

ANNUAL REPORT FOR THE CALENDAR YEAR 2023

PRAIRIE CORNER METROPOLITAN DISTRICT

TO: Brighton City Clerk
State of Colorado

The following information and documents (attached as exhibits) are provided for calendar year 2023 pursuant to Section VI of the Service Plan of the Prairie Corner Metropolitan District (the “District”) approved by the City Council of the City of Brighton and filed with the District Court and City Clerk:

1. Boundary changes made or proposed to the District’s boundary as of December 31st.

The District had no boundary changes in 2023.

2. Intergovernmental agreements entered into or terminated:

The District did not enter or terminate any intergovernmental agreements in 2023.

3. A copy of the District’s budget resolutions for the current year and any budget amendments from the prior year.

Attached as Exhibit A is a copy of the District’s 2024 Budget Documents.

4. Final Assessed Value of Taxable Property within the District’s boundaries as of December 31, 2023.

See Exhibit A.

5. Most recently filed audited financial statements of the District. To the extent audited financial statements are required by state law or most recently filed audit exemption:

Attached as Exhibit B is a copy of the District’s 2022 audited financials.

The District’s 2023 audited financials will be forwarded to the City when available.

6. A copy of the District’s rules and regulations, if any, as of December 31st.

The District has not yet adopted any rules or regulations. Attached as Exhibit C is the District’s 2021 Declaration of Covenant, Conditions, Restrictions and Easements.

7. Copies of any resolutions or Fee schedules adopted by the District relating to the imposition of Fees, Public Improvement Fees, or Special Assessments by the District.

See Exhibit D.

8. A summary of any litigation which involves the Public Improvements as of December 31 of the prior year.

The District is not involved in any litigation involving Public Improvements as of December 31, 2023.

9. Status of the District's construction of the Public Improvements as of December 31 of the prior year.

All public improvements were installed and completed by December 31, 2023.

10. A list of all Public Improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.

Public improvements have been submitted to the City for acceptance and warranty. The District is waiting for final approval and acceptance.

11. A list of all Public Improvements that are owned and/or Operated and Maintained by the District, including identification of the standards by which the Public Improvements are required to be Operated and Maintained.

Capital assets constructed by the District, including water and sewer improvements, perimeter sidewalks and street improvements, will be transferred to the City in accordance with an Intergovernmental Agreement dated September 1, 2020 by and between the District and the City. The District has constructed assets that have yet to be transferred to the City and/or operated by the District. This includes streets, parks and recreation, water, drainage and sewer and sanitation.

12. Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any Debt instrument.

The District has no uncured events of default under any Debt instrument.

13. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

The District has not experienced any inability to pay its obligations as they come due, in accordance with the terms of such obligations.

14. Any alteration or revision of the proposed schedule of Debt issuance set forth in the Financial Plan.

The District issued its \$6,000,000, Limited Tax General Obligation Bonds, Series 2021A on July 13, 2021.

15. A copy of the disclosure notice required by Paragraph 3 of the Intergovernmental Agreement.

A copy of the recorded disclosure notice required by Paragraph 3 of the Intergovernmental Agreement is attached here to as Exhibit E.

Respectfully submitted this 29th day of February, 2024.

COCKREL ELA GLESNE GREHER & RUHLAND
A Professional Corporation

By



Matthew P. Ruhland
Attorney for Prairie Corner Metropolitan
District

EXHIBIT A
2024 BUDGET DOCUMENTS

**CERTIFICATION OF 2024 BUDGET FOR
PRAIRIE CORNER METROPOLITAN DISTRICT**

TO: THE DIVISION OF LOCAL GOVERNMENT

This is to certify that the budget, attached hereto, is a true and accurate copy of the budget for Prairie Corner Metropolitan District, for the budget year ending December 31, 2024, as adopted on November 28, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of Prairie Corner Metropolitan District in Adams County, Colorado, this 28th day of November, 2023.

DocuSigned by:
Mark Connor
BF164551FA104E7...

Chair

PRAIRIE CORNER METROPOLITAN DISTRICT 2024 BUDGET MESSAGE

Prairie Corner Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized in November 2020 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to finance, plan, design, acquire, construct, install, relocate and/or redevelop public improvements for the use and benefit of the District's property owners.

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

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 District organization nor is the District a component unit of any other primary governmental entity.

General Fund

The District's assessed valuation certified by Adams County, Colorado is \$1,256,490. The District imposed 10.000 mills in its General Fund to collect \$12,565 in property tax revenue for budget year 2024.

Debt Service Fund

The District imposed 50.000 mills in its Debt Service Fund, generating \$62,825 in property tax revenue pledged to the repayment of the District's \$6,000,000 Limited Tax GO Bonds, Series 2021.

**PRAIRIE CORNER METROPOLITAN DISTRICT
GENERAL FUND
2024 ADOPTED BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED AMOUNTS**

	2022 Actual	2023 Estimated	2024 Adopted
REVENUES			
Property taxes	\$ 2	\$ -	\$ 12,565
Specific ownership taxes	-	-	880
Total revenues	2	-	13,445
EXPENDITURES			
Audit	4,900	7,000	7,000
County treasurer fees	-	-	188
District management and accounting	23,275	27,000	30,000
Dues and subscriptions	673	500	500
Engineering	1,815	5,000	5,000
Insurance and bonds	495	3,500	3,500
Legal	11,445	15,000	5,000
Miscellaneous	5	1,000	500
Repairs and maintenance	-	5,000	1,000
Emergency reserve and contingency	-	-	1,600
Total expenditures	42,608	64,000	54,288
EXCESS OF EXPENDITURES OVER REVENUES	(42,606)	(64,000)	(40,843)
OTHER FINANCING SOURCES (USES)			
Developer advances	35,000	75,000	45,000
Transfer to other funds	-	(3,000)	(3,000)
Total other financing sources (uses)	35,000	72,000	42,000
NET CHANGE IN FUND BALANCE	(7,606)	8,000	1,157
BEGINNING FUND BALANCE	216	(7,390)	610
ENDING FUND BALANCE (DEFICIT)	\$ (7,390)	\$ 610	\$ 1,767

**PRAIRIE CORNER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2024 ADOPTED BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED AMOUNTS**

	2022 Actual	2023 Estimated	2024 Adopted
REVENUES			
PIF/PILOT revenues	\$ -	\$ 2,500	\$ 18,000
Property taxes	7	7	62,825
Specific ownership taxes	-	1	4,398
Interest	10,629	35,000	30,000
Total revenues	<u>10,636</u>	<u>37,508</u>	<u>115,223</u>
EXPENDITURES			
Bond interest	292,500	292,500	292,500
County treasurer fees	-	-	942
Paying agent fees	29	3,000	3,000
Total expenditures	<u>292,529</u>	<u>295,500</u>	<u>296,442</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(281,893)</u>	<u>(257,992)</u>	<u>(181,219)</u>
OTHER FINANCING SOURCES			
Transfer from General fund	-	3,000	3,000
Total other financing sources	<u>-</u>	<u>3,000</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	(281,893)	(254,992)	(178,219)
BEGINNING FUND BALANCE	<u>1,222,205</u>	<u>940,312</u>	<u>685,320</u>
ENDING FUND BALANCE	<u><u>\$ 940,312</u></u>	<u><u>\$ 685,320</u></u>	<u><u>\$ 507,101</u></u>

**PRAIRIE CORNER METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2024 ADOPTED BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED AMOUNTS**

	2022 Actual	2023 Estimated	2024 Adopted
REVENUES			
Interest	\$ 11,652	\$ 22,226	\$ 20,000
Total revenues	<u>11,652</u>	<u>22,226</u>	<u>20,000</u>
EXPENDITURES			
Infrastructure and improvements	2,181,982	607,654	255,236
Total expenditures	<u>2,181,982</u>	<u>607,654</u>	<u>255,236</u>
NET CHANGE IN FUND BALANCE	(2,170,330)	(585,428)	(235,236)
BEGINNING FUND BALANCE	<u>3,007,032</u>	<u>836,702</u>	<u>251,274</u>
ENDING FUND BALANCE	<u>\$ 836,702</u>	<u>\$ 251,274</u>	<u>\$ 16,038</u>

PRAIRIE CORNER METROPOLITAN DISTRICT
RESOLUTION TO ADOPT 2024 BUDGET

WHEREAS, the Board of Directors (the “**Board**”) of Prairie Corner Metropolitan District (the “**District**”) has appointed a budget committee to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, such budget committee has submitted the proposed budget to the Board on or before October 15, 2023 for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with law, the budget was open for inspection by the public at a designated place, and a public hearing was held on November 28, 2023, and interested electors were given the opportunity to file or register any objections to the budget; and

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

WHEREAS, whatever decreases may have been made in the revenues, like decreases were made to the expenditures so that the budget remains in balance, as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Prairie Corner Metropolitan District:

1. That estimated expenditures for each fund are as follows:

General Fund:	\$ 54,288
Debt Service Fund:	\$ 296,442
Capital Projects Fund:	<u>\$ 255,236</u>
Total	\$ 605,966

2. That estimated revenues are as follows:

<u>General Fund:</u>	
From unappropriated surpluses	\$610
From fund transfers	\$0
From sources other than general property tax	\$880
From general property tax	<u>\$12,565</u>
Total	\$14,055

Debt Service Fund:

From unappropriated surpluses	\$685,320
From fund transfers	\$0
From sources other than general property tax	\$47,398
From general property tax	\$62,825
Total	\$795,543

Capital Projects Fund:

From unappropriated surpluses	\$251,274
From sources other than general property tax	\$20,000
From general property tax	\$0
Total	\$271,271

3. That the budget, as submitted, amended and herein summarized by fund, be, and the same hereby is, approved and adopted as the budget of the District for the 2024 fiscal year.

4. That the budget, as hereby approved and adopted, shall be certified by the Treasurer and/or President of the District to all appropriate agencies and is made a part of the public records of the District.

TO SET MILL LEVIES

WHEREAS, the amount of money from property taxes necessary to balance the budget for general operating expenses is \$12,565; and

WHEREAS, the amount of money necessary to balance the budget for debt service expenses is \$62,825; and

WHEREAS, the 2023 valuation for assessment of the District, as certified by the County Assessor, is \$1,256,490.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Prairie Corner Metropolitan District:

1. That for the purpose of meeting all general operating expenses of the District during the 2024 budget year, there is hereby levied a property tax, inclusive of the mill levy for refunds and abatements, of 10.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$12,565.

2. That for the purpose of meeting all debt service expenses of the District during the 2024 budget year, there is hereby levied a property tax of 50.000 mills upon each dollar of the total valuation for assessment of all taxable property within the District to raise \$62,825.

3. That the Treasurer and/or President of the District is hereby authorized and directed to immediately certify to the County Commissioners of Adams County, Colorado, the mill levies for the District as hereinabove determined and set, or as adjusted, if necessary, upon receipt of the final (December) certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits

TO APPROPRIATE SUMS OF MONEY

WHEREAS, the Board has made provision in the budget for revenues in an amount equal to the total proposed expenditures as set forth therein; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any inter-fund transfers listed therein, so as not to impair the operations of District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Prairie Corner Metropolitan District that the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the budget:

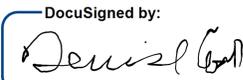
General Fund:	\$	54,288
Debt Service Fund:	\$	296,442
Capital Projects Fund:	\$	<u>255,236</u>
Total	\$	605,966

Adopted this 28th day of November 2023.

PRAIRIE CORNER
METROPOLITAN DISTRICT

By: 
Mark Connor, Chair

Attest:


Denise Connor, Secretary/Treasurer

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of ADAMS COUNTY, Colorado.

On behalf of the PRAIRIE CORNER METROPOLITAN DISTRICT
(taxing entity)^A

the BOARD OF DIRECTORS
(governing body)^B

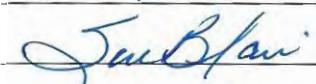
of the PRAIRIE CORNER METROPOLITAN DISTRICT
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 1,256,490 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

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

Submitted: 12/23/2023 for budget/fiscal year 2024
(not later than Dec. 15) (dd/mm/yyyy) (yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>10.000</u> mills	\$ <u>12,565</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< <u> </u> > mills	\$ < <u> </u> >
SUBTOTAL FOR GENERAL OPERATING:	<u>10.000</u> mills	\$ <u>12,565</u>
3. General Obligation Bonds and Interest ^J	<u>50.000</u> mills	\$ <u>62,825</u>
4. Contractual Obligations ^K	_____ mills	\$ _____
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
	_____ mills	\$ _____
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>60.000</u> mills	\$ <u>75,390</u>

Contact person: (print) Sue Blair, CRS of Colorado, LLC Daytime phone: 303-381-4960
Signed:  Title: CEO

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

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

CERTIFICATION OF TAX LEVIES, continued
Prairie Corner Metropolitan District

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

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

1.	Purpose of Issue:	\$6,000,000 Limited Tax GO Bonds
	Series:	2021
	Date of Issue:	12/1/2021
	Coupon Rate:	4.875%
	Maturity Date:	12/1/2051
	Levy:	50.000
	Revenue:	\$62,825

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

CONTRACTS^K:

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

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

Use multiple copies of this page as necessary to report all bond and contractual obligations.

EXHIBIT B
2022 AUDIT

PRAIRIE CORNER METROPOLITAN DISTRICT
Adams County, Colorado

December 31, 2022

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SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086

FAX: 720.348.2920

Independent Auditor's Report

Board of Directors
Prairie Corner Metropolitan District
Adams County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Prairie Corner Metropolitan District (District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Prairie Corner Metropolitan District, as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information is listed in the table of contents and does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
October 3, 2023

BASIC FINANCIAL STATEMENTS

PRAIRIE CORNER METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and investments - unrestricted	\$ 4,108
Cash and investments - restricted	1,777,014
Prepaid expenditures	2,671
Property taxes receivable	8
Capital assets, not being depreciated	3,379,203
Total assets	<u>5,163,004</u>
LIABILITIES	
Accounts payable	14,169
Accrued interest payable	24,375
Noncurrent liabilities - due in more than one year:	
Bonds payable	6,000,000
Developer advances payable	35,000
Accrued interest payable - developer advances	1,517
Total liabilities	<u>6,075,061</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	8
Total deferred inflows of resources	<u>8</u>
NET POSITION	
Investment in capital assets	(95,931)
Restricted for:	
Emergency reserves	1,300
Unrestricted	(817,434)
Total net position	<u>\$ (912,065)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PRAIRIE CORNER METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contribution	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 42,608	\$ -	\$ -	\$ -	\$ (42,608)
Interest and expenses on long-term debt	294,046	-	-	-	(294,046)
	<u>\$ 336,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(336,654)</u>
General revenues:					
Property taxes					9
Interest					22,281
Total general revenues					<u>22,290</u>
Change in net position					(314,364)
Net position - beginning of year					(597,701)
Net position - end of year					<u>\$ (912,065)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**PRAIRIE CORNER METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and investments - unrestricted	\$ 4,108	\$ -	\$ -	\$ 4,108
Cash and investments - restricted	-	940,312	836,702	1,777,014
Prepaid expenditures	2,671	-	-	2,671
Property taxes receivable	1	7	-	8
Total assets	\$ 6,780	\$ 940,319	\$ 836,702	\$ 1,783,801
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICIT)				
LIABILITIES				
Accounts payable	14,169	-	-	14,169
Total liabilities	14,169	-	-	14,169
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue	1	7	-	8
Total deferred inflows of resources	1	7	-	8
FUND BALANCES (DEFICIT)				
Nonspendable:				
Prepaid expenditures	2,671	-	-	2,671
Restricted:				
Emergency reserves	1,300	-	-	1,300
Debt service	-	940,312	-	940,312
Capital projects	-	-	836,702	836,702
Unassigned	(11,361)	-	-	(11,361)
Total fund balances (deficit)	(7,390)	940,312	836,702	1,769,624
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	\$ 6,780	\$ 940,319	\$ 836,702	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	3,379,203
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds:	
Long-term obligations	(6,036,517)
Accrued interest on long-term obligations	(24,375)
Net position of governmental activities	\$ (912,065)

These financial statements should be read only in connection with the accompanying notes to financial statements.

