By: _____
Michael Tamblyn, President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Michael Tamblyn, as President of Prairie Center Metropolitan District No. 3.

Witness my hand and official seal.

My commission expires: _____

Notary Public

**EXHIBIT A
SCOPE OF SERVICES**

Scope of Work	Cost Estimates
<p>RED AREA - Asphalt Milling & Paving - 2" <i>Approximately (14,379) square feet or (180) tons.</i> Milling of estimated amount of asphalt (approximately 2") includes removal of 2" of asphalt, hauling material off site, and broom clean-up. Includes (1) mobilization/phases with additional phasing to be charged at Owners expense. Asphalt Overlay (2" depth) includes cleaning existing asphalt thoroughly and apply CSS-IH tack coat to ensure bonding. Haul, place and compact total estimated amount of new hot Grade SX asphalt with 20% RAP. Includes one (1) phase with additional phasing to be charged at Owners expense. <i>Includes (25) tons of 3/4" asphalt used for full depth asphalt repairs.</i></p>	\$41,314.13
<p>GREEN AREA - Asphalt Milling & Paving - 2" <i>Approximately (25235) square feet or (315) tons.</i> Milling of estimated amount of asphalt (approximately 2") includes removal of 2" of asphalt, hauling material off site, and broom clean-up. Includes (1) mobilization/phases with additional phasing to be charged at Owners expense. Asphalt Overlay (2" depth) includes cleaning existing asphalt thoroughly and apply CSS-IH tack coat to ensure bonding. Haul, place and compact total estimated amount of new hot Grade SX asphalt with 20% RAP. Includes one (1) phase with additional phasing to be charged at Owners expense. <i>Includes (40) tons of 3/4" asphalt used for full depth asphalt repairs.</i></p>	\$71,756.85
<p>MAROON AREA - Asphalt Milling & Paving - 2" <i>Approximately (11400) square feet or (142) tons.</i> Milling of estimated amount of asphalt (approximately 2") includes removal of 2" of asphalt, hauling material off site, and broom clean-up. Includes (1) mobilization/phases with additional phasing to be charged at Owners expense. Asphalt Overlay (2" depth) includes cleaning existing asphalt thoroughly and apply CSS-IH tack coat to ensure bonding. Haul, place and compact total estimated amount of new hot Grade SX asphalt with 20% RAP. Includes one (1) phase with additional phasing to be charged at Owners expense. <i>Includes (17) tons of 3/4" asphalt used for full depth asphalt repairs.</i></p>	\$32,872.79
<p>DARK ORANGE AREA - Asphalt Milling & Paving - 2" <i>Approximately (2141) square feet or (27) tons.</i> Milling of estimated amount of asphalt (approximately 2") includes removal of 2" of asphalt, hauling material off site, and broom clean-up. Includes (1) mobilization/phases with additional phasing to be charged at Owners expense. Asphalt Overlay (2" depth) includes cleaning existing asphalt thoroughly and apply CSS-IH tack coat to ensure bonding. Haul, place and compact total estimated amount of new hot Grade SX asphalt with 20% RAP. Includes one (1) phase with additional phasing to be charged at Owners expense. <i>Includes (5) tons of 3/4" asphalt used for full depth asphalt repairs.</i></p>	\$6,894.80
<p>Concrete Repairs - <i>Approximately (21) linear feet of curb or up to (2) cubic yards total.</i> Saw cut, excavate designated existing area & haul material to approved recycle facility. Prep subgrade & apply new roadbase to appropriate compaction. Dowel #4 to existing concrete for stability. Form & pour new concrete at 4500 PSI to a heavy broom finish. <i>Includes (1) phase(s) at (1) day(s) each. Additional phasing to be charged at owner's expense.</i></p>	\$2,750.00
<p>Crack Sealing - <i>Includes up to (2250) Lbs.</i> Blow out all cracks 1/4" or larger on previously paved 2021-23 areas with compressed air. Apply hot asphalt emulsion to all cracks 1/4" or larger. Settling of hot rubberized asphalt emulsion may occur, however it doesn't affect performance. the quantity described above does not include alligatored areas.</p>	\$6,639.75
<p>Parking Lot Striping - Restripe designated areas to existing layout.</p>	\$17,980.25
TOTAL	\$180,208.57

Additional Conditions: The conditions are herein incorporated into the Agreement, provided, however, that in the event of a conflict between these conditions and any other provision in the Agreement, the provision in the Agreement shall control.