PRAIRIE CORNER METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 2	\$ 7	\$ -	\$ 9
Interest	-	10,629	11,652	22,281
Total revenues	<u>2</u>	<u>10,636</u>	<u>11,652</u>	<u>22,290</u>
EXPENDITURES				
<u>General</u>				
Audit	4,900	-	-	4,900
District management and accounting	23,275	-	-	23,275
Dues	673	-	-	673
Engineering	1,815	-	-	1,815
Insurance and bonds	495	-	-	495
Legal and organization	11,445	-	-	11,445
Miscellaneous	5	-	-	5
<u>Debt service</u>				
Bond interest	-	292,500	-	292,500
Paying agent fees	-	29	-	29
<u>Capital projects</u>				
Infrastructure and improvements	-	-	2,181,982	2,181,982
Total expenditures	<u>42,608</u>	<u>292,529</u>	<u>2,181,982</u>	<u>2,517,119</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(42,606)</u>	<u>(281,893)</u>	<u>(2,170,330)</u>	<u>(2,494,829)</u>
OTHER FINANCING SOURCES				
Developer advances	35,000	-	-	35,000
Total other financing sources	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
NET CHANGE IN FUND BALANCES	(7,606)	(281,893)	(2,170,330)	(2,459,829)
FUND BALANCES - BEGINNING OF YEAR	<u>216</u>	<u>1,222,205</u>	<u>3,007,032</u>	<u>4,229,453</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ (7,390)</u>	<u>\$ 940,312</u>	<u>\$ 836,702</u>	<u>\$ 1,769,624</u>

These financial statements should be read only in conjunction with
the accompanying notes to the financial statements.

**PRAIRIE CORNER METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022**

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

Net change in fund balance - Total governmental funds	\$ (2,459,829)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Developer advances	(35,000)
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Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. In addition, some expenses in the statement of activities do require the use of financial resources and, therefore, are not reported as expenditures in governmental funds. The net effect of these differences is as follows:

Capital outlay	2,181,982
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Some expenses reported in the Statement of Activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds:

Net change in accrued interest on long-term liabilities	<u>(1,517)</u>
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Change in net position of governmental activities	<u><u>\$ (314,364)</u></u>
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These financial statements should be read only in connection with the accompanying notes to financial statements.

PRAIRIE CORNER METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2022

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
REVENUES			
Property taxes	\$ 2	\$ 2	\$ -
Total revenues	<u>2</u>	<u>2</u>	<u>-</u>
EXPENDITURES			
Audit	-	4,900	(4,900)
Directors' fees	3,000	-	3,000
District management and accounting	30,000	23,275	6,725
Dues	2,500	673	1,827
Engineering	-	1,815	(1,815)
Insurance and bonds	3,500	495	3,005
Legal and organization	126,000	11,445	114,555
Miscellaneous	2,500	5	2,495
Developer advance repayment - principal	96,000	-	96,000
Emergency reserves	5,100	-	5,100
Total expenditures	<u>268,600</u>	<u>42,608</u>	<u>225,992</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>(268,598)</u>	<u>(42,606)</u>	<u>225,992</u>
OTHER FINANCING SOURCES			
Developer advances	176,000	35,000	(141,000)
Transfer from capital projects fund	96,000	-	(96,000)
Total other financing sources	<u>272,000</u>	<u>35,000</u>	<u>(237,000)</u>
NET CHANGE IN FUND BALANCE	3,402	(7,606)	(11,008)
FUND BALANCE - BEGINNING OF YEAR	<u>225</u>	<u>216</u>	<u>(9)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 3,627</u>	<u>\$ (7,390)</u>	<u>\$ (11,017)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 1 - DEFINITION OF REPORTING ENTITY

Prairie Corner Metropolitan District (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized in November 2020 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Adams County, Colorado. The District was established to finance, plan, design, acquire, construct, install, relocate and/or redevelop public improvements for the use and benefit of the District's property owners.

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

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 District organization nor is the District a component unit of any other primary governmental entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-wide and Fund Financial Statements

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

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

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Expenditures for property and equipment are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property and specific ownership taxes. Expenditures, other than interest on long-term obligations are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 other funds.

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

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Capital Projects Fund accounts for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets to be used for the acquisition and construction of capital equipment and facilities.

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

Budgets

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

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single 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.

Capital Assets

Capital assets, which include infrastructure assets, are reported in the applicable governmental activities columns 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 and an estimated useful life in excess of two years. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at historical cost or acquisition value at the date of donation.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the county assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the county commissioners to put the tax lien on the individual properties as of January 1 of the following year. The county treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The county treasurer remits the taxes collected monthly to the District. Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred inflows of resources related to property tax revenues are recorded as revenue in the year they are available or collected.

Deferred Inflows of Resources

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

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance - the amount of fund balance that is not in spendable form (such as inventory or prepaids) or is legally or contractually required to be maintained intact.

Restricted fund balance - the amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

**PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the District Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of December 31, 2022 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments - unrestricted	\$ 4,108
Cash and investments – restricted	<u>1,777,014</u>
Total cash and investments	<u>\$ 1,781,122</u>

Cash and investments as of December 31, 2022 consist of the following:

Deposits with financial institutions	\$ 4,108
Investments	<u>1,777,014</u>
Total cash and investments	<u>\$ 1,781,122</u>

Cash Deposits

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 equal to 102% of the aggregate uninsured deposits.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

As of December 31, 2022, the District's cash deposits had a bank and carrying balance of \$4,108.

Investments

Credit Risk

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. The District does not have a policy that addresses limitations on the amount that can be invested in any one issuer, however, the District invests primarily in local government investment pools, which are not subject to concentration of credit risk.

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

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

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

**PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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.

As of December 31, 2022, the District had the following investment:

<u>Investment</u>	<u>Maturity</u>	<u>Carrying Value</u>
Fidelity Investments Money Market Government Portfolio – Class III	Weighted average under 60 days	<u>\$ 1,777,014</u> <u>\$ 1,777,014</u>

Fidelity Investments Money Market Government Portfolio – Class III Fund

During 2022 and as of December 31, 2022, the District invested in the Fidelity Investments Money Market Government Portfolio – Class III Fund (Fidelity Fund). The Fidelity Fund invests in U.S. Government securities and/or repurchase agreements. The Fund operates similarly to a money market fund and each share is equal in value to \$1.00. There are no unfunded commitments, the redemption period frequency is daily and there is no redemption notice period. The Fidelity Fund is rated AAA-mf by Moodys and AAA-m by Standard & Poor.

Cash and investments of \$940,312 and \$836,702 are restricted in the Debt Service Fund and Capital Projects Fund, respectively, for servicing the District’s bond debt (Note 5) and financing the District’s capital projects.

Investment Valuation

Certain investments measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District’s investments are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a-7 like external investment pools and money market investments. The District held investments in the Fidelity Fund at year end for which the investment valuations were determined as follows.

**PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The Fidelity Fund determines the NAV of the shares of each portfolio as of the close of business on each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the Fidelity Fund, are accrued daily. The NAV is calculated at fair value using various inputs to determine the value in accordance with FASB guidance. It is the goal of the Fidelity Fund to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by the Fidelity Fund and there can be no assurance that the NAV will not vary from \$1.00 per share.

NOTE 4 – CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2022 follows:

<u>Governmental Activities</u>	<u>Balance December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2022</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 1,197,221	\$ 2,181,982	\$ -	\$ 3,379,203
Total capital assets	<u>\$ 1,197,221</u>	<u>\$ 2,181,982</u>	<u>\$ -</u>	<u>\$ 3,379,203</u>

Capital assets constructed by the District, including water and sewer improvements, perimeter sidewalks and street improvements, will be transferred to the City of Brighton in accordance with an Intergovernmental Agreement dated September 1, 2020 by and between the District and the City of Brighton.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - LONG-TERM OBLIGATIONS

The following is an analysis of changes in long-term obligations for the year ended December 31, 2022:

	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance December 31, 2022</u>	<u>Due Within One Year</u>
<i>Bonds payable:</i>					
Limited Tax G.O. Bonds, Series 2021	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	\$ -
<i>Other obligations:</i>					
Developer advances	-	35,000	-	35,000	-
Accrued interest on advances	-	1,517	-	1,517	-
Total	<u>\$ 6,000,000</u>	<u>\$ 36,517</u>	<u>\$ -</u>	<u>\$ 6,036,517</u>	<u>\$ -</u>

Limited Tax General Obligation Bonds, Series 2021

On July 13, 2021, the District issued Limited Tax General Obligation Bonds, Series 2021 (Series 2021 Bonds) in the principal amount of \$6,000,000. The Series 2021 Bonds were issued for the purpose of providing funds to (i) reimburse or pay for the planning, design, acquisition, construction, installation, relocation and redevelopment of public improvements for the District, (ii) provide capitalized interest on the Series 2021 Bonds, (iii) fund a reserve account and (iv) pay the costs associated with the issuance of the Series 2021 Bonds.

The Series 2021 Bonds are payable from the following sources, after payment of the costs of collection: (i) property taxes derived from the required mill levy, (ii) the portion of the specific ownership taxes which are collected as a result of the imposition of the required mill levy, (iii) all PILOT and PIF revenues and (iv) any other legally available funds of the District.

The required mill levy is not to exceed 50 mills, subject to adjustments related to future changes in the method of calculating the District's assessed valuation, but not less than 50 mills for so long as the amounts on deposit in the surplus and reserve funds is less than the required amounts.

Interest on the Series 2021 Bonds is payable semiannually on June 1 and December 1 at 4.875% with principal due each December 1 and the Series 2021 Bonds mature on December 1, 2051 and the Subordinate Bonds mature December 1, 2051. A portion of the Series 2021 Bonds were used to establish a required reserve account in the amount of \$445,206. As of December 31, 2022 the reserve account balance was \$449,455.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Significant events of default under the Series 2021 Bonds include (i) failure to impose the required mill levy or apply pledged revenue as required, (ii) failure to meet financial or bond resolution covenants and (iii) filing of a petition for bankruptcy. Immediately upon the occurrence and continuance of an event of default, the bondholders have rights or remedies including the right to file a suit for judgment, action or special proceedings.

The following table sets forth the estimated debt service payment schedule for the principal and interest on the Series 2021 Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 292,500	\$ 292,500
2024	-	292,500	292,500
2025	-	292,500	292,500
2026	85,000	292,500	377,500
2027	90,000	288,356	378,356
2028-2032	555,000	1,369,386	1,924,386
2033-2037	790,000	1,212,900	2,002,900
2038-2042	1,085,000	992,550	2,077,550
2043-2047	1,455,000	694,200	2,149,200
2048-2051	1,940,000	273,977	2,213,977
	<u>\$ 6,000,000</u>	<u>\$ 6,001,369</u>	<u>\$ 12,001,369</u>

Infrastructure Acquisition and Funding Agreement

On January 27, 2021, the District and Prairie Corner Development Partners, LLC (Developer) entered into an Infrastructure Acquisition and Funding Agreement (Funding Agreement). Pursuant to the Funding Agreement, the Developer agreed, in its sole and absolute discretion, to either advance funds to the District to design, acquire, construct, install and complete certain public infrastructure or to design, acquire, construct, install and complete certain public infrastructure and then transfer such public infrastructure to the District, the City of Brighton or other governmental entity for public use.

Any unpaid amounts advanced will bear interest at 7.0% per annum. The term of the Funding Agreement ends on the date that the last repayment amount has been paid in full to the Developer or its assignee or on January 27, 2061, whichever date occurs first. Any infrastructure reimbursement amounts remaining unpaid under the Funding Agreement as of the date of termination will be considered discharged and satisfied in full. As of December 31, 2022, there were no amounts due to the Developer under the Funding Agreement.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 5 - LONG-TERM OBLIGATIONS (CONTINUED)

Operating Reimbursement Agreement

On January 27, 2021, the District and the Developer entered into an Operating and Reimbursement Agreement (Reimbursement Agreement) to establish the terms and conditions pursuant to which: i) the District would reimburse the Developer for costs and expenses related to the organization of the District, ii) the Developer, in its sole and absolute discretion, may advance additional funds to pay any future operating, maintenance, and/or administrative expenses as requested by the District and iii) the District agreed to reimburse the Developer for all advances, together with interest at 7.0% per year. Payments made by the District are subject to annual appropriation and budget approval using any legally available revenue which is not otherwise appropriated, obligated, pledged or reserved for any current or future purpose in any fiscal year. As of December 31, 2022, there was \$35,000 in principal and \$1,517 of accrued interest due to the Developer under the Reimbursement Agreement.

Authorized Debt

As December 31, 2022, the District had authorized but unissued indebtedness remaining in the amount of \$465,000 as the service plan limits the debt authorization to \$6,465,000.

NOTE 6 – FUND EQUITY

At December 31, 2022, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$2,671 represents prepaid expenditures for the ensuing fiscal year and is therefore not in a spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$1,300 is comprised of the emergency reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

The restricted fund balance in the Debt Service Fund in the amount of \$940,312 is to be used exclusively for debt service requirements (see Note 5).

The restricted fund balance in the Capital Projects Fund in the amount of \$836,702 is to be used exclusively for capital projects.

**PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022**

NOTE 6 – FUND EQUITY (CONTINUED)

Unassigned Fund Deficit

The District anticipates that the unassigned deficit balance of \$11,361 in the general fund will be eliminated with developer advances.

NOTE 7 - NET POSITION

The District’s net position consists of three components – net investment in capital assets, restricted and unrestricted.

The net investment in capital assets consists of capital assets owned by the District, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of bonds mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets. As of December 31, 2022, the District had a net deficit in capital assets in the amount of \$95,931.

The restricted portion of the net position include amounts that are restricted either externally by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District’s restricted net position as of December 31, 2022 is as follows:

	Governmental Activities
Restricted net position:	
TABOR emergency reserve (Note 10)	\$ 1,300
	\$ 1,300

In the government-wide financial statement, the District’s unrestricted net deficit as of December 31, 2022 totaled \$817,434 primarily due to interest and expenses related to long-term obligations in excess of revenues in the debt service fund.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 8 – RELATED PARTIES

The members of the board of directors of the District are employees, owners or associated with the Developer of the District and may have conflicts of interest in dealing with the District.

Agreements Imposing Public Improvement Fees (PIF)

Effective June 11, 2021, the District and the Developer entered into an agreement to implement and impose an add-on PIF to be paid to the District in the amount of 1.25% for transactions within the Developer's properties that are subject to taxable sales. Upon payment in full or defeasance of all outstanding District bonds, the Developer, at its election, may discontinue or continue the add-on PIF or increase or decrease the rate of the add-on PIF.

Effective June 11, 2021, the District and the Developer entered into an agreement to implement and impose a lodging PIF to be paid to the District in the amount of 1.00% of lodging sales for transactions within the Developer's properties that is subject to lodging taxes. Upon payment in full or defeasance of all outstanding District bonds, the Developer, at its election, may discontinue or continue the lodging PIF or increase or decrease the rate of the lodging PIF.

Developer owned properties in the District is to include a mix of uses generally comprised of commercial, office, medical, retail and/or hotel, together with related amenities and uses. The revenue generated pursuant to these agreements is to be used solely for debt service payments, for so long as the District has outstanding debt obligations.

Payment in Lieu of Taxes (PILOT)

Effective June 11, 2021, the District and the Developer entered into a payment in lieu of taxes agreement related to property owned by the Developer. Payment to the District is due by the Developer (at the same time property taxes are due) in an annual amount equal to the revenue that would be derived from the imposition by the District of the mill levy on that portion of the taxable real and personal property within the District that is owned by the Developer. The revenue generated pursuant to the debt service mill levy is to be used solely for debt service payments, for so long as the District has outstanding debt obligations. The revenue generated pursuant to the operations and maintenance mill levy shall be used for any purpose which the District is authorized to use the revenue under State law. The PILOT shall terminate upon the dissolution of the District.

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 9 - RISK MANAGEMENT

Except as provided in the Colorado Governmental Immunity Act, the District may be 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, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

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

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 salary or benefit increases.

On November 3, 2020, the District's electors authorized the District to collect, retain and spend annually any and all amounts from any revenue sources without regard to any limitation imposed by TABOR.

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

PRAIRIE CORNER METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE 11 – ECONOMIC DEPENDENCY

The District has not yet established a revenue base sufficient to pay the District's operational expenditures. Until an independent revenue base is established, continuation of operations in the District will be dependent upon funding by the Developer to advance funds for operations.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

PRAIRIE CORNER METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2022

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
REVENUES			
PIF/PILOT revenues	\$ 18,000	\$ -	\$ (18,000)
Property taxes	8	7	(1)
Specific ownership taxes	1	-	(1)
Interest	200	10,629	10,429
Total revenues	<u>18,209</u>	<u>10,636</u>	<u>(7,573)</u>
EXPENDITURES			
Bond interest	292,500	292,500	-
Paying agent fees	3,000	29	2,971
Total expenditures	<u>295,500</u>	<u>292,529</u>	<u>2,971</u>
NET CHANGE IN FUND BALANCE	(277,291)	(281,893)	\$ (4,602)
FUND BALANCE - BEGINNING OF YEAR	<u>1,222,240</u>	<u>1,222,205</u>	<u>(35)</u>
FUND BALANCE - END OF YEAR	<u>\$ 944,949</u>	<u>\$ 940,312</u>	<u>\$ (4,637)</u>

PRAIRIE CORNER METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2022

	<u>Budget Amounts</u> <u>Original and Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
REVENUES			
Interest	\$ 500	\$ 11,652	\$ 11,152
Total revenues	<u>500</u>	<u>11,652</u>	<u>11,152</u>
EXPENDITURES			
<u>General</u>			
Accounting and management	20,000	-	20,000
Legal	20,000	-	20,000
<u>Capital outlay</u>			
Infrastructure and improvements	2,900,000	2,181,982	718,018
<u>Debt service</u>			
Trustee fees	4,000	-	4,000
Total expenditures	<u>2,944,000</u>	<u>2,181,982</u>	<u>762,018</u>
EXCESS OF EXPENDITURES			
OVER REVENUES			
	<u>(2,943,500)</u>	<u>(2,170,330)</u>	<u>773,170</u>
OTHER FINANCING USES			
Transfer to general fund	(96,000)	-	96,000
Total other financing uses	<u>(96,000)</u>	<u>-</u>	<u>96,000</u>
NET CHANGE IN FUND BALANCE	(3,039,500)	(2,170,330)	869,170
FUND BALANCE - BEGINNING OF YEAR	<u>3,101,935</u>	<u>3,007,032</u>	<u>(94,903)</u>
FUND BALANCE - END OF YEAR	<u>\$ 62,435</u>	<u>\$ 836,702</u>	<u>\$ 774,267</u>

OTHER INFORMATION

**PRAIRIE CORNER METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2022**

**\$6,000,000 Series 2021
Limited Tax General Obligation Bonds
Dated July 13, 2021
Interest Rate of 4.875%
Payable on June 1 and December 1,
Principal Due December 1**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 292,500	\$ 292,500
2024	-	292,500	292,500
2025	-	292,500	292,500
2026	85,000	292,500	377,500
2027	90,000	288,356	378,356
2028	100,000	283,968	383,968
2029	100,000	279,094	379,094
2030	110,000	274,218	384,218
2031	115,000	268,856	383,856
2032	130,000	263,250	393,250
2033	135,000	256,912	391,912
2034	150,000	250,332	400,332
2035	155,000	243,018	398,018
2036	170,000	235,462	405,462
2037	180,000	227,176	407,176
2038	195,000	218,400	413,400
2039	200,000	208,894	408,894
2040	215,000	199,144	414,144
2041	230,000	188,662	418,662
2042	245,000	177,450	422,450
2043	255,000	165,506	420,506
2044	275,000	153,076	428,076
2045	290,000	139,668	429,668
2046	310,000	125,532	435,532
2047	325,000	110,418	435,418
2048	345,000	94,576	439,576
2049	360,000	77,756	437,756
2050	385,000	60,206	445,206
2051	850,000	41,439	891,439
	<u>\$ 6,000,000</u>	<u>\$ 6,001,369</u>	<u>\$ 12,001,369</u>

**PRAIRIE CORNER METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION,
MILL LEVY AND PROPERTY TAXES COLLECTED
December 31, 2022**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>	<u>Total Property Taxes</u>		<u>Percentage Collected to Levied</u>
			<u>Levied</u>	<u>Collected</u>	
2021	\$ -	0.000	\$ -	\$ -	-
2022	\$ 150	60.000	\$ 10	\$ 9	90.00%
Estimated for the year ending December 31, 2023	\$ 140	60.000	\$ 8		

NOTE:

Property taxes collected in any one year include collection of delinquent property taxes assessed in prior years, as well as reductions for property tax refunds or abatements. Information received from the County Treasurer does not permit identification of specific year of assessment.

EXHIBIT C
DECLARATION OF COVENANT, CONDITIONS,
RESTRICTIONS AND EASEMENTS

RECEPTION#: 2021000062496.
5/21/2021 at 2:11 PM. 1 OF 61,
REC: \$313.00
Josh Zygjelbaum, Adams County, CO.

When Recorded Return To: Prairie Corner Development Partners, LLC
8480 E. Orchard Rd., Suite 1100
Greenwood Village, CO 80111

Attn: Mark Connor

DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
PRAIRIE CORNER

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR
PRAIRIE CORNER**

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR PRAIRIE CORNER is dated as of, 2021, and is made by Prairie Corner Development Partners LLC, a Colorado limited liability company (the "Declarant").

RECITIALS

A. Declarant is the owner of the real property located in Adams County, City of Brighton, Colorado, which is described on Exhibit A attached hereto (the "Center").

B. Declarant intends to develop and operate the Center as a commercial center with shared access roads and other improvements.

C. This Declaration is exempt from the provisions of the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. because there is no mandatory association or assessments created under this Declaration, and there is no obligation to pay for real estate taxes, insurance premiums, maintenance, or improvements or other real estate or common area created under this Declaration.

D. Pursuant to C.R.S. § 32-1-1004, the Declarant, in imposing this Declaration on the Center, intends to empower the Metropolitan District (as defined below) with the authority to provide governmental services, including but not limited to the provision of covenant enforcement and design review services, to the Center and to use therefor revenues that are derived from the Center.

E. The Metropolitan District, has entered into a binding multi-year intergovernmental agreement with the City of Brighton (the "City").

F. To effectuate the common development, use and operation of the Center, Declarant desires to declare and establish certain covenants, conditions and restrictions and to create certain reciprocal easements in, to, over and across certain portions of the Center for the benefit of each Owner of the Center, as set forth in this Declaration.

THEREFORE, pursuant to and in furtherance of the foregoing, Declarant hereby grants, reserves, establishes and imposes each of the easements, covenants, conditions, restrictions and provisions set forth in this Declaration, and declares that the Center, and any and all interests in

the Center, shall be held, sold, leased, used and conveyed subject to the following covenants, conditions, restrictions and easements, all of which are for the purpose of protecting the value and desirability of the Center, and all of which shall be deemed to run with the land and be a burden upon all Persons acquiring an interest in the Center, or any part thereof, and their respective successors and assigns.

ARTICLE I DEFINITIONS

The following words and phrases, when used in this Declaration, shall have the meanings specified in this Article.

1.1 "Access Easement Area" means the Drive Areas, the Roadway and any sidewalks that are constructed on a Parcel and are adjacent to the Roadway or any public right-of-way.

1.2 "Alteration to Property" means any construction of Improvements or any change, alteration, demolition or other modification to any Improvements but does not include any such construction, change, alteration, demolition or other modification to the interior of any approved Building or other structure that otherwise complies with the terms of this Declaration and the other Center Documents.

1.3 "Assessment" means any assessment, charge or other amount levied or assessed by the Metropolitan District against one or more Lots, including late charges, fines, fees, interest, costs and reasonable attorney fees, that are charged or levied as provided in the Center Documents.

1.4 "Assessment Lien" means the lien against each Lot reserved under the Center Documents for any Assessment levied against a Lot.

1.5 "Board of Directors" or "Board" means the Board of Directors of the Metropolitan District.

1.6 "Builder" means an Owner that (a) acquires one or more Lots from the Declarant for the purpose of developing infrastructure on such Lot and for the construction of commercial, retail or office buildings thereon. Declarant may assign to a Builder some or all of the Declarant's rights under this Declaration, including the Declarant's right to make additional property as designated therein subject to this Declaration.

1.7 "Building" means any enclosed structure and any appurtenant canopies, supports, loading docks, fuel dispensing facilities, truck ramps and other outward extensions, as well as any trash compactors and utility transformers, utility boxes and other appurtenances, whether attached or unattached to any of the foregoing.

1.8 "Burdened Owner" means an Owner of a Parcel that is burdened by an easement granted or reserved in this Declaration.

1.9 "Burdened Parcel" means a Lot that is burdened by an easement granted or reserved in this Declaration.

1.10 "Center" means the real property located in Adams County, Colorado described on Exhibit A, less any real property that may be withdrawn from the Center in the manner provided in this Declaration.

1.11 "Center Documents" means this Declaration, the Regulations, the Service Plan (and any other District documents), each as amended and supplanted from time to time.

1.12 "CEC" means the Covenant Enforcement Committee established, if at all, by the Declarant and/or the Metropolitan District, and as appointed in Section 7.9 to carry out the purposes set forth in Article VII and any other applicable provisions of this Declaration.

1.13 "Center Sign" shall have the meaning as set forth in Section 7.8.

1.14 "Committee" means, collectively, the CEC and DRC.

1.15 "Common Area" means the Access Easement Area and the Utility Easement Area and all those portions of each Lot that are outside of exterior walls of Buildings and other structures from time to time located on the Lots, and which are not used as reserved or employee parking areas, delivery or truck parking, overnight parking, storage, loading areas, Drive-Through Areas, outside sales or seating areas or otherwise set aside (for signage or otherwise under this Declaration) for exclusive use by the Owner or Occupant of such Lot, and which are either unimproved, or are improved as (without limitation) parking areas, landscaped areas, driveways, roadways, walkways, light stands, curbing, paving, entrances, exits and other similar exterior site improvements., and such other areas of the Center as may from time to time be designated as Common Areas in the manner provided in this Declaration.

1.16 "Common Expenses" means estimated and actual expenditures made or to be made by or liabilities incurred by or on behalf of the Metropolitan District in carrying out its duties and exercising its powers as provided in the Center Documents, together with any allocations to reserve or sinking funds, as approved by the Board.

1.17 "Declarant" means Prairie Corner Development Partners, LLC, a Colorado limited liability company, and any Person designated as a successor or assign of Declarant. A Person shall be deemed a "successor or assign" only if specifically so designated in a duly Recorded instrument that is executed by Declarant and the successor or assign. Such instrument may specify the extent or portion of the rights or interests being assigned by Declarant, in which case the assignor shall retain all of the rights of Declarant not so assigned.

1.18 "Declarant Approval Period" means the period of time that Declarant owns at least one Lot and for one (1) year thereafter. The Declarant Approval Period will terminate on the date that one (1) year after the date that Declarant has Transferred all of the Lots.

1.19 "Declaration" means this Declaration of Covenants, Conditions, Restrictions and Easements for Prairie Corner.

1.20 "Default Rate" means the rate of interest which is the lesser of the following: (a) the highest rate permitted by law to be paid on such type of obligation by the Owner obligated to make such payment; or (b) five percent (5%) per annum in excess of the Prime Rate, but in no event less than 12% per annum. The "Prime Rate" means the prime rate published in the Western Edition of *The Wall Street Journal*, or any successor publication, from time to time, or, if such rate is no longer published, such substitute rate as reasonably determined by the Metropolitan District.

1.21 "Design Guidelines" means the design and construction guidelines, if any, adopted from time to time by the DRC applicable to the construction of Improvements within the Center, as the same may be amended or replaced from time to time, as provided in this Declaration. The Design Guidelines, if any, will be Regulations.

1.22 "DRC" means the Design Review Committee established, if at all, by the Declarant or the Metropolitan District for the purposes set forth in Article V and any other applicable provisions of this Declaration.

1.23 "Drive Areas" means all of the portions of a Lot that are paved for vehicular uses, but excluding parking spaces, fuel dispensing areas, and Drive-Through Areas that are adjacent to an Owner's building. Drive Areas are Common Areas and a part of the Access Easement Areas.

1.24 "Drive-Through Areas" means any area on a Lot adjacent to a Building that is designed or used to provide services or merchandise for delivery to consumers or users in vehicles, including vehicular stacking areas, order areas, pickup areas and curb cuts or driveways used only for such purposes.

1.25 "Entity" means any Person other than a natural person.

1.26 "Fines" means any monetary penalty imposed by the Metropolitan Districts against a Lot Owner due to a violation of this Declaration or the Regulations by such Lot Owner, or a tenant, guest or invitee of the Lot Owner or any of the foregoing.

1.27 "Force Majeure" means acts of God, fire, abnormal weather, explosion, riot, war, labor disputes, governmental restrictions, terrorism, inability to obtain necessary materials, or any other cause beyond the applicable Person's reasonable control. The inability to obtain financing or lack of money shall not constitute Force Majeure.