1. Alliance Commercial Maintenance Services, Inc. at its discretion may use subcontractors to perform work under this contract.
2. Alliance Commercial Maintenance Services, Inc. shall furnish Owner appropriate waivers of lien, or releases, for all work performed or materials provided at the time payment is due, as requested by the Owner.
3. Alliance Commercial Maintenance Services, Inc. agrees to remove all debris and leave the premises in "broom-clean" condition.
4. Alliance Commercial Maintenance Services, Inc. shall not be liable for any delay due to force majeure, Acts of God, or circumstances beyond its control including, but not limited to strikes, casualty or general unavailability of materials.
5. Alliance Commercial Maintenance Services, Inc. provides a limited warranty on all workmanship and materials for a period of 365 days after completion of work. Alliance Commercial Maintenance Services warrants and guarantees the quality of materials and workmanship for 365 days in each job type from the date of installation of the materials. Any such area determined to fall within the warranty parameters will be repaired according to industry standards. The repair will be patched and will be visible. This includes "pot holes" that may form as a result of subgrade compaction only, asphalt cracking larger than ½ inch in width both of which will be investigated to determine if the cause is as a result of subgrade compaction that occurred during installation.*Due to the demand for parking and traffic flow, it is hard to keep vehicles off a newly paved surface in a commercial parking lot. Vehicles are constantly stopping, starting and turning their wheels on fresh asphalt. Therefore we cannot warranty tire marks on newly paved commercial parking lots.*

All warranties subject to the following conditions:

All warranties do not cover damage caused by impact or exposure to/from any foreign substance or other mistreatment of paved surface such as but not limited to: motorcycle stands, dumpsters, jacks, kick stands and even things like lawn chairs. Oil or gas spills that damage asphalt not covered under any warranty. Acts of nature that can cause damage to the pavement are as follows and these will not be covered under this warranty: ground movement, drought or compaction of the earth's soils, root systems of surrounding landscapes, (this includes all vegetation) oxidation through ultraviolet rays, and ground water under pavement causing undue moisture of pavement base. All warranties void if base work was completed by another company. Parking line striping carries a 90 day limited warranty. This warranty does not cover damage due to sprinkler systems left on during or after installation, tire marks, weather related damage (rain, wind, etc.) & people or animals walking across wet asphalt.

6. Alliance Commercial Maintenance Services, Inc. shall not be responsible for pavement failures due to frost under, or adjacent, to its work.
7. Alliance Commercial Maintenance Services, Inc. does not guarantee positive drainage on existing or proposed areas that have less than two percent (2%) slope.
8. Alliance Commercial Maintenance Services, Inc. does not guarantee traffic paint adherence between October 1st and April 1st.
9. Alliance Commercial Maintenance Services, Inc. must truck over existing asphalt and concrete pavement to complete our work and shall not be held liable, or responsible, for damage to existing areas due to necessary trucking.
10. Further Exclusions: Engineering permits, testing, inspection fees, surveying, staking, adjustment to water valves, and manhole covers, pavement markings, landscape repair, traffic control, and sub-grade preparation unless otherwise specified in the contract.

RED AREA - Asphalt Milling & Paving - 2"



GREEN AREA - Asphalt Milling & Paving - 2"



MAROON AREA - Asphalt Milling & Paving - 2"



DARK ORANGE AREA - Asphalt Milling & Paving - 2"



Concrete Repairs



**EXHIBIT B
COMPENSATION**

The basis for compensation shall be the Cost Estimates set forth in **Exhibit A** and, subject to the approval of the District's Project Manager, shall not exceed a total of **\$190,000.00**, except as provided by written Change Order signed by both Parties.

EXHIBIT C
FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):
--

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$ _____	Original Term: Expires _____, 20____
Increase of this Change Order: \$ _____	New Term: Expires _____, 20____
Price with all Approved Change Orders: \$ _____	Agreement Time with all Approved Change Orders: _____

APPROVED:	
By:	_____
	District

APPROVED:	
By:	_____
	Consultant

SERVICE AGREEMENT FOR LIGHT POLE INSTALLATION

THIS SERVICE AGREEMENT FOR LIGHT POLE INSTALLATION (“**Agreement**”) is entered into and effective as of April 16, 2024, by and between **PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **COMMUNICATION CONSTRUCTION & ENGINEERING, INC.**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The District was organized pursuant to the laws of the State of Colorado in order to construct, operate and maintain certain public facilities and improvements in accordance with its service plan.

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

C. The Consultant has experience in providing the services, as set forth in Exhibit A hereto, attached and incorporated herein (the “**Services**”), and is willing to provide such Services to the District for reasonable consideration.

D. The Parties desire to enter into this Agreement to establish the terms by which the Consultant will provide the Services to the District.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

(a) Perform the Services, safely and in accordance with the highest standard of care, skill, and diligence provided by a professional consultant in performance of work similar to the Services.

(b) Be properly qualified to perform the Services. The Consultant does hereby warrant that the quality of the Services (labor and materials) shall be as specified in this Agreement, shall conform in all respects to the requirements of this Agreement and shall be free of defects and deficiencies for a period of one (1) year after acceptance by the District.

(c) Take all precautions necessary for safely and prudently conducting the Services required by this Agreement, including maintaining insurance as required under Section 4.2 hereof.

(d) Advise the District of the status of the Services required by this Agreement on a regular basis and work in coordination with the District's consultants to assure that the District has the most complete information available for the exercise of the District's powers and discretionary authority.

(e) Refrain from entering into any contract, oral or written, in the name of the District, and from incurring any debt, liability or obligation for or on behalf of the District. All obligations incurred by the Consultant shall be obligations of the Consultant and the Consultant shall hold the District harmless therefrom.