1.28 "Governmental Authority" means any local, state or federal governmental or quasi-governmental authorities, including metropolitan or special districts, having jurisdiction over the Center.

1.29 "Hazardous Materials" means any hazardous or toxic substance, material or waste the storage, transportation, use or disposition of which is or becomes regulated by any Governmental Authority, including any material or substance which is described on or regulated by the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act of 1980, the Occupational Safety and Health Act, the Clean Water Act and any regulations promulgated thereunder and any amendments to such Laws, and any other Laws, whether currently in existence or hereafter enacted, promulgated or amended, that govern or relate to the existence, cleanup or remediation of contamination of real property, the protection of the environment from spills, deposits or contamination, the control of hazardous or toxic substances or wastes, or the use, generation, discharge, transportation, treatment, removal or recovery of hazardous or toxic substances or wastes.

1.30 "Improvements" means the Building or Buildings, structures, fuel dispenser facilities, sidewalks, parking lots, drives, lights, signs, landscaping and all other improvements constructed or to be constructed upon a Lot.

1.31 "Indemnified Parties" means each Owner, Occupant, Declarant, the Metropolitan District, the DRC (including all of its committee members), and the CEC (including all of its committee members) and their respective employees, officers, directors, managers, members, partners, trustees and agents.

1.32 "Intergovernmental Agreement" shall mean that certain undated agreement between the Metropolitan District and the City attached as Exhibit F to the Service Plan.

1.33 "Land Area" means the total area within a Lot based upon the measurements set forth on the Plat, as amended from time to time.

1.34 "Laws" means any and all federal, state and local laws, statutes, judicial decisions, regulations, ordinances, rules, judgments, decrees, permits, licenses and governmental restrictions of any Governmental Authority now or hereafter in effect, relating to, affecting, or governing the Center.

1.35 "Lot" or "Lots" means those separate lots or parcels legally described upon the Plat, as amended from time to time.

1.36 "Metropolitan District" means that certain Prairie Corner Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado. The Metropolitan District is a public entity, and as such is entitled to sovereign immunity in accordance with applicable Laws. No provision of this Declaration shall be deemed to waive the sovereign immunity of the Metropolitan District.

1.37 "Mortgagee" means the mortgagee or beneficiary of a mortgage or deed of trust encumbering a Lot that has a first priority security interest over any other mortgage or deed of trust encumbering such Lot.

1.38 "Notice of Violation" means a written notice given by the Declarant, the Metropolitan District and/or the DRC or the CEC, as applicable, to an Owner notifying the Owner that such Owner is responsible for a Violation of the Restrictions, which may include notification of the time period in which the Owner has to correct, remedy or otherwise remove the Violation, or notification of the date, time and place of a hearing related thereto.

1.39 "Occupant" means any Person from time to time entitled to the use and occupancy of all or any portion of a Building in the Center under an ownership right or any lease, sublease, license, concession, or other agreement.

1.40 "Owner" means the Person or Persons (including Declarant) holding record fee simple title to any portion of the Center including a Lot.

1.41 "Parcel" means a Lot.

1.42 "Permittee" means all Occupants and the officers, directors, members, managers, partners, employees, agents, contractors, customers, vendors, suppliers, visitors, invitees, licensees, subtenants, and concessionaires of Occupants insofar as their activities relate to the intended use of the Center. Among others, Persons engaging in any of the following activities on the Common Area will not be considered to be Permittees: exhibiting any placard, signs or notice; distributing any circular, handbill, placard, or booklet; soliciting memberships or contributions; parading, picketing, or demonstrating; or failing to follow Regulations relating to the use of the Center.

1.43 "Person" means any individual, partnership, limited liability company, firm, association, corporation, trust, or any other form of business or government entity.

1.44 "Plat" means the Final Plat of Prairie Corner, Recorded on or about the date of Recording of this Declaration.

1.45 "Property" or "Properties" means, individually or collectively, as applicable, a Lot and all Improvements thereon, and any applicable public improvement fee applied to such Lot.

1.46 "Real Estate Taxes" means all taxes, assessments or other impositions, general or special, ordinary or extraordinary, of every kind or nature, which may be levied, assessed or imposed upon or with respect to real property in the Center or any part thereof by any Governmental Authority, together with any other taxes, assessments or charges defined as Real Estate Taxes in this Declaration. Real Estate Taxes shall not include any inheritance, state, succession, transfer, gift, franchise, corporation or income or profit tax that is now or hereafter may be imposed upon an Owner.

1.47 "Records" means the real property records of the Clerk and Recorder of Adams County, Colorado; to "Record," "Recording," or "Recordation" means to record or file a

document for recording in the Records; and "Recorded" means a document that has been recorded or filed in the Records.

1.48 "Regulations" means any rules or regulations adopted, amended, repealed or replaced from time to time by Declarant, the Metropolitan District or the DRC as provided in this Declaration.

1.49 "Restrictions" means covenants, conditions, restrictions, limitations, reservations, exceptions and equitable servitudes affecting real property.

1.50 "Roadway(s)" means Telluride Street and all other primary access roadways as identified on the Plat.

1.51 "Service Plan" means that certain Service Plan for Prairie Corner Metropolitan District, City of Brighton, Colorado dated September 1, 2020.

1.52 "Site Plan" means the general plans for development of each Lot as approved by Declarant and the DRC, if applicable, in the manner provided in this Declaration.

1.53 "Special Declarant Rights" shall have the meaning set forth in Section 18.1.

1.54 "Supplemental Declaration" means a written instrument containing covenants, conditions, restrictions, reservations, easements or equitable servitudes, or any combination thereof, which may be Recorded against real property described therein and which subjects such described real property to the terms, conditions and restrictions of this Declaration. Any additional use restrictions contained in a Supplemental Declaration shall apply only to the real property described in the Supplemental Declaration.

1.55 "Transfer" or "Transferred" means (a) as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, encumbrance or other disposition including any sale, gift, bequest, legacy, devise, descent, assignment or otherwise, including transfers by operation of law and transfers by reason of levy, sequestration, foreclosure, execution, bankruptcy or otherwise, and (b) as a verb, to voluntarily or involuntarily transfer, sell, pledge, hypothecate, encumber or otherwise dispose of.

1.56 "Utility Easement Area" means any area designated on the Plat as a "utility easement" or "access and utility easement" or "water easement" or "drainage easement" or "fire hydrant easement" or words of similar effect.

1.57 "Violation" means (a) an Improvement that has been performed without obtaining the DRC's approval, (b) an Improvement that was not performed in substantial compliance with the approval that was granted by the Metropolitan District, or the DRC (including, without limitation, any time periods for completion), or (c) any other violation of the Restrictions by an Owner.

ARTICLE II THE METROPOLITAN DISTRICT

2.1. Powers and Authority. The Center is located within the boundaries of the Metropolitan District and the Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado charged with the duties and vested with the powers prescribed by law and as set forth in this Declaration. The affairs of the Center shall be managed through the governing body of the Metropolitan District and any action by or on behalf of the Metropolitan District may be taken by its governing body or any duly authorized committee, officer, agent or employee thereof, without a vote of the Owners, except as otherwise specifically provided in this Declaration or a resolution duly adopted by Declarant or the Metropolitan District, as applicable. The Metropolitan District shall have, and may exercise with regard to the Center and any Lot, all powers and authority reasonably necessary to administer their rights and duties under this Declaration, including, without limitation: (a) the power to adopt and amend budgets for revenues, expenditures, and reserves; (b) the power to collect Assessments, taxes and fees for expenses from the Owners (pursuant to the approved Service Plan) to administer its duties and obligations provided in this Declaration; (c) the power to manage and enforce the Restrictions provided herein; (d) the power to contract with a third-party property manager for the management of the Center and/or for all other duties and responsibilities related to the overall operation of the Center; and (e) all other rights, powers and authority necessary to enforce this Declaration. The Metropolitan District may adopt Regulations and, acting through its governing board, shall have the power to levy reasonable fees, fines and penalties for violations of any provision of this Declaration and/or the Regulations as allowed by this Declaration and Applicable Law as well as collect all Assessments on behalf of the Center. Financial obligations of the Metropolitan District, not otherwise reimbursed as set forth herein, shall be subject to the budget and annual appropriation limitations contained in any applicable Laws.

2.2. Enforcement of Guidelines and Restrictions. Each Owner, by its acceptance of title to a Lot, hereby assigns and delegates and consents to the assignment and delegation to the Metropolitan District, in its own name as an Owner of property within the Center and on behalf of all Owners of Lots, the authority, power, right, and responsibility to enforce the covenants, guidelines, and Restrictions contained in this Declaration. The enforcement of the covenants, guidelines and Restrictions shall be conducted by the Metropolitan District in accordance with this Declaration and applicable Laws.

2.3. Cooperation with the Metropolitan District. The Metropolitan District shall have the right and authority at any time, from time to time, to enter into agreements and otherwise cooperate with any community associations, any other governmental or quasi-governmental entity, and/or any other districts in furtherance of performing the services called for under this Declaration.

2.4. Disposition of Center Property. No sales, leases or other dispositions of Common Areas may occur, unless such action is approved by (a) following the Declarant Approval Period, Owners holding at least 66 2/3% of all of the Lots and the Metropolitan District, or (b) during the

Declarant Approval Period, Declarant. Notwithstanding the foregoing, such approvals shall not be required in connection with leases or grants of easement that do not have a material adverse effect on the use of the Common Areas by the Owners for its intended purposes as determined by the Board of Directors.

2.5. Books and Records. The Metropolitan District shall keep financial records sufficiently detailed to enable the Metropolitan District to fulfill its duties and obligations under this Declaration. The Metropolitan District shall make available for inspection, upon request and for proper business purposes, during normal weekday business hours to Owners, Mortgagees and prospective purchasers and Mortgagees, current copies of the Center Documents including the books, records and financial statements of the Metropolitan District.

2.6. Rules and Regulations. The Board of Directors may adopt, amend and repeal Regulations relating to use, regulation, operation and management of the Center and may establish and enforce penalties and sanctions for the violation of the Regulations and this Declaration, including the levying and collecting of fines. The Regulations shall be in accordance with, and shall not be inconsistent with or contrary to, this Declaration and the other Center Documents. The Metropolitan District shall give notice to each Owner upon the adoption, amendment, repeal or replacement of the Regulations.

2.7. Borrowing of Funds. The borrowing of funds by the Metropolitan District shall require the approval of the Board. The Metropolitan District shall have the right to pledge or assign its future income from Assessments to the lender as security for any such loan, including the right to receive future income from Assessments, if such pledge or assignment is approved by the Board as a part of the approval of the subject loan in the manner provided herein.

2.8. Limitation on Liability. Except as specifically provided in this Declaration, the Articles or the Bylaws, the Metropolitan District, the Board of Directors and Declarant, and their respective officers, directors, partners, members, managers, agents and employees, shall not be liable to any Person for any action or for any failure to act unless the action or failure to act was not in good faith or was done or withheld with malice. The foregoing shall not limit any rights to indemnification or affect any additional limitations on liability that may be afforded to any such Persons under any Law or any other Center Documents.

2.9. Supplements to this Declaration. If the Declarant elects to submit any additional real property to this Declaration, such additions shall be described in and effected by a duly Recorded Supplemental Declaration. The Recording of any such Supplemental Declaration and the resulting expansion of the Center shall not require the consent or ratification of any Owner other than the Declarant. A Supplemental Declaration may impose on the real property described therein additional covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and provisions other than those set forth in this Declaration, taking into account the unique and particular aspects of the area within the real property covered thereby. Upon Recordation of a Supplemental Declaration, the portion of the real property subject to the Supplemental Declaration shall become part of the Center and shall be subject to all covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes

and other provisions set forth in this Declaration, except to the extent permitted hereunder and otherwise specifically stated in the Supplemental Declaration. Any additional use restrictions contained in a Supplemental Declaration shall only apply to the real property subject to that Supplemental Declaration.

2.10. No Annexation Required: Contraction of Property. Notwithstanding any other provision of this Declaration to the contrary, nothing in this Declaration shall be construed to obligate the Declarant to make any real property other than the Center subject to this Declaration. The Declarant expressly reserves the right, in its sole discretion, from time to time to remove or withdraw any portion of the Center effective upon the Recordation of a written instrument, executed by the Declarant, referring to this Declaration, describing such portion and declaring that such portion shall thereafter be withdrawn from the Center under this Declaration. The recording of any such written instrument and the withdrawal of any portion of the Center shall not require the consent or ratification of any Owner or other owner of any portion of the Center other than the Declarant, but shall require the written consent of the Owner of the portion of the Center being withdrawn, if and only if at the time such portion of the Center then being withdrawn from the Center is not then owned by the Declarant.

ARTICLE III EASEMENTS

3.1. Ingress and Egress Easement. Each Owner shall have for its use and for the use of its Permittees, in common with others entitled to use the same, a non-exclusive easement for the passage of vehicles and pedestrians on, over, across and upon the Access Easement Area. All such easement rights are sometimes referred to in this Declaration as the "Access Easement." The Access Easement shall be subject to the following conditions, as well as all other terms of this Declaration:

(a) Drive Areas on Lots. The location and width of any Drive Areas on a Lot shall be approved by the DRC as part of the Plans for such Lot.

(b) No Obstructions. Except as permitted in this Declaration, no fence or other barrier which would unreasonably prevent or obstruct the passage of pedestrian or vehicular travel shall be erected or permitted within or across any Access Easement Area.

(c) Maintenance Work. Except as provided, in Section 4.3 below, each Owner will be responsible for the maintenance, repair and replacement of the Improvements on any portion of the Access Easement Area located on such Owner's Parcel. During periods of maintenance or repair of a Drive Area or the Roadway, the party undertaking such work shall not block or close any such access during any Occupant's business hours in any way which materially and adversely affects the use of the Access Easement and for which there are no alternative access driveways, except in the case of emergency circumstances. All Persons shall use all reasonable efforts to minimize the time period and the impact of any temporary closure or blockage.

(d) No Parking. No Owner nor its Permittees shall have the right to park vehicles on another Owner's Parcel. No parking of vehicles shall be permitted on the Drive Areas or the Roadway. The Metropolitan District may adopt further Regulations relating to the remedies for violating this Restriction.

(e) Access to Public Roads. Each Lot shall have at least one point of vehicular access to a public road or the Roadway from the Lot, whether across the Drive Areas, the Roadway or otherwise, at a location or locations as approved by the DRC and other Governmental Authorities.

(f) Location of Drive Areas. If there is any dispute as to the location of a Drive Area, the dispute shall be referred to the DRC and the decision of the DRC will be final and binding upon the disputants.

(g) Completion of Roadway(s). The Roadway(s) will be constructed on the Access Easement Area potentially in phases. Notwithstanding anything to the contrary in this Declaration or any other Center Documents, no Owner nor its Permittees (other than Declarant and its Permittees) shall have the right to use any portion of the Roadway for access purposes prior to the Roadway being completed, without the written consent of the Metropolitan District or Declarant. The Roadway shall be deemed completed when it is paved and fully constructed as determined by Declarant.