1.2 Limitations on Authority.

(a) The Consultant shall have no right or authority, expressed or implied, to take any action, expend any sum, incur any obligation, or otherwise obligate the District in any manner whatsoever, except to the extent specifically provided in this Agreement or specifically authorized or ratified by the board of directors of the District as reflected in the minutes of the District board meetings. The Consultant shall at all times conform to the stated policies established and approved by the District.

(b) Independent Contractor Status. The Consultant is an independent contractor, as provided in Section 8-40-202(2)(b)(I)-(IV), C.R.S., as amended, and nothing herein contained shall constitute or designate the Consultant or any of its employees, agents, subcontractors or suppliers as employees of the District. The Services to be performed by the Consultant shall be at its sole cost, risk and expense, and no part of the cost thereof shall be charged to the District, except the payments to be made by the District to the Consultant for the Services performed as provided herein. The District shall not be responsible for the Consultant's means, methods, techniques, sequences or procedures of work or for safety precautions incident thereto. **The Consultant is not entitled to workers' compensation benefits and the Consultant is obligated to pay federal and state income taxes on moneys earned pursuant to this Agreement.**

1.3 Compliance with Applicable Law. The Consultant shall provide the Services set forth herein in full compliance with all applicable laws, rules, and regulations of any federal, state, county, or municipal body or agency thereof having jurisdiction over the activities of the District.

1.4 No Right or Interest in District Assets. The Consultant shall have no right or interest in any of the District's assets, nor any claim or lien with respect thereto, arising out of this Agreement or the performance of the Services contemplated herein.

1.5 Work Product. "Work Product" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.5, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.5. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid as set forth in Exhibit B attached hereto with a total contract amount not to exceed \$45,000.00, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as Exhibit C ("Change Order").

2.2 Monthly Invoices and Payments. The Consultant shall submit to the District a monthly invoice, in a form acceptable to the District. Invoices shall be submitted and paid no more frequently than once a month.

2.3 Expenses. The Consultant is responsible for all expenses it incurs in performance of this Agreement and shall not be entitled to any reimbursement or compensation except as set forth in Exhibit B, unless otherwise approved in advance by the District in writing.

2.4 Subject to Annual Budget and Appropriation; District Debt. The District does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the District hereunder requiring budgeting and appropriation of funds is subject to annual budgeting and appropriation. Nothing herein constitutes or creates an indebtedness or debt of the District within the meaning of any Colorado constitutional provision or statutory limitation.

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire ninety (90) days thereafter. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least fifteen (15) business days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least fifteen (15) business days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

(b) Notwithstanding any provision herein to the contrary, the Agreement shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Consultant's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; or (b) administrative dissolution (or other legal process not initiated by the Consultant dissolving the Consultant as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process.

The District shall pay the Consultant for all Services satisfactorily performed through the termination date.

IV. INDEMNIFICATION AND INSURANCE

4.1 Indemnification. The Consultant hereby agrees to indemnify, defend and hold the District and its affiliated entities or other persons or entities designated by the District, and their respective directors, trustees, officers, members, managers, agents and employees (collectively, the "**Indemnitees**"), harmless from any and all liability for damage, including, but not limited to, the reimbursement of attorneys' fees and costs, arising out of death or bodily injury to persons or damage to property, in such amount that is represented by the degree or percentage of negligence or fault attributable to the Consultant and/or its agents, representatives, subcontractors, or suppliers.

4.2 Insurance Requirements. The Consultant shall procure, at its sole cost and expense, the insurance coverages set forth below, which insurance shall be placed with insurance companies rated at least "A:XIII" by A.M. Best Company. The Consultant shall give notice to the District at least thirty (30) days prior to the cancellation or nonrenewal of such policies. The Consultant shall give notice to the District within five (5) business days, or as soon as practicable, of any modification of any such policies. Consultant's cost of maintaining the insurances required hereunder shall not be considered a reimbursable expense of the Consultant. The Consultant shall, upon request, promptly furnish the District with copies of policies obtained pursuant to this Section 4.2. Prior to commencing the Services, the Consultant shall furnish the District with certificates evidencing such insurance and provided further, however, with respect to the Workers' Compensation Insurance required below, the Consultant must furnish to the District, prior to the commencement of any Services, duly executed and validated forms as prescribed by the state authority having jurisdiction evidencing that such insurance is in full force and effect. The District shall not pay any invoices until Consultant provides the certificates evidencing such insurance and Workers' Compensation coverage.

(a) Liability Insurance Coverage.

(i) Workers' Compensation Insurance. A Workers' Compensation Insurance Policy in form and substance reasonably acceptable to the District and in an amount not less than the statutory benefits, including Employer's Liability Insurance with limits of liability of not less than (i) \$500,000 for bodily injury by accident, each accident; (ii) \$500,000 for bodily injury by disease, each employee; and (iii) \$500,000 aggregate liability for disease. The Workers' Compensation Insurance Policy, or an endorsement to such policy, must include a waiver of subrogation in favor of the District.