(h) Relocation; Dedication/Transfer. The Metropolitan District shall have the right to alter or relocate portions of any Access Easement, provided that such alteration or relocation shall not unreasonably interfere with the rights created by this Declaration. Further, the Metropolitan District shall have the right to grant, dedicate or otherwise transfer all or any part of the Access Easement Area to any utility or a public or quasi-public utility or authority in furtherance of the purposes of this Declaration, provided that such grant, dedication or transfer shall not unreasonably interfere with the Owner rights created by this Declaration.

3.2. Utility Easements. Each Owner shall have non-exclusive perpetual easements in, to, over, under, along and across any Utility Easement Area necessary for the construction, installation, operation, flow, passage, use, maintenance, connection, repair, relocation, and removal of lines or systems for utilities serving the Owner's Parcel, including sanitary sewers, storm drains, water, gas, electrical, telephone and communication lines. In this Declaration, all such easement rights are sometimes referred to as the "Utility Easement." The Utility Easement shall be subject to the following conditions, as well as all other terms of this Declaration:

(a) Underground. Except as may be necessary for such reasonable periods during periods of construction, repair, or temporary service, all utilities (other than fire hydrant easements) shall be underground unless required to be above ground by the utility providing such service. Any utilities installed above ground (other than fire hydrants) shall require the approval of the DRC.

(b) Notice of Installation. Except as required in Section 3.2(a), DRC approval is not required for utilities located in the Utility Easement Area provided that prior to the installation the Owner has given notice to the Committee as required under this paragraph. The Owner using any Utility Easement shall notify all Owners, and the Metropolitan District, before undertaking any installation on or within the Utility Easement Area.

(c) Survey. Upon request, any Owner installing any Improvements on or within the Utility Easement Area shall provide to all Owners, the Metropolitan District, Declarant and the DRC an as-built survey showing the location of the Improvements constructed or installed on or within the Utility Easement Area.

(d) Costs of Construction. The Owner constructing or installing any Improvements on or within any Utility Easement shall pay all costs and expenses with respect thereto and shall cause all work in connection therewith (including general clean-up and proper surface and subsurface restoration) to be completed as quickly as possible and in a manner so as to minimize interference with the use of the Utility Easement Area including the use of the Roadway for access. If any of the Owners elect to cooperatively install common utilities, all costs and expenses of such common utilities may be set forth in a separate agreement between those cooperating Owners, provided that in any event they shall be jointly and severally liable to the Metropolitan District for their obligations with respect to all of the costs and expenses.

(e) Maintenance Responsibility. Any Owner that is benefited by the utilities installed in a Utility Easement shall maintain, repair and replace at such Owner's cost any such facilities installed on or within the Utility Easement Area which serve such Owner's Parcel unless the same are granted or dedicated to and accepted by a utility or a public or quasi-public utility or authority which agrees to maintain, repair and replace the same.

(f) Maintenance Work. Subject to any permitting and licensing requirements imposed by any Governmental Authority and except as provided in Article IV below, any maintenance, repair and replacement of non-dedicated utilities located within the Utility Easement Area shall be performed only after five (5) business days' notice to the Burdened Owner and the Metropolitan District (except that, in an emergency, the work may be initiated with reasonable notice), shall be done after normal business hours whenever possible and shall otherwise be performed in such a manner as to cause as little disturbance in the use of the Burdened Parcel as is practicable under the circumstances, including the use of the Roadway for access. Any Owner performing or causing to be performed maintenance, repair or replacement work shall promptly pay all costs and expenses associated therewith, diligently complete such work as quickly as possible, promptly clean the area and restore the affected portion of the Utility Easement Area to a condition equal to or better than that which existed prior to the commencement of such work.

(g) Regulations. The DRC may adopt additional Regulations relating to the use of the Utility Easements, including regulations relating to the installation, repair, maintenance, removal and relocation of utilities on or within the Utility Easement Area and use of the Utility Easements by Persons other than Owners and Owners' Permittees.

(h) Relocation; Dedication/Transfer. The Metropolitan District shall have the right to alter or relocate portions of any Utility Easement, provided that such alteration or relocation shall not unreasonably interfere with the rights created by this Declaration. Further, the Metropolitan District shall have the right to grant, dedicate or otherwise transfer all or any part of the Utility Easement to any utility or a public or quasi-public utility or authority in furtherance of the purposes of this Declaration, provided that such grant, dedication or transfer shall not unreasonably interfere with the rights of the Owners created by this Declaration.

Notwithstanding any language in this Declaration to the contrary, Declarant hereby reserves for itself and for the Metropolitan District a blanket easement upon, across, over and under the Center, specifically including the Lots, for utilities and the installation, use, replacement, repair and maintenance of utilities, including, but not limited to, water, sewer, gas, telephone, electricity, renewable energy/energy efficiency, computer cable, and master television antenna or cable or satellite television systems, if any. By virtue of this blanket easement, it shall be expressly permissible to erect, use and maintain the necessary facilities, equipment and appurtenances on the Center, specifically including the Lots, and to affix, use, repair and maintain water and sewer pipes, gas, electric, telephone, renewable energy/energy efficiency, computer and television wires, cables, circuits, conduits and meters. In the event any utility or quasi-utility company furnishing a service covered by the general easement created herein requests a specific easement by separate recordable document, Declarant reserves and is hereby given the absolute right and authority to grant such easement upon, across, over or under any part or all of the Center, specifically including the Lots, provided, however, that such right and authority of the Declarant shall automatically cease at such time as the Special Declarant Rights terminate as provided in this Declaration, at which time such reserved rights shall vest in the Metropolitan District. The easement provided for in this Section 3.2 shall in no way void, extinguish or modify any other Recorded easement(s) on the Center, specifically including the Lots.

3.3. Drainage Easement. Declarant hereby creates and reserves over each Lot an easement for surface drainage in accordance with the drainage plan for the Center approved by the Governmental Authorities, Declarant, the DRC, and the CEC, including any detention or retention ponds or underground facilities which shall be a part of the Common Areas. Each Owner and Occupant shall comply with any drainage plan adopted by any Governmental Authorities or the DRC and any Restrictions relating thereto affecting the Center.

3.4. Metropolitan District's Easement to Perform Work; Easements Benefiting Declarant.

(a) The Metropolitan District shall have an easement over, across and upon each Lot (and to the extent necessary, any Improvements on or in such Lot) permitting the Metropolitan District, its agents, employees and independent contractors to enter upon the Lot as reasonably necessary and with reasonable notice so that the Metropolitan District may perform any required work on the Lot pursuant to this Declaration. All persons performing such work shall use reasonable efforts to minimize interference with the Lot Owners' use and enjoyment of the Lot when performing such work.

(b) Declarant hereby reserves such easements over and across the Common Area, which easements will exist for the duration of the Development Period, as may be reasonably necessary for Declarant's exercise of any of Declarant's rights under this Declaration, performance of any of Declarant's obligations hereunder, and the showing of the Center to prospective purchasers; provided, however, that such easement(s) may not materially adversely affect the use or enjoyment of any Lot by the Owner thereof.

3.5. Enforcement Easement. The Metropolitan District, Declarant, and the DRC and their respective employees, agents and contractors shall have an easement over each Lot for all purposes reasonably necessary for such Persons to exercise their rights and carry out their duties under this Declaration.

3.6. Disputes. Any dispute as to the terms of any easement granted in this Declaration, the allocation of costs relating to any such easements or the rights and obligations of the Owner benefited by the easement or a Burdened Owner shall be submitted to the Metropolitan District, and the decision of the Metropolitan District will be final and binding on all of the affected parties.

3.7. Acknowledgment of Inconvenience. Each Owner has acknowledged and agreed that there are inconveniences which will accompany the construction of this Center, including but not limited to construction noise, portable toilets, construction traffic, uncompleted buildings, areas not landscaped, potholes and construction supplies stored in plain view, and general inconvenience associated with construction sites and related issues. Each Owner, by taking title to any Lot, shall be deemed to have waived any claims associated with the inconveniences, nuisance and hazards associated with such construction.

ARTICLE IV COMMON AREAS

4.1. Right to Use. Each Owner, by reason of its ownership of its Parcel, shall have a nonexclusive right and easement of enjoyment in and to the Common Areas in accordance with the easements granted and reserved in this Declaration except nothing contained in this Declaration shall be deemed to grant the public the right to use any Common Areas on a Lot. The right to use the Common Areas and all easements shall be subject to the Restrictions in this Declaration, the Regulations and the other Center Documents including the right of the Metropolitan District to: (a) take such steps as are reasonably necessary to protect the Common

Areas or any interest therein against foreclosure; (b) enact, issue, amend, repeal, and replace Regulations relating to the use of the Center Properties and other Common Areas as provided in Section 2.6; and (c) close or limit the use of the Common Areas while maintaining, repairing and making replacements in and to the Common Areas, subject to the terms and conditions stated in Sections 3.1(c) and 4.3.

4.2. Restrictions on Use of Common Areas. Subject to the rights reserved for the Metropolitan District and Declarant in this Declaration, and except as required for maintenance as described in Sections 3.1(c) and 3.2(f) and Article IV, there shall be no obstruction of the Common Areas, nor shall anything be done, that impedes the use of the Common Areas for their intended purposes. The Common Areas may not be used in any manner which violates any Law and no Owner may place, construct or install any structure or other Improvement on the Common Areas, except in compliance with the terms of this Declaration.

4.3. Maintenance of Common Areas. All of the Common Areas shall be operated, maintained and repaired to the standards of other first-class mixed use commercial centers, and in any event in a good condition, order and repair and in compliance with all applicable Laws, and the terms of this Declaration and the other Center Documents. Each Owner of a Lot, at its sole cost and expense, shall be responsible for the operation, maintenance, repair and replacement of its Lot and all Improvements thereon, and the Metropolitan District shall be responsible for the operation, maintenance, repair and replacement of all sidewalks in the Common Areas not specifically located on a Lot, the Roadway, the Drive Areas, all landscaping in the Common Areas not specifically located on a Lot, any storm water infiltration pond located within the Center, and the Center Sign (if any). All of the costs and expenses incurred by the Metropolitan District in such operations, maintenance, repairs and replacements shall be Common Expenses. The Metropolitan District shall comply with the terms of this Declaration, including Article IX, in its operation, maintenance, repair and replacement of the Roadway, the Center Sign (if any) and any other Common Areas that are not the responsibility of an Owner.

4.4. Costs Related to Maintenance of Common Areas. The Metropolitan District may levy and collect Real Estate Taxes or other ad valorem taxes on and against the Properties, and, from time to time, impose fees, rates, tolls, penalties and charges against the Properties, as deemed necessary by the Board, in the Board's sole discretion, to defray the costs of the Metropolitan District to carry out its obligations under this Declaration or any Regulations, Design Guidelines or Supplemental Declaration. Until paid, all such Real Estate Taxes, fees, rates, tolls, penalties and charges shall constitute a statutory perpetual lien on and against the Properties served, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens.

4.5. Owner's Negligence. Notwithstanding anything to the contrary contained in this Declaration, if the need for maintenance, repair or replacement of any portion of the Common Areas (and easements therein) and any Improvements within the Common Area, or to avoid damage to the Common Area or its Improvements, is caused by the willful or negligent act or omission of any Owner or a Permittee of such Owner, the cost of such repair, maintenance or replacement or expense to avoid damage that is not covered by insurance shall be the personal

obligation of such Owner. Such cost shall be charged to the Owner and an Assessment levied against such Owner and its Lot. A determination of the negligence or act or omission of any Owner for which an Assessment is levied shall be made by the Board after notice and hearing as provided in the Bylaws. Nothing contained in this Declaration shall affect the right of the Metropolitan District to bring an action in a court of law against any such Permittee for its actions or negligence.

ARTICLE V DESIGN REVIEW

5.1. Approval of Alteration to Property Required. No Alteration to Property shall be undertaken and no Improvements shall be constructed or installed on the Center, nor shall the exterior of any Improvements on the Center be altered (including any demolition) unless such Alterations to Property and Improvements have been approved by the DRC or are exempt from approval as provided in this Article. DRC approval is not required for any Improvements or alterations within the interior of any approved Building or other structure, provided the same otherwise complies with the terms of this Declaration and the other Center Documents. References in this Article to an Alteration to Property shall refer only to an Alteration to Property for which DRC approval is required.

5.2. Design Review Committee. The DRC shall consist of three (3) regular members and up to two (2) alternate members, each of whom shall have the right to attend all meetings of the DRC and, in the absence of any regular member at any such meeting, vote on all matters that come before the DRC at that meeting. All regular and alternate members of the DRC shall be appointed by Declarant during the Declarant Approval Period, and Declarant shall have the right to assign this power of appointment, as to one or more members of the DRC, in its sole discretion. Members of the DRC shall serve at the pleasure of Declarant and may be removed and replaced at any time by Declarant and shall serve until resignation or removal by Declarant. From and after the earlier of (a) the date on which there is deemed to be no Declarant under this Declaration, and (b) the expiration of the Declarant Approval Period, all regular and alternate members of the DRC shall be appointed by the Metropolitan District. Any member of the DRC may be removed at any time by the entity that appointed that member (the "Appointing Entity"), and each member shall serve for a term as may be designated by the Appointing Entity or until resignation or removal by the Appointing Entity. The DRC shall be responsible for the ministerial administration and application of the Design Guidelines to facilitate the purposes and intent of this Declaration. All such Design Guidelines shall be prepared and adopted by the DRC and administered by the DRC. The DRC may promulgate, amend, vary, repeal and augment the Design Guidelines from time to time, in its sole discretion based on concerns for good planning and design, the aesthetic, architectural and environmental harmony of the Center, or other factors considered necessary or desirable to fulfill the intent of the Design Guidelines. The Design Guidelines shall be binding on the Center. In the event of any conflict between the Design Guidelines and this Declaration, this Declaration shall control. The Design Guidelines may include, among other things, those restrictions and limitations set forth below:

- (a) Pertaining to planning.

- (b) Standards establishing an architectural theme and requirements building style and design, colors, construction materials and site.
- (c) Procedures for making an application to the DRC for approval, including the documents to be submitted and the time limits for such submission.
- (d) Time limitations for the completion, within specified periods after approval, of the Improvements for which approval is required under the Design Guidelines.
- (e) Designation of building setbacks.
- (f) Minimum and maximum areas of living space that may be developed on any Lot.
- (g) Limitations on the height of any Residence or other Improvement.
- (h) Specifications for the location, dimensions and appearance or screening of any fences, accessory structures, antennae or other such Improvements.
- (i) Landscaping regulations.
- (j) General conditions for the construction, reconstruction, refinishing or alteration of any Improvement.
- (k) Rules for construction activities, as well as maintaining construction sites and adjacent areas.

5.3. Purpose and Authority. The DRC shall review, study and either approve or reject proposed Improvements, including landscaping, on the Center, all in compliance with this Declaration and as further set forth in the Design Guidelines and such Regulations as the DRC may establish from time to time to govern its proceedings. No Improvement shall be erected, placed, reconstructed, replaced, repaired or otherwise altered, nor shall any construction, repair or reconstruction be commenced until plans for the Improvements shall have been approved by the DRC; provided, however, that Improvements that are completely within, and not visible from the outside of, a building may be undertaken without such approval, provided such Improvements do not affect the structural integrity of a building, or impact any party walls or other common or shared areas between Lots. All Improvements shall be constructed only in accordance with plans therefor approved by the DRC. In addition to reviewing and approving plans for Improvements, the DRC may review applications from Owners regarding proposed variances from the Restrictions or the Guidelines, and approve or disapprove the same.

5.4. Approval of Improvements Required. Except as may be otherwise set forth in a Supplemental Declaration, the approval of the DRC shall be required for any Improvement on any Lot except where prior approval of an Improvement on a Lot has been waived by the DRC or certain Improvements have been exempted in writing by the DRC or specifically exempted in the Guidelines. The foregoing notwithstanding, the approval of the DRC shall not be required for any Improvement made by the Declarant, or for any Improvement made by a Builder, the plans for which have been approved by the Declarant in writing.

5.5. Improvement Defined. An Improvement requiring approval of the DRC means and includes, without limitation: (a) the construction, installation, erection, or expansion of any building, structure, or other Improvement, including utility facilities and fences; (b) the demolition or destruction, by voluntary action, of any building, structure, or other Improvement; (c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern, or change of stream bed; (d) installation of landscaping on a Lot or replacement of more than five percent (5%) of the total organic landscaped area on a Lot with non-organic landscape materials; (e) any change or alteration of any previously approved Improvement, including any change of exterior appearance, color or texture; and including any of the Improvements as defined in Section 1.30.

5.6. Submission of Plans. Prior to commencement of work to accomplish any proposed Improvement requiring DRC approval, including landscaping, to a Lot, the Owner proposing to make such Improvement (the "Applicant") shall submit to the DRC at its offices or at such place as it may designate for such purpose such descriptions, sketches, surveys, plot plans, drainage plans, elevation drawings, construction plans, specifications and samples of materials and colors as the DRC reasonably shall request showing the nature, kind, shape, height, width, color, materials and location of the proposed Improvement. The DRC may require submission of additional plans, specifications or other information prior to approving or disapproving the proposed Improvement. Until receipt by the DRC of all required design review fees and materials in connection with the proposed Improvement, the DRC may postpone review of any materials submitted for approval.

5.7. DRC Approval. The DRC, by majority vote, shall approve plans and specifications submitted to it only if it determines that the construction, alteration and additions contemplated thereby, and in the location as indicated, will comply with this Declaration, the applicable Supplemental Declaration, the Design Guidelines, and the Center Documents and will serve to preserve and/or enhance the values of the Lots within the Center and will maintain a harmonious relationship among structures, vegetation, topography and the overall design of the Center. All plans and specifications submitted to the DRC shall be drawn to scale and include such detail necessary for the DRC to make an informed review of such plans and specifications. The DRC may reject any plans and specifications it deems to be insufficient, in its sole and absolute discretion. The DRC may condition its approval of plans and specifications for improvements on such changes therein as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving the material submitted. The DRC shall consider the proposed quality of workmanship, type of

materials and harmony of exterior design with other portions of the Center. Furthermore, unless otherwise allowed in writing by the DRC, an Owner shall not apply for a building permit for any Improvements from any Governmental Authority having jurisdiction over the Center until DRC approval for such Improvements has been obtained Approval by the DRC shall be in writing or indicated by endorsement on the plans and specifications submitted for approval. No building, other structure or landscaping shall be erected or allowed to remain on any Lot which violates this Declaration. The issuance of a building permit by a Governmental Authority having jurisdiction over the Center shall not prevent or prohibit the DRC from enforcing the terms and provisions of this Declaration. Furthermore, any approval granted shall not be considered a permit to build under applicable governmental regulations. Compliance with the provisions of this Article V is not a substitute for compliance with any governmental building, zoning and subdivision regulations and other applicable laws, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction of Improvements. Furthermore, DRC approval does not approve or guaranty engineering design or compliance with applicable laws, and does not constitute any representation by the DRC as to such matters. The Owner is solely responsible for all such compliance. By approving plans and specifications, neither the DRC, its members, the Metropolitan District nor the Declarant assumes any liability or responsibility for engineering design, construction, valuation, or that the approved plans and specifications will maintain a harmonious relationship among structures, vegetation, topography or the overall design of the Center, or be in compliance with applicable laws.

5.8. Failure of DRC to Act on Plans. Any request for approval of a proposed Improvement shall be deemed disapproved, unless written approval is transmitted to the Applicant by the DRC within fifteen (15) days after the date of receipt by the DRC of all required fees and materials. If additional fees, information, or materials are requested by the DRC, the fifteen-day time period within which the DRC is required to make its decision shall be automatically extended to thirty (30) days after the DRC receives the requested fees, information, or materials.

5.9. Prosecution of Work After Approval. After approval of any proposed Improvement by the DRC, the proposed Improvement shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed Improvement, any materials submitted to the DRC in connection with the proposed Improvement, and any conditions imposed by the DRC and all Applicable Laws. Failure (a) to complete the proposed Improvement within eighteen (18) months after the date of approval or such other period or extension of the initial eighteen-month period as specified in the Design Guidelines or in writing by the DRC, or (b) to complete the Improvement in accordance with the description and materials furnished to, and the conditions imposed by, the DRC and all applicable laws, shall constitute noncompliance with the requirements for approval of the Improvement.

5.10. Notice of Completion. Upon completion of any Improvement, the Applicant shall submit a written notice of completion to the DRC requesting final approval of the Improvement.

No, Owner or Builder shall seek a certificate of occupancy for any Improvement until receipt of final approval from the DRC.

5.11. Inspection of Work. Any member or authorized agent or consultant of the DRC, may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect any Improvement on a Lot (including an interior Improvement which is subject to DRC review) prior to or after completion in order to determine whether or not the Improvement is being completed or has been completed in compliance with the approval granted pursuant to Section 5.7 and Section 5.9; provided, however, that the right of inspection shall terminate ninety (90) days after the DRC's receipt the applicant's notice of completion. Failure of the DRC to inspect the work shall not relieve the applicant from its obligations to comply with this Declaration or all conditions of approval or prevent the DRC from pursuing all remedies available to it in the event of any Violation.

5.12. Violations.

(a) Notice of Violation. If, as a result of the DRC's inspection of an Improvement or otherwise, the DRC determines that a Violation exists, the DRC shall issue a Notice of Violation to the noncompliant Owner within thirty (30) days of inspection. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Violation and shall require the Owner to take such action as may be necessary to correct, remedy or otherwise remove the Violation, including the time period in which the Violation is to be remedied.

(b) Remedies. If an Owner fails to remedy the Violation within the time period specified in the Notice of Violation, the DRC shall have all remedies available to it at law or in equity, including without limitation the following remedies:

(i) An Appointing Entity or the DRC may Record a Notice of Violation against the Lot on which the Violation exists;

(ii) An Appointing Entity, upon request of the DRC, shall have the right to remove, modify or otherwise correct any Violation constructed, reconstructed, refinished, altered or maintained upon a Lot that is a Violation of the Restrictions, or otherwise correct, remedy or otherwise remove any Violation, in any manner the DRC advises is appropriate;

(iii) An Appointing Entity may file an action for injunctive relief to cause an existing violation to be brought into compliance with the Declaration, the Guidelines and/or any Regulations and the Appointing Entity shall be entitled to recover all costs and attorney's fees associated with bringing the action;

(iv) An Appointing Entity upon recommendation of the DRC may levy reasonable Fines for such Violation; and

(v) An Appointing Entity shall be entitled to collect, and shall have a lien against, the noncompliant Lot to secure (1) payment for expenses incurred in obtaining injunctive relief, including costs and attorney's fees, (2) payment for reimbursement by the noncompliant Owner for any work performed by the DRC or an Appointing Entity to remove, modify or otherwise correct the Violation, plus the following amounts, to the extent not inconsistent with applicable laws, (3) interest on such amount at a rate equal to two percent (2%) over the prime rate of interest quoted at such time in the Wall Street Journal, (4) an additional charge on such amount equal to four percent (4%) of the amount due, and (5) all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

5.13. General Inspections; Violation Identified by Another Owner: Notice and Hearing Procedures.

(a) General Inspections. In addition to the inspection of completed Work as provided in Section 5.11 and other provision of this Declaration, any member or authorized agent or consultant of the DRC, may enter upon any Lot, at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to investigate or inspect any part or portion of the Center for conformance or compliance with the Restrictions, and the DRC approved Improvements. Where such investigation or inspection reveals that any part or portion of such Lot is in violation of the Restrictions, the DRC may issue a Notice of Violation to the Owner of the Lot. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Lot that fail to conform to the Restrictions. The Notice of Violation sent pursuant to this Section 5.13 shall also contain the date, time, and place of a hearing to be held by the DRC for the purpose of evaluating the Lot's conformance with such Restrictions and to consider the issuance of a finding of Violation. Any Notice of Violation sent pursuant to this Section 5.13 shall also be sent via first class U.S. mail addressed to "Occupant" at the address of the alleged nonconforming Lot, which is subject to the Declaration for which the Notice of Violation is issued, as well as a copy to any Owner notifying the DRC of any alleged Violation in accordance with subsection (b) below. All such Notices of Violation shall be sent no less than fifteen (15) days prior to the date of the hearing.

(b) Violation Identified by Another Owner. If an Owner alleges that another Owner is in Violation of this Article V or otherwise is not in compliance with any Restrictions, the complaining Owner must first submit written notice to the DRC of the alleged Violation, and the DRC may investigate such allegation and may, if warranted, send a Notice of Violation to the alleged noncompliant Owner in accordance with subsection (a) above. A hearing must be held by the DRC before the complaining Owner may resort to legal or other action for relief.

(c) Procedure for Hearing. On the date and time of the hearing specified in any Notice of Violation, the DRC shall hear and consider information and evidence presented by any Owners or other interested parties regarding the conformance of the subject Lot with such Restrictions. The hearing shall be conducted in accordance with any rules and procedures promulgated by the DRC. Not more than five (5) business days following the hearing, the DRC shall either: (i) make a finding that the Lot is in compliance with the applicable Restrictions; (ii) make a finding that the Lot is in Violation of the applicable Restrictions; or (iii) continue the

hearing to a date certain for the purpose of obtaining additional information regarding the alleged Violation. The decision of the DRC shall be final. Where the Lot is determined to be in Violation of the Restrictions, the DRC shall issue a written finding of Violation, which shall include the time period in which the Violation is to be corrected, remedied or otherwise removed. Following such decision, any noncompliant Owner shall correct, remedy, or otherwise remove the Violation within the time period specified in the written finding of the DRC. If the Owner does not comply within the specified time period, the DRC may, at its option, pursue those remedies specified in Section 5.12(b). Notwithstanding anything to the contrary contained herein, at any time prior to the DRC's final determination of Violation, an Owner may notify the DRC in writing that the Violation has been corrected, remedied or removed. Following inspection of the Lot by the DRC and confirmation that the Lot is in compliance, the DRC may suspend or dismiss all actions to enforce its remedies.

(d) Rights of the DRC. The rights of the DRC to remove, modify or otherwise correct any Improvement constructed, reconstructed, refinished, altered or maintained upon a Lot in Violation of the Restrictions, or otherwise correct, remedy or otherwise remove any Violation shall be in addition to all other rights and remedies which the DRC may have at law, in equity or under the Restrictions.

(e) No Representation. Any inspection made by the DRC pursuant to the Restrictions shall not constitute a representation by the DRC that there has been or will be compliance with this Declaration, the approved plans for any Improvements, the Design Guidelines or any other architectural guidelines or design standards, rules or regulations promulgated under this Declaration, or that the subject Lot, and the Improvements thereon, are free from defective materials or workmanship.

5.14. Discretion and Variances. The DRC may, but is under no obligation to, authorize variances from compliance with any of the provisions of the Restrictions and the Design Guidelines, including restrictions on height, size, floor area, or placement of structures or similar restrictions, taking into account circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations. Such variances must be in writing and shall become effective only when signed by at least a majority of the DRC. If any such variance is granted, no violation of the provisions of the Restrictions or the Design Guidelines shall be deemed to have occurred with respect to the matter for which the variance is granted. However, the granting of a variance shall not affect in any way the Owner's obligation to comply with all applicable laws and any conditions imposed by the DRC in granting the variance.

5.15. No Implied Waiver or Estoppel. No action or failure to act by the DRC, including the granting of a variance, shall constitute a waiver or estoppel with respect to future action by the DRC with respect to any matter covered by this Declaration. Specifically, the approval by the DRC of any Improvement or granting of a variance shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement on the same Lot or any other Lots or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement on the same Lot or any other Lot.

5.16. Changes to Approved Plans. Any and all changes or alterations whatsoever to plans previously approved by the DRC must be reviewed and approved by the DRC.

5.17. Binding Effect. The actions of the DRC in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

5.18. Fees and Expenses. Except as provided in the next sentence, all expenses of the DRC shall be paid by the Metropolitan District with revenues derived from the portion of the Center within which the DRC's services are performed. The DRC shall have the right to charge fees and deposits for each application submitted to the DRC for review, in an amount which may be established by the DRC from time to time, and such fees shall be collected by the DRC to recover the fair and reasonable costs of such service as is directly related to such application. The Appointing Entity or a private management company hired by the Appointing Entity shall provide the DRC with staff for the recording of committee meeting minutes and assistance with other administrative needs, at the Appointing Entity's cost and expense as it deems reasonably necessary.

5.19. Limitation of Liability. Neither the DRC nor any individual DRC member shall be liable to any person for any official act of the DRC in connection with submitted plans and specifications, except to the extent the DRC or any individual DRC member acted willfully in bad faith. The DRC, its members and the Metropolitan District shall not be responsible or liable to any Owner, developer or contractor with respect to any loss, liability, claim or expense which may arise by reason of plan approval or disapproval, or the construction of Improvements whether or not pursuant to any approved plans. As set forth in Section 5.7, neither the DRC, the Metropolitan District, nor any agent thereof, nor the Declarant or any of its managers, members, employees, agents or consultants shall be responsible for reviewing, nor shall its approval of an Improvement to Center be deemed approval of the Improvement to Center from the standpoint of safety, whether structural or otherwise, or conformance with any applicable laws. Members of the DRC, to the extent appointed by the Metropolitan District, shall be defended and indemnified by the Metropolitan District in any such suit or proceeding which may arise by reason of the DRC's decision. The Metropolitan District, however, shall not be obligated to indemnify each member of the DRC to the extent any such member of the DRC is adjudged to be liable for bad faith or willful misconduct in the performance of his or her duty as a member of the DRC, unless and then only to the extent that the court in which such action or suit may be brought determines upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expense as such court shall deem proper.

5.20. Construction and Certificate of Compliance. All approved Improvements constructed upon a Lot shall be constructed in strict accordance with the plans and specifications approved by the DRC. Upon written request of any Owner or his agent, or a prospective transferee, and upon payment of a reasonable fee established from time to time by the DRC, the DRC shall issue a certificate setting forth generally whether, to the best of the DRC's knowledge,

the Improvements on a particular Lot are in compliance with the terms and conditions of the Guidelines and this Declaration.