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

(iii) Automobile Liability Insurance. An Automobile Liability Insurance Policy written on a per accident basis, in form and substance reasonably acceptable to the District. The Automobile Liability Insurance Policy must provide coverage for all owned, hired, rented and nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

(iv) Excess Liability Insurance. An Excess Liability Insurance Policy written in excess of the coverages provided by the insurance policies described in the preceding Subsections 4.2(a)(i) - (iii), in form and substance reasonably acceptable to the District, which policy will include the District as additional insured. The Excess Liability Insurance Policy must be written with a combined single limit of not less than \$1,000,000 for each occurrence of bodily injury/or property damage and annual aggregate.

(v) Professional Liability Insurance Coverage. The Consultant shall obtain and, continuously thereafter for eight (8) years from the date of substantial completion of the design, maintain in full force and effect a claims made policy covering errors, omissions and negligent acts in the performance of its Services hereunder, in an amount of \$1,000,000 per claim and annual aggregate. The Consultant shall be solely responsible for the payment of all deductibles. Consultant's deductibles or Consultant's self-insured retentions shall be approved by the District.

(b) Failure to Obtain and Obligation to Maintain Insurance. If the Consultant fails to furnish and maintain insurance as required by this Section 4.2, the District may purchase such insurance on behalf of the Consultant and deduct the cost of such

insurance premium(s) from the compensation otherwise owed to the Consultant, and the Consultant shall furnish to the District any information needed to obtain such insurance. Except as otherwise expressly provided herein, all insurance policies required by the terms of this section shall be kept in full force and effect until the date of final payment to the Consultant for the Services specified in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the foregoing insurance requirements are in no way intended to, and will not in any manner, limit or qualify the liabilities and/or indemnities assumed by the Consultant under or pursuant to this Agreement.

(c) Effect of Approval or Acceptance of Insurance. District acceptance and/or approval of any or all of the insurances required hereunder does not and shall not be construed to relieve Consultant from any obligations, responsibilities or liabilities under this Agreement.

V. MISCELLANEOUS

5.1 Assignment. The Consultant 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 of no effect.

5.2 Modification; 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 District or the Consultant unless the same is in writing and duly executed by the Parties.

5.3 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.

5.4 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.

5.5 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 Adams, Colorado.

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

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

5.8 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 District:	Prairie Center Metropolitan District No. 3 141 Union Boulevard, Suite 150 Lakewood, CO 80228 Phone: (303) 987-0835 Email: pripko@sdmsi.com Attn: Peggy Ripko
With a Copy To:	McGeady Becher P.C. 450 E. 17 th Avenue, Suite 400 Denver, CO 80203 Phone: (303) 592-4380 Email: legalnotices@specialdistrictlaw.com
To Consultant:	Communication Construction & Engineering, Inc. 901 E. 73 rd Avenue Denver, CO 80229-6816 Phone: (720) 450-7952 Email: normt@communicationconstruction.com Attn: Norm Thielbert

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

5.9 Default/Remedies. If either Party fails to perform any of its responsibilities, obligations or agreements to be performed in accordance with the provisions of this Agreement, and if such failure of performance continues for a period of thirty (30) days following written notice of default from the other Party (or such additional period of time as may reasonably be required to cure such default; provided that the curative action is commenced within such thirty (30) day period and is diligently and continuously pursued to completion), then the non-defaulting Party, at its option, may elect (i) to treat this Agreement as remaining in full force and effect; or (ii) terminate this Agreement as of any specified date. The non-defaulting Party shall additionally be entitled to exercise all remedies available at law or in equity. In the event of any litigation or other proceeding to enforce the terms, covenants or conditions hereof, the non-defaulting Party in any such litigation or other proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

5.10 Instruments of Further Assurance. Each Party covenants it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

5.11 Compliance with Law. This Agreement is intended to be performed in accordance with and only to the extent permitted by all applicable laws, ordinances, rules, and regulations of the jurisdiction in which the Agreement is performed. The Consultant declares it has complied and will comply with all federal, state and local laws regarding business permits, certificates and licenses required to perform the Services.

5.12 Non-Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed to be a waiver of any subsequent default hereunder. Notwithstanding any provision to the contrary in this Agreement, no term or condition of this Agreement shall be construed or interpreted as a waiver, either expressed or implied, of any of the immunities, rights, benefits or protection provided to the District under the Colorado Governmental Immunity Act.

5.13 Inurement. This Agreement shall inure to and be binding on the heirs, executors, administrator, successors, and permitted assigns of the Parties hereto.

5.14 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.

5.15 Conflicts. If any term or provision(s) in any Exhibit attached as part of this Agreement conflicts with any term or provision(s) in the body of this Agreement, the term or provision(s) contained in the body of this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

KYLE CONRAD
Notary Public
State of Colorado
Notary ID # 20194009133
My Commission Expires 03-14-2027

Consultant:
COMMUNICATION CONSTRUCTION & ENGINEERING, INC.

By: [Signature]
Its: Account Executive

STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing instrument was acknowledged before me this 18 day of April, 2024, by Norm Thiabert, as Account Executive of Communication Construction & Engineering.
Witness my hand and official seal.

My commission expires: 3-14-27

[Signature]
Notary Public

District:
PRAIRIE CENTER METROPOLITAN DISTRICT NO. 3

By: [Signature]
Michael Tamblyn, President

STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing instrument was acknowledged before me this 26 day of April, 2024, by Michael Tamblyn, as President of Prairie Center Metropolitan District No. 3.

Witness my hand and official seal.

My commission expires: 12-21-25

BARBARA A ESPARSEN
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20174052103
MY COMMISSION EXPIRES DEC 21, 2025

[Signature]
Notary Public

EXHIBIT A SCOPE OF SERVICES

Apply for electrical permit to install new electrical circuit to two (2) new light poles in accordance with plans provided by the District. Auger and set precast caissons and extend conduit and wiring to an existing panel, then assemble and stand the light poles and confirm they are operational.

Assumptions:

- Consultant is not responsible for permit fees, traffic control or bonds.
- Engineering plans will be designed to ASCE Quality Level.
- Wildlife, environmental or stormwater impact studies and mitigation plans are not included in the Scope of Services.
- Consultant is not responsible for performing private utility locates.
- All potholes in asphalt will be patched with cold patch only. Any concrete potholes will be patched with concrete mortar.

**EXHIBIT B
COMPENSATION**

ACTIVITY	QTY	RATE	AMOUNT
Provide electrical permit, coordination for inspections	1	2,470.00	2,470.00
Vac Trailer for utility potholing and spoils control during directional drilling (Labor & Equip.) Directional bore and place a 1" conduit. Does not include spoils control and potholing.	1	1,920.00	1,920.00
(Materials) Provide 1" HDPE UL Listed conduit	400	12.00	4,800.00
(Materials) Provide 1" Shurlock couplings	400	0.79	316.00
Install mule tape in empty conduit.	1	17.00	17.00
Provide Mule Tape (per ft).	420	0.75	315.00
Labor to auger & set precast caissons (2 men, truck, trailer and equipment /hour)	420	0.07	29.40
(Materials) Provide 24"x 6' precast concrete caissons	2	525.00	1,050.00
Electrical Labor-wiring, assembly & installations	2	1,365.00	2,730.00
Provide Light fixture package	1	5,655.00	5,655.00
Labor (1 Man and Boom Truck)	1	11,440.00	11,440.00
Mobilizations	3	200.00	600.00
(Labor) Project Management time -hourly	6	1,344.20	8,065.20
	4	165.00	660.00
*TOTAL			\$40,067.60

- * No compensation in excess of \$40,067.60 shall be payable to Consultant unless (i) Consultant has provided written notice to the District's Project Manager specifying the amount and reasons for any cost increase and (ii) such cost increase has been authorized in writing by the District's Project Manager. Notwithstanding the foregoing, total compensation for the Scope of Services shall not exceed \$45,000.00 except as provided by Change Order.

EXHIBIT C

FORM OF CHANGE ORDER

Change Order No:	Date Issued:
Name of Agreement:	
Date of Agreement:	District(s):
Other Party/Parties:	

CHANGE IN SCOPE OF SERVICES (describe):

CHANGE IN AGREEMENT PRICE:	CHANGE IN TERM OF AGREEMENT:
Original Price: \$	Original Term: Expires _____, 20
Increase of this Change Order: \$	New Term: Expires _____, 20
Price with all Approved Change Orders: \$	Agreement Time with all Approved Change Orders:

APPROVED:	APPROVED:
By:	By:
District	Consultant



PROPOSAL

May 8, 2024

Prairie Center Metropolitan District #3
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228

Attention: Mike Tamblyn

Subject: Proposal for
Construction Observation and Materials Testing
Prairie Center Retail 4
Southeast of Eagle Boulevard and Prairie Center Parkway
Brighton, Colorado
Proposal No. DN-24-0193; Project No. DN48,939.003

CTL|Thompson, Inc. (CTL|T) presents this proposal for performing Construction Observation and Materials Testing (COMT) for Prairie Center Retail 4 located southeast of Eagle Boulevard and Prairie Center Parkway in Brighton, Colorado.

We reviewed the Preliminary Geotechnical Investigation performed by our firm (Project No. DN48,939-135; dated June 5, 2017) and plans prepared by Redland in preparation of this proposal. We understand this project consists of three lots with approximately 700-ft of roadway and associated infrastructure.

Construction Observation and Materials Testing

COMT may include testing and observation for earthwork, asphalt, reinforcing steel, and concrete. Our Fee Estimate is presented in Exhibit B of the attached Service Agreement (SA). We emphasize that our estimate is based on the number of days of work and the contractor's rate of progress. The invoiced fees will be based on the actual hours and unit rates presented for tests and observations requested by the owner, engineer, general contractor, and subcontractors who schedule the services.

If you would like us to proceed, please return an executed copy of the SA or authorize us to proceed subject to the terms of the SA. Thank you for considering CTL|T for this project. If you have questions or to schedule our services, please call 303.825.0777.

Respectfully submitted,

CTL|THOMPSON, INC.