5.21. Access Easement. Each Lot is subject to an easement in favor of the DRC, including their respective members, employees, agents and representatives, for performing any of the actions contemplated by this Article V, including without limitation Sections 5.11 and 5.20 hereof. All Persons performing such work shall use reasonable efforts to minimize interference with the Lot Owners' use and enjoyment of the Lot when performing such work.

5.22. Construction Period Exception. During the course of construction of any approved Alteration to Property, the DRC, the Metropolitan District or Declarant may temporarily suspend the various Restrictions contained in this Declaration as to the Parcel upon which the construction is taking place to the extent necessary to permit such construction; provided that (a) the party granting the suspension may revoke this suspension if the construction is not proceeding with due diligence; and (b), during the course of any such construction, anything is done which will constitute a nuisance or unreasonable interference with the use and enjoyment of any other Parcel.

ARTICLE VI CONSTRUCTION

6.1. Construction Requirements. The initial construction of Improvements and any Alterations to Property shall be performed only in accordance with the Approved Plans. In addition, all construction activities performed by an Owner or Occupant within the Center shall be performed in compliance with all Laws and Regulations. No Owner shall, in the performance of any of its construction activities or otherwise: (a) cause any unreasonable increase in the cost of undertaking Alterations to Property upon another Owner's Parcel; (b) unreasonably interfere with construction work being performed on any other part of the Center; (c) unreasonably interfere with the use, occupancy or enjoyment of any part of the remainder of the Center by any other Owner or its Permittees; or (d) cause any other Owner to be in violation of any Law.

6.2. Construction Indemnification. Each Owner shall indemnify and hold harmless each of the Indemnified Parties from all claims, actions, proceedings and costs incurred in connection therewith (including reasonable attorneys' fees and costs of suit) resulting from any accident, injury or loss or damage whatsoever occurring to any Person or to the Center of any Person arising out of or resulting from the construction of any Improvements or undertaking any other Alterations to Property or other construction activities on any part of the Center performed or authorized by such indemnifying Owner, except from claims, actions, proceedings and costs resulting from the negligence or willful act or omission of an Indemnified Party or its agents, employees or contractors.

6.3. Construction License. Upon obtaining DRC approval of its Plans, an Owner and its contractors and subcontractors shall have a temporary license for access and passage over and across and use of those portions of another Owner's Parcel as shall be reasonably necessary as

determined by the Metropolitan District or the Committee for such Owner to construct the Improvements upon the Owner's Parcel in accordance with the Approved Plans. This license shall be in effect only during periods when actual construction is being performed and shall be subject to the Regulations, the terms of this Article VI and such reasonable conditions as imposed by the Metropolitan District or the DRC in order to minimize the disruption to the other Owners and their Parcels. Prior to exercising the rights granted in this Section, the Owner shall provide the Metropolitan District with a written statement describing the need for such license, the areas of the other Owner's Parcel to which the license will apply the measures it will take to minimize interruption to the other Owner's Parcel and business operations, and shall furnish a certificate of insurance showing that its contractors have obtained the minimum insurance coverage required by this Declaration. Each Owner consents to and authorizes the Metropolitan District and the DRC to grant such licenses affecting the Owner's Parcel on the foregoing terms. Any Owner availing itself of a temporary license shall promptly pay all costs and expenses associated with exercising the license on the other Owner's Parcel, shall diligently complete such work as quickly as possible, and shall promptly clean the area and restore the affected portion of the other Owner's Parcel to a condition which is equal to or better than the condition which existed prior to the commencement of such work.

6.4. Mechanic's Liens. Each Owner and every Person providing labor or services to any Parcel waives and releases any rights to file any mechanic's lien or any other liens against any of the Common Area and any easement reserved in the Plat or this Declaration. The use of the Common Areas by any such Persons is conditioned upon this waiver and release and each such Person, including any contractor and subcontractor shall, upon the request of the DRC, the Metropolitan District or Declarant, execute such documents as may be reasonably requested to confirm this waiver and release.

ARTICLE VII OPERATION OF CENTER AND COVENANT ENFORCEMENT COMMITTEE

7.1. Use of Common Area. The Owners will jointly have the right of use of all Common Areas of the Center on and subject to the terms of and for the purposes specified in this Declaration, including the Restrictions and limitations on the use of the easements and easement areas as set forth in Article III and Article IV and in accordance with the Regulations established from time to time as provided in this Declaration for such use by Declarant. All of the uses permitted within the Common Areas shall be used within reason as determined by the Metropolitan District so as not to interfere with the primary purpose of the Common Areas, which is to provide for the permitted uses of the respective easements included in the Common Areas as described in Article III.

7.2. Termination of Unauthorized Use. If unauthorized use is being made of any of the Common Areas on any Parcel, the Metropolitan District may restrain or terminate such unauthorized use by injunctive relief or other appropriate proceedings (including self-help) if the Owner of such Parcel fails to abate such use within twenty-four (24) hours after written notice of the violation to the Owner. Such prior notice shall not be required if in the reasonable opinion of the Metropolitan District (a) an emergency exists, or (b) if the violation is one for which prior

notice has been given to such Owner as a continuing violation. The Metropolitan District may, but shall not be obligated to, give notice of the violation to any Occupant of the Parcel upon which the alleged violation exists.

7.3. Parking. As a part of its approval of the Improvements on a Lot, the DRC may designate a portion of the Lot as the parking area. Each Owner shall use its good faith efforts to cause the Occupants and Permittees of its Lot to park their vehicles only in the areas designated as parking area on its Lot. Except as allowed in Section 15.7, the Metropolitan District or Declarant, but not any Owner or Occupant, shall have the right to ticket, tow or disable any vehicle illegally or improperly parked on the Common Area. The Metropolitan District or Declarant may adopt other Regulations relating to parking on the Common Areas. There are no cross parking easements granted by this Declaration. As such, no Owner or the Occupants or Permittees of an Owner shall have the right to park on another Owner's Parcel without the written consent of the Owner of such other Parcel, which consent may be withheld for any reason.

7.4. Lighting - Generally. After completion of the Common Area lighting system on its Lot, each Owner shall keep its Lot fully illuminated each day from dusk to at least 10:00 p.m., or such later time as designated by the Metropolitan District or as desired by the Owner, and shall keep any exterior Building security lights and parking area lights on from dusk until dawn.

7.5. Common Area Changes. Unless required by applicable law, no Owner shall make changes to the Common Area located on its Lot without the approval of the DRC. The approval of the Metropolitan District and the DRC may not be unreasonably withheld but may be granted subject to reasonable conditions as they may establish. All such changes to the Common Area are Alterations to Property and are subject to approval as provided in Article IV.

7.6. Protection Against Prescriptive Rights. The Metropolitan District shall have the right to close off any or all of the Common Area, for such reasonable period of time as may be legally necessary, in the opinion of counsel for such Owner or the Metropolitan District, to prevent the acquisition of prescriptive rights by anyone. Prior to closing off any portion of the Common Area, the Metropolitan District shall give notice to each other Owner and Occupant of its intention to do so, and shall attempt to coordinate such closing with each other Owner so that no unreasonable interference in the passage of pedestrians or vehicles shall occur during business hours.

7.7. Regulations. The Metropolitan District may adopt, amend, repeal, replace and enforce Regulations for the Center as it may deem necessary or desirable with respect to the operation and use of areas outside of any Buildings, the Common Areas or with respect to the interpretation or implementation of this Declaration. In addition, the DRC may adopt, amend, repeal, replace and enforce Regulations for the Center as it may deem necessary or desirable with respect to design review of Improvements, Alterations to Property, the notice and hearing for disputes that are to be resolved by the Committee under this Declaration and sanctions (including fines) for violation of the Restrictions or any Regulations. The Regulations may regulate, among other things, the use of the Center by any Person, including Permittees, for any purpose that may

impair the operation of an integrated first-class mixed use commercial center as contemplated by this Declaration. Notice of adoption, amendment or repeal of any Regulations shall be given to each Owner, and copies of the current Regulations shall be made available to each Owner and Occupant upon request. Each Owner and Occupant shall comply with the Regulations and shall cause all of their Permittees to comply with the Regulations. The Regulations shall have the same force and effect as if they were Restrictions set forth in and a part of this Declaration. Notwithstanding anything in this Declaration to the contrary, no such Regulation may be inconsistent with the terms of this Declaration or inconsistent with Approved Plans for a Lot. Any Regulations that are inconsistent with the Approved Plans for a particular Lot will be deemed waived with respect to the Improvements approved in such Approved Plans.

7.8. Center Sign. Declarant reserves the right to construct a sign, at its expense, for the Center (the "Center Sign") on the Southwest Corner of the Center (within the existing easement as designated on the Plat), subject to the following terms and conditions:

(a) The Center Sign may only identify the Center and may identify an individual Owner, Occupant or business in Declarant's or the Metropolitan District's sole and discretion;

(b) Declarant reserves the right to Record an easement over the Lots for the construction, operation, maintenance, repair and replacement of the Center Sign, which easement will run to the benefit of the Owner of the Center Sign and any Burdened Owner will promptly execute an easement agreement granting such easement upon the request of Declarant;

(c) Declarant may construct the Center Sign;

(d) Once installed, Declarant will convey its interest in the Center Sign to the Metropolitan District and the Metropolitan District will accept such conveyance and thereafter the Center Sign will be Center Property that is operated, maintained, repaired and replaced by the Metropolitan District, in accordance with the standards in Section 9.1, the costs of which will be Common Expenses; and

(e) The approval of the DRC shall not be required for the Center Sign if it is constructed by or on behalf of Declarant.

7.9. Committee. The Metropolitan District may establish a CEC and, in such event, the members of the CEC shall be appointed by the governing board of the Metropolitan District. For purposes of this Declaration, in the event a CEC does not exist, all references to "CEC" shall be deemed to be a reference to the Metropolitan District. The CEC shall be responsible for the ministerial administration and enforcement of the Restrictions and shall have the right to: (a) accept complaints for violations of the Restrictions; (b) submit complaints regarding violations of the Restrictions; (c) inspect the Center for violations of the Restrictions; (d) issue various notices to Owners regarding the Restrictions; and (e) provide all ministerial administration and enforcement of the Restrictions as permitted by this Declaration. Notwithstanding anything to

the contrary herein, at all times a member of the responsible Metropolitan District's governing board shall be appointed as the "Chairman" of the CEC.

7.10. CEC Membership and Organization. The CEC shall be composed of not less than one (1) nor more than five (5) Persons. Subject to Section 7.9, all members of the CEC shall be appointed, removed and replaced by the Metropolitan District, in its sole discretion.

7.11. Purpose and General Authority. The CEC shall review all complaints and notifications provided by the Declarant or an Owner regarding any alleged Violation. The CEC also shall have the right to make an investigation on its own regarding potential Violations. The CEC shall have the authority to determine whether a Violation has occurred by any Owner, and upon such determination, may issue to an Owner a Notice of Violation identifying the particular circumstances or conditions of the Violation and requiring the Owner to take such action as may be necessary to correct, remedy or otherwise remove the Violation, including the time period in which the Violation is to be remedied.

7.12. Fees and Expenses. All expenses of the CEC shall be paid by the Metropolitan District with revenues derived from that portion of the Center with respect to which the CEC's services are required or performed. The Metropolitan District shall have the right to charge fees for inspections and Fines for costs of enforcement of the Restrictions and the costs incurred to correct, remedy or otherwise remedy Violations from the subject Owner, in amounts which may be established by the CEC from time to time, and such fees and Fines shall be collected by the Metropolitan District and can be used to help defray the expenses of the CEC's operation. The Metropolitan District or the private management company hired by the Metropolitan District shall provide the CEC with staff for the recording of committee meeting minutes and assistance with other administrative needs, at the Metropolitan District's cost and expense, as it deems reasonably necessary from time to time.

7.13. General Inspections; Violation Identified by Another Owner; Notice and Hearing Procedures; Remedies.

(a) General Inspection. Any member or authorized agent or consultant of the CEC, or any authorized officer, director, employee or agent of the responsible Metropolitan District may enter upon any Lot at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to investigate or inspect any portion of the Center for alleged violations of the Restrictions.

(b) Notice of Violation. Where such investigation or inspection reveals that any part or portion of a Lot is not in compliance with the Restrictions, the CEC may send a Notice of Violation to the Owners of such Lot. The Notice of Violation shall be sent via certified mail/return receipt requested and shall identify the particular circumstances or conditions of the Lot that fail to conform to the Restrictions. The Notice of Violation sent pursuant to this Section 7.13 shall also contain the date, time, and place of a hearing to be held by the CEC for the purpose of evaluating the Lot's conformance with such Restrictions and to consider the issuance of a finding of Violation. Any Notice of Violation sent pursuant to this Section 7.13 shall also be

sent via first class U.S. mail addressed to "Occupant" at the address of the alleged nonconforming Lot, which is subject to the Declaration and for which the Notice of Violation is issued, as well as a copy to any Owner notifying the CEC of any alleged violation of the Restrictions in accordance with subsection (c) below. All Notices of Violation shall be sent no less than fifteen (15) days prior to the date of the hearing.

(c) Violations Identified by Another Owner. If an Owner alleges that another Owner is in violation of this Article VII or otherwise is not in compliance with any Restrictions, the complaining Owner must first submit written notice to the CEC of the alleged Violation, and the CEC may investigate such allegation and may then send a Notice of Violation to the alleged noncompliant Owner in accordance with subsection (b) above. A hearing must be held by the CEC before the complaining Owner may resort to legal or other action for relief.

(d) Procedure for Hearing. On the date and time of the hearing specified in any Notice of Violation, the CEC shall hear and consider information and evidence presented by any Owners or other interested parties regarding the conformance of the subject Lot with the Restrictions. The hearing shall be conducted in accordance with any rules and procedures promulgated by the CEC. Not more than five (5) business days following the hearing, the CEC shall either: (i) make a finding that the Lot is in compliance with the Restrictions; (ii) make a finding that the Lot is in Violation of the Restrictions; or (iii) continue the hearing to a date certain for the purpose of obtaining additional information regarding the alleged Violation. The decision of the CEC shall be final. Where the Lot is determined to be in Violation of the Restrictions, the CEC shall issue a written finding of Violation, which shall include the time period not to exceed forty-five (45) days, in which the Violation is to be corrected, remedied or otherwise removed. Any Owner who is found to be in violation of the Restrictions shall correct, remedy, or otherwise remove the Violation within the time period specified in the Notice of Violation. If the Owner does not comply within the specified time period, the CEC may, at its option, pursue those remedies specified in subsection (e) below. Notwithstanding anything to the contrary contained herein, at any time prior to the CEC's final determination of Violation, an Owner may notify the CEC in writing that any Violation has been corrected, remedied or removed. Following inspection of the Lot by the CEC and confirmation that the Lot is in compliance, the CEC may suspend or dismiss all actions to enforce its remedies.