Christopher N. Bouchet, P.E.
Associate | Denver Field Manager
erobles@ctlthompson.com

CNB/bg

Attachment: Service Agreement

Via email: mtamblyn@thekroenkegroup.com
skronebusch@redland.com

CTL|Thompson, Inc.
Denver, Fort Collins, Colorado Springs, Glenwood Springs, Pueblo, Summit County – Colorado
Cheyenne, Wyoming and Bozeman, Montana

SERVICE AGREEMENT



Parties	This Agreement is entered into this 8th day of May, 2024 between PRAIRIE CENTER METROPOLITAN DISTRICT #3, 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, referred to herein as "Client" and CTL Thompson, Inc., 1971 West 12 th Avenue, Denver, Colorado 80204, referred to herein as "CTL T."
Project	Client retains CTL T to provide consulting services in connection with Prairie Center Retail 4, Southeast of Eagle Boulevard and Prairie Center Parkway, Brighton, Colorado, referred to herein as "Project." Client's relationship to the Project is that of "DEVELOPER."
Scope	The scope of CTL T's services is set forth in Exhibit A, which is part of this Agreement.
Fee	CTL T agrees to provide the services set forth in this Agreement on a Unit Rate basis in accordance with fees shown in Exhibit B. The quoted fee shall remain available to Client for 30 days from the date of this Agreement, after which CTL T may increase the fee. If the Client desires to change CTL T's scope of services, Client and CTL T shall execute a written addendum to this Agreement setting forth CTL T's revised scope of services and fee.
Invoices	CTL T may submit interim invoices to Client and will submit a final invoice upon completion of its services. Invoices will detail charges for different personnel and expense classifications, a lump sum fee, or a percentage of completion, as appropriate. Unless otherwise authorize by Client in writing, the total compensation payable to CTL T under this Agreement shall not exceed \$34,000. A more detailed itemization of charges and back-up data will be provided at Client's request. Client shall pay a finance charge of one-and-one half percent (1½%) per month on past due accounts, plus attorney fees and costs associated with collection.
Right-of-Entry	Client shall arrange for and provide CTL T with safe access to the Project property, including access for necessary equipment, to allow CTL T to complete its services. While onsite, CTL T will take reasonable precautions to minimize damage to the Project property, but Client agrees that in the normal course of work some damage may occur, the correction of which shall not be CTL T's responsibility.
Utilities	Client shall be responsible for designating the location of all private utility lines and subterranean structures within the property lines of the Project. CTL T will request responsible utilities to locate off-site lines and public on-site lines when necessary for CTL T's services. Client agrees to defend, indemnify, and hold CTL T harmless for damage to utilities or subterranean structures that are not correctly located by Client or the responsible utility.

SERVICE AGREEMENT



Samples	CTL T will retain soil and rock samples for thirty (30) days after submitting the report on those samples. Construction materials samples collected and tested, if any, will be disposed of after testing. Further storage or transfer of samples can be arranged at Client's expense, upon written request.
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Ownership of Documents	<p>CTL T retains ownership and copyrights of all work product, reports, field data, field notes, laboratory test data, calculations, estimates, design plans, and other documents CTL T prepares in connection with this Agreement. Client is licensed to use these Instruments of Service solely for the purpose they were prepared in furtherance of this Agreement. Client shall not reproduce, use, or alter CTL T's Instruments of Service for other projects, or for making future modifications to the Project, without CTL T's prior written consent. If CTL T terminates this Agreement for non-payment, Client shall not be entitled to use CTL T's Instruments of Service for any reason.</p> <p>CTL T shall retain delivered Instruments of Service in electronic form for five (5) years following completion of its services, during which period the Instruments of Service shall be made available to Client during regular business hours.</p>
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Job Site	Client shall require the construction contractors and subcontractors to assume sole and complete responsibility for job site conditions at the Project, including the safety of persons and property, and for construction means, methods, techniques, and sequences. Accordingly, Client shall defend, indemnify and hold CTL T harmless from all claims for personal injury or property damage sustained due to the negligence of any contractor, subcontractor, or other person not under the control of CTL T i) in safeguarding the worksite, ii) for using unacceptable materials in construction, iii) in constructing the Project, and iv) for claims arising under workers' compensation laws.
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Standard of Care	<p>CTL T shall perform its services under this Agreement in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. CTL T makes no express or implied warranty in connection with the performance of its services.</p> <p>Client acknowledges that subsurface conditions may vary from those CTL T encounters at the location where CTL T performs borings, test pits, surveys, or explorations (if any) and that CTL T's data, interpretations and recommendations are based solely on the information available to it. Client also acknowledges that the performance of soils depends on variables beyond the control of CTL T and therefore, CTL T cannot and does not guarantee the performance of soils at the Project property. CTL T will be responsible for its data, interpretations and recommendations as indicated above, but shall not be responsible for the interpretation or implementation by others of the information developed.</p>
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SERVICE AGREEMENT