(e) Remedies. If an Owner fails to remedy the Violation within the time period specified in the Notice of Violation, the CEC shall have all remedies available to it at law or in equity, including without limitation the following remedies:

(i) The CEC may Record a Notice of Violation against the Lot on which the Violation exists;

(ii) The CEC shall have the right to remove, correct or otherwise remedy any Violation in any manner the CEC deems appropriate, which may include adding an Improvement to the Lot, removing an Improvement in Violation or obtaining an injunction prohibiting a restricted use of the Lot;

(iii) The CEC may file an action for injunctive relief to cause an existing violation to be brought into compliance with the Declaration, the Guidelines and/or any Regulations and the CEC shall be entitled to recover all costs and attorney's fees associated with bringing the action;

(iv) The CEC may levy reasonable Fines for such Violation;

(v) The CEC shall be entitled to collect, and shall have a lien against the Lot subject to the Violation to secure, (1) payment for reimbursement by the violating Owner for any remedial work performed by the CEC or the Metropolitan District required to remove, correct or otherwise remedy the Violation, (2) payment for expenses incurred in obtaining injunctive relief, including costs and attorney's fees, plus the following amounts, to the extent not inconsistent with applicable laws, (3) interest on such amount at a rate equal to two percent (2%) over the prime rate of interest quoted at such time in the Wall Street Journal, (4) an additional charge on such amount equal to four percent (4%) of the amount due, and (5) all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

(f) Deemed Nuisances. Every Violation is hereby declared to be and to constitute a nuisance, and every remedy allowed for such Violation at law, in equity or under the Restrictions against the violating Owner shall be applicable.

(g) Rights of the Metropolitan Districts. The rights of the Metropolitan District acting through the CEC to remove, correct or otherwise remedy any Violation shall be in addition to all other rights and remedies which the Metropolitan District may have at law, in equity or under the Restrictions.

(h) Access Easement. Each Lot is subject to an easement in favor of the CEC and the Metropolitan District, including their respective members, employees, agents and representatives, for the performance of any actions contemplated by this Article VII, including, without limitation, this Section 7.13. All Persons performing such work shall use reasonable efforts to minimize interference with the Lot Owner's use and enjoyment of the Lot when performing such work.

ARTICLE VIII RESTRICTIONS

8.1. Use. The Center shall be used for commercial purposes only. Such purposes shall include the development, construction, leasing, operation and maintenance of retail, office, restaurant, service and professional establishments, and related facilities, which related facilities may include a convenience store (including the sale of beer and wine for offsite consumption) and motor fuel dispensing facilities).

8.2. Prohibited Uses. No use or operation of any of the Center, including any use by an Occupant or Permittee, shall be made, conducted or permitted on or within any part of the Center which is a violation of any Laws or as otherwise inconsistent or incompatible with a first-

class commercial development in the Denver, Colorado metropolitan area, including the following uses, all of which are expressly prohibited on the Center or any part thereof:

(a) Any dumping, disposing, incineration, or reduction of garbage (exclusive of garbage or recycling compactors located in areas designated for such facilities or other dumping, disposing, incineration, or reduction of garbage methods, each as approved in writing by the Metropolitan District).

(b) Any establishment that derives a substantial portion of its revenue from the sale, rental, or exhibition of books, periodicals, films, videotapes, or other materials that are obscene or pornographic, or from providing adult entertainment, including any adult theater or adult arcade, escort or outcall service, provided the foregoing shall not apply to or restrict the sale or rental of books, magazines or videotapes of the type customarily sold in supermarkets or drugstores or conventional bookstores or video stores in the Denver metropolitan area.

(c) Any establishment that derives a substantial portion of its revenue from adult type entertainment or activities (including without limitation, any displays or activities of a variety involving, exhibiting or depicting sexual themes, nudity or lewd acts).

(d) Any unlawful or illegal use.

(e) Any noxious or offensive uses, including but not limited to so called "head shops" or other similar businesses that sell drugs and/or drug paraphernalia or the manufacture, cultivation, distribution or sale of drugs or drug infused products, including without limitation marijuana (whether or not medicinal in nature, whether or not regulated under the Colorado Medical Marijuana Code, C.R.S. § 12-43.3-101, et. seq. as amended, supplemented or replaced from time to time, and whether or not permitted by applicable laws from time to time), provided that the foregoing restriction shall in no event be interpreted to include alcohol or alcoholic beverages.

(f) Any used car sales or similar uses (exclusive of any used car sales or similar uses approved in writing by the City and the Metropolitan District).

(g) Any use that is a public or private nuisance.

(h) The storage of grocery or shopping carts outside of any Building (exclusive of any location, corral, screening or other similar shopping cart storage area approved in writing by the Metropolitan District).

(i) Any outdoor newspaper or magazine racks or vending machines, unless the same are integrated into the design of the Building approved by the DRC; provided, however, that a convenience store within the Center may have outdoor vending machines, ice machines, propane rentals and similar racks and machines for display and

merchandise dispensing purposes commonly used at Denver metropolitan area convenience stores and provided all such equipment and facilities are maintained and operated in a first-class manner and condition and the same are approved in writing by the DRC.

(j) The use of any signs, banners or other advertising materials located on or adjacent to the roof of the Building other than as approved and permitted pursuant to Section 8.10 or as approved by the DRC in the Approved Plans.

(k) Any roof-mounted equipment, materials or other items located on the roof of a Building unless the same are either of a height lower than parapet of such Building or are appropriately screened from view by screening integrated into the design of the Building.

(l) Any mortuary; bingo parlor; off-track betting facility; or pawnshop.

(m) Any activity outside the ordinary course of business that physically and substantially interferes with the business of any other occupant or Owner of the Center.

8.3. Exclusive Use Covenants. No portion of the Center shall be used at any time in a manner in violation of any then current written exclusive use right/covenant granted by Declarant, in accordance with Section 18.1(e) below, to any Owner or Occupant of the Center in a then current lease agreement, this Declaration or other agreement (including a deed, declaration of restrictive covenant or other property covenant) relating to all or any portion of the Center. Each Owner and Occupant shall be subject to and shall comply with all other exclusive use rights/covenants within the Center granted by Declarant. Upon the written request of any Owner, the Metropolitan District shall provide to the Owner a list of all such existing exclusive use rights/covenants granted by Declarant then in effect for the Center of which the Metropolitan District has knowledge. Exclusive use rights shall be subject to the following limitations:

(a) All Owners and Occupants acknowledge that the Federal Trade Commission has, under certain circumstances, ruled exclusive use rights/covenants to be of questionable validity, and Declarant will be bound by any exclusive use rights/covenants it grants only to the extent they are not contrary to any Law. Therefore, no representation is made by Declarant or the Metropolitan District as to the validity or enforceability of any exclusive use restriction.

(b) Violations of any exclusive use right/covenant by any Person shall not constitute a default by the Metropolitan District, Declarant or any Person other than the Person violating the covenant.

(c) The beneficiary of an exclusive use right/covenant shall provide written notice to the Metropolitan District and Declarant of any perceived violation of any exclusive use right/covenant.

8.4. Annoying Lights, Sounds or Odors. No light, sound or odor shall be emitted from any Lot that is noxious or unreasonably offensive to others. Prohibited items include exterior speakers, horns, whistles, bells or other sound devices, provided security devices used exclusively for security purposes, speakers used with drive-through facilities, gas pumps and other devices customarily used in connection with a particular business may be located or used on a Lot with the prior approval of the DRC and so long as they are not unreasonably offensive to other Owners or Occupants.

8.5. No Hazardous Activities. No activity shall be conducted on any Parcel and no Improvement shall be constructed on the Center that is or might be unsafe or hazardous to any person or property. Further, no Hazardous Materials or chemicals shall at any time be located, kept or stored, transported, disposed of or otherwise used in, on or at the Center except (a) every Owner and Occupant shall be permitted to use cleaning and maintenance supplies and products of types and quantities typically used in the operation of the business permitted on the Parcel of the Owner or Occupant; and (b) an Owner or Occupant shall be permitted to use such Hazardous Materials that are an integral part of the business conducted on the Parcel, provided that such use has been fully disclosed as a part of the approval of the Site Plan or Plans for the Lot (e.g., storage and sale of petroleum products from a gas station) or has otherwise been approved in writing by the Metropolitan District. Any Hazardous Materials permitted within the Center shall nonetheless be stored, transported, disposed of and otherwise used in compliance with all Laws.

8.6. No Unsightliness. All unsightly conditions, structures, facilities, equipment, objects and conditions of each Lot shall be enclosed within a structure, including maintenance equipment except when in actual use.

8.7. Restrictions on Garbage and Trash. No refuse, garbage, trash, lumber, grass, scrap or debris of any kind shall be kept, stored or allowed to accumulate on any Parcel except within an enclosed structure or appropriately screened from view and not otherwise readily visible from any other Lot, which structure or screen has been approved and constructed as a part of the Approved Plans. Each Owner shall arrange for the regular removal of all trash and garbage from its Parcel.

8.8. Restriction on Antennas, Pipes and Utility Lines. Pipes for water, gas, sewer, drainage or other purposes and wires, poles, antenna, satellite dishes and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, underground or within an enclosed structure, which structure shall be subject to the approval of the DRC, including approval in or as part of the Approved Plans.

8.9. Use of Communication Equipment. Unless otherwise approved in writing by the DRC, antennas, satellite dishes or other rooftop communication installed on a Lot shall be exclusively for the use of bona fide occupants of the Buildings on such Lot as a part of conducting their business from the Building and not as transmission or relay stations or the like for the benefit of any third parties. Any application for the installation of such devices shall be

deemed to include a representation and covenant by the Owner to the DRC and Metropolitan District that the use of such devices will comply with this Restriction.

Restrictions on Signs. No sign, poster, billboard, advertising device or display of any kind, whether permanent or temporary (collectively, "signs") shall be erected or maintained anywhere within the Center so as to be evident to public view unless such signs comply with all applicable Laws and the Design Guidelines and are approved by both the DRC and CEC, which approval may be in or as a part of Approved Plans, with the following exceptions: (a) the Declarant may erect and maintain a sign or signs in connection with the construction, development, operation, promotion and sale of the Lots; (b) the patriotic display of flags; (c) signs of customary dimensions, advertising a Lot or portion thereof as "For Sale" or "For Rent" or advertising the business operated on the Lot (provided, however, that any such signs must comply with the Guidelines and any Owner must obtain DRC and CEC approval, if required, before displaying such a sign on a Lot). Prohibited signs shall include the display on automobiles, trucks, vans, trailers and other vehicles, and mobile advertising devices which include signs or other advertising media. The foregoing will not apply to commercial vehicles providing services to the Occupants of the Lot in the ordinary course of business (including those owned or leased by the Occupants, provided such vehicles shall be subject to the Regulations). Notwithstanding anything herein contained to the contrary, any and all signs, if allowed, shall comply with all sign standards of the applicable Governmental Authorities, which may be applicable to the Center, as well as the Restrictions.

8.10. No Mining or Drilling. No mining, quarrying, drilling, boring or exploring for or removing water, oil, gas or other hydrocarbons, minerals, rocks, stones, gravel or earth shall be permitted on or from the Center, except as approved in writing by the DRC and Metropolitan District.

8.11. No Interference with Drainage. No Owner shall interfere nor permit any Improvements on the Center to interfere with the established drainage pattern over any of the Center except as approved in writing by the DRC, which approval may be in or as a part of a drainage plan in the Approval Plans. Such approval shall not be granted unless provision is made for adequate alternate drainage as approved by Declarant and, if required by Law, applicable Governmental Authorities. The "established drainage pattern" means the drainage pattern that exists at the time the overall grading of any property is completed and shall include any established drainage pattern shown on the Site Plan approved by the DRC and Declarant.

8.12. Restrictions on Land Use Activities. No Owner (other than Declarant) or Occupant shall apply for or obtain from any Governmental Authority any platting or replatting, resubdivision, zoning or rezoning, approval of development plans, formation of or inclusion of a parcel in a special district, obtaining of a building permit or other permit or governmental approval for any Improvements on the Center or any Alterations to Property that require approval of the DRC, or any amendment, termination or replacement of the Site Plan or any other activity incidental to development, improvement or use of the Center (other than business licenses), without the written approval of the DRC, the Metropolitan District and, during the Declarant Approval Period only, Declarant. Notwithstanding the foregoing, Declarant's approval

should not be required for any Improvements on the Center or any Alterations to Property or design restrictions approved by the DRC.

8.13. Vehicular Parking, Storage and Repairs. No abandoned or inoperable automobiles or vehicles of any kind shall be stored or parked on the Center, unless such parking or storage is entirely within an enclosed garage or the vehicles are stored in connection with a bona fide automobile service or sales business, provided such business and storage has been approved by the DRC as a part of its approval of the Improvements on the Lot, all such vehicles are screened from the view of all other Lots and such business and storage shall be subject to all other Regulations. An "abandoned or inoperable vehicle" shall be defined as any automobile, truck, motorcycle, or other vehicle, which has not been driven under its own propulsion for a period of forty-eight (48) hours or longer, or which does not have an operable propulsion system installed therein, or which is not then currently licensed and registered. The display of "for sale" or other similar signs on automobiles or other vehicles parked on the Center is prohibited. No servicing or repair (including tire changes) of any automobiles or vehicles of any kind shall be undertaken or conducted on any Lot except within an enclosed garage or automobile car bay area.

8.14. Mechanic's Liens. If any mechanic's lien is filed against the Lot of one Owner as a result of services performed or materials furnished for the use of another Owner or against any of the Common Areas, the Owner permitting or causing such lien to be so filed by, through or under it (the "Breaching Owner") shall cause such lien to be discharged prior to entry of final judgment (after all appeals) for the foreclosure of such lien and further shall indemnify, and hold harmless the other Owner and its Parcel against liability, loss, damage, costs or expenses (including reasonable attorneys' fees and cost of suit) on account of such claim of lien. Upon request of the Owner whose Parcel is subject to such lien, or the Metropolitan District or Declarant in connection with a lien against the Common Areas, the Breaching Owner shall, within twenty (20) days following such request, cause such lien to be released from the Records, either by paying the indebtedness which gave rise to such lien or by posting bond or other security as shall be required by law to obtain such release. If the Breaching Owner fails to do so, the Owner whose Parcel is encumbered by the lien may take any action as it deems necessary to cause such lien to be released from the Records, either by paying the obligation that is secured by the lien, by posting bond or otherwise. Any cost or expense that it incurs in causing such release will be due and payable by the Breaching Owner to the paying Owner upon demand, together with interest at the Default Rate from the date of demand if not paid within ten (10) days following written demand.

8.15. Miscellaneous. Declarant may expand the Restrictions on any Lot then owned by Declarant by a deed or other instrument Recorded against the affected Lot and, to the extent permitted by Law, such Restrictions shall be valid and enforceable as to such Lot or portion of the Center so affected.

ARTICLE IX CENTER MAINTENANCE

9.1. Parcel Maintenance. Each Owner shall operate, maintain and keep its entire Parcel, including Drive Areas, parking areas and all Buildings and all other Improvements located on the Parcel in a good and safe state of repair, in compliance with all Laws in a first-class manner and otherwise in compliance with the standard of maintenance and all other provisions of this Declaration. Except for Common Area maintenance obligations of the Metropolitan District as set forth in Article IV, the maintenance and repair obligation of an Owner with respect