Limitations on Claims	<p>Any claim or cause of action between Client and CTLJT including, but not limited to, claims for contribution and indemnity, shall be deemed to have accrued and the applicable statutes of limitation and repose shall commence to run no later than the date of substantial completion of CTLJT's services under this Agreement. Substantial completion shall be deemed to occur no later than the date CTLJT issues its final invoice under this Agreement.</p> <p>In the event of a claim, Client agrees that as its sole and exclusive remedy, any claim, demand, or suit shall be brought against CTLJT as a corporation only, and not against any of CTLJT's individual employees, engineers, agents, officers, directors, or shareholders.</p> <p>The services CTLJT provides pursuant to this Agreement are solely for the benefit of Client. Neither CTLJT nor Client intends to confer a benefit on any other person or entity. To the extent any other person or entity benefits from the services CTLJT provides, such benefit is purely incidental and such person or entity shall not be deemed a third-party beneficiary of this Agreement.</p> <p>Client and CTLJT waive claims against each other for consequential, incidental, indirect, special, exemplary or punitive damages arising out of the services CTLJT performs pursuant to this Agreement. This mutual waiver includes, but is not limited to, claims for loss of use, product, rent, income, profit, financing, business, and reputation, for delay damages of any kind, for lost management and labor productivity, lost opportunity to complete other projects, and for increased construction and financing costs. This waiver extends, without limitation, to all consequential damages due to either party's termination under this Agreement.</p>
Limitation of Liability	<p>Client agrees CTLJT's total aggregate liability to Client and others for all injuries, claims, losses, damages, and expenses (including costs, expert fees, attorney fees, and interest) arising out of CTLJT's services for the Project shall be limited to the greater of \$1,000,000 or the maximum amount available under CTLJT's insurance policies. This limitation shall apply regardless of the nature of the claim made or the theory of liability pursued, including but not limited to, negligence, strict liability, breach of contract, breach of warranty, contribution, and indemnity. CTLJT will have no liability to Client or others for damages resulting from the failure of Client or others to follow CTLJT's recommendations.</p>
Value Engineering	<p>If Client directs CTLJT or others to revise the Construction Documents to include value engineering, value reduction, or substitution proposals (VE Proposals) made by others, and CTLJT does not recommend acceptance of the VE Proposals, then Client shall release, indemnify, and defend CTLJT from and against all claims, damages, losses, liabilities, costs and attorney fees arising from the inclusion of the VE Proposals into the Project.</p>

SERVICE AGREEMENT



Insurance	CTL T represents that it, its employees, and the consultants it retains are protected by worker's compensation insurance, and that CTL T has such coverage under commercial general liability, property damage, and professional liability insurance policies as CTL T deems to be adequate. CTL T will provide Certificates for these insurance policies to Client upon written request. CTL T shall in no event be responsible for any loss or damage beyond the amounts, available limits, and conditions of these insurance policies.
Termination	Either party may terminate this Agreement for cause upon seven (7) days written notice if the other party substantially fails to perform its obligations hereunder. Such termination shall not be effective if the substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, Client shall pay CTL T for services performed to the termination notice date, plus reasonable termination expenses.
Hazardous Materials	Client represents that Client has made a reasonable effort to evaluate whether hazardous materials are on or near the Project property and has informed CTL T of any information or findings relative to the possible presence of hazardous materials. Should unanticipated hazardous materials be discovered in the course of CTL T's performance of its services, such discovery shall constitute a changed condition mandating a renegotiation of the scope of services, or termination of services. Should the discovery of unanticipated hazardous materials require CTL T to take immediate measures to protect health and safety, Client agrees to pay CTL T for costs incidental to taking such measures and for necessary decontamination or replacement of affected equipment. CTL T agrees to notify Client promptly when it encounters unanticipated or suspected hazardous materials. Client agrees to make any disclosure required by law to appropriate government agencies. Furthermore, Client agrees to defend, indemnify, and hold CTL T harmless from all liability arising from discovery by anyone of hazardous materials or suspected hazardous materials.
Humidity, Moisture Vapor & Mold	Unless specifically stated, services intended to control humidity, moisture vapor, and mold are expressly excluded from this Agreement. Client acknowledges that the growth of mold, some of which may be harmful to human health, can be caused or exacerbated by conditions which occur inside or outside habitable structures. If Client desires services intended to reduce humidity, moisture vapor and mold, CTL T can provide such services for an additional fee. If such services are not expressly undertaken by CTL T, Client agrees to indemnify, defend, and hold CTL T harmless from all claims alleging that CTL T caused, contributed to, or failed to prevent injury and damage related to the presence of humidity, moisture vapor or mold.

SERVICE AGREEMENT



Work by Others In performing services under this Agreement, CTLJT shall be entitled to rely upon the accuracy and completeness of information, reports, recommendations, and design services provided by Client, contractors, or other consultants, and CTLJT shall have no liability for claims or damages resulting from errors and omissions in the same.

Applicable Law The Law of the State of Colorado shall govern the validity of this Agreement, and its interpretation, enforcement, and performance. Should any provision of this agreement be found to be unenforceable, the remainder of this Agreement shall nonetheless remain valid and binding.

Entire Agreement This Agreement shall be the entire agreement between Client and CTLJT and shall supersede any other agreement relating to the subject matter hereof. In case of conflict or inconsistency between this Agreement and any other contract documents, this Agreement shall control. Notwithstanding any other provision in this Agreement, if Client authorizes CTLJT to proceed with its services or if CTLJT begins performance of its services, this Agreement shall become an enforceable agreement between the parties regardless of whether either party has signed this Agreement.



Authorization	CTLJT	Client
		Prairie Center Metropolitan District #3
	_____ Signature	 _____ Signature
	Christopher N. Bouchet, P.E.	Mike Tamblyn
	_____ Printed Name	_____ Printed Name
	Associate Denver Field Manager	President
	_____ Title	_____ Title
	May 8, 2024	5/9/24
	_____ Date	_____ Date



EXHIBIT A

CONSTRUCTION OBSERVATION AND MATERIALS TESTING

1. CTL|T will be available to perform observation and/or testing services on a part or full-time basis as requested. CTL|T will rely upon the Client or Client representative to notify our office the business day prior to the desired services. Site visits shall be scheduled by telephone (303) 825-0777 or email denverfield@ct|thompson.com.
2. Discrepancies noted during our site visit will be reported to the contractor on-site (if available). When available, a copy of our observations and/or testing will be left on-site. Subsequent test results will be emailed to the Client and parties designated by the Client.
3. EARTHWORK OBSERVATION AND DENSITY TESTING OF FILL AND BACKFILL (PHASE 345): We will observe the contractor's progress and methods (if work is in progress) and perform density tests as requested. Laboratory testing will be conducted as deemed necessary or requested by the Client to evaluate conformance of the fill.
4. ASPHALT OBSERVATION AND DENSITY TESTING OF ASPHALT PAVEMENT (PHASE 355): We will observe the contractor's progress and methods (if work is in progress) and perform density tests as requested. Laboratory testing will be conducted as deemed necessary or requested by the Client to evaluate conformance of asphalt and materials used.
5. CONCRETE TESTING (PHASE 365): We will test for air content, slump, temperature and make cylinders (if requested). Cylinders will be tested for compressive strength at days directed by the Client or Client representative. Client or Client Representative is responsible to provide permanent power for the cure facility.
6. PROJECT MANAGEMENT/FIELD SUPERVISION (PHASE 399): Project manager time may be charged for meetings, report review, jurisdiction submittals and field consultation.



EXHIBIT B

FEE ESTIMATE

EARTHWORK (PHASE 345)

Compaction testing is anticipated for site grading, sanitary sewer, storm sewer, domestic water, non-potable water, and pavement subgrade. We estimate approximately 40 days for these activities.

Earthwork Testing	<u>40</u>	Days	x	<u>5</u>	Hr/Day	x	<u>\$85</u>	/Hr	=	\$17,000
Proctors	<u>4</u>	Tests				x	<u>\$135</u>	/Each	=	\$540
Classification	<u>4</u>	Tests				x	<u>\$145</u>	/Each	=	\$580
Review	<u>40</u>	Reports				x	<u>\$60</u>	/Each	=	\$2,400
Subtotal:										\$20,520

ASPHALT (PHASE 355)

We estimate the placement of approximately 3,200 tons of asphalt pavement, placed over 5 days.

Asphalt Testing	<u>5</u>	Days	x	<u>6</u>	Hr/Day	x	<u>\$85</u>	/Hr	=	\$2,550
Extraction Gradation	<u>5</u>	Tests				x	<u>\$275</u>	/Each	=	\$1,375
Max Theo Density	<u>5</u>	Tests				x	<u>\$130</u>	/Each	=	\$650
Review	<u>5</u>	Reports				x	<u>\$60</u>	/Each	=	\$300
Subtotal:										\$4,875

CONCRETE (PHASE 365)

Concrete testing is anticipated for curb and gutter, sidewalk, and manhole bases. We estimate 1 test for every two manholes and a test for each placement of flatwork.

Concrete Testing	<u>15</u>	Tests	x	<u>3.5</u>	Hr/Test	x	<u>\$70</u>	/Hr	=	\$3,675
Cylinders	<u>15</u>	Tests	x	<u>5</u>	Cyl/Test	x	<u>\$20</u>	/Cyl	=	\$1,500
Curing Facility	<u>1</u>	Box	x	<u>1</u>	Months	x	<u>\$300</u>	/Month	=	\$300
Review	<u>15</u>	Reports				x	<u>\$60</u>	/Each	=	\$900
Subtotal:										\$6,375

PROJECT MANAGEMENT/FIELD SUPERVISION

Project Manager time may be charged for meetings, letter preparation and consultation.

				<u>10</u>	Hrs	x	<u>\$155</u>	/Hr	=	\$1,550
Subtotal:										\$1,550

TOTAL ESTIMATE										\$33,320
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OPTIONAL SERVICES

REINFORCING STEEL PLACEMENT (PHASE 360)

The schedule indicates rebar placement for sanitary and storm water structures.

Steel Observation	<u>6</u>	Days	x	<u>4</u>	Hr/Day	x	<u>\$75</u>	/Hr	=	\$1,800
Subtotal:										\$1,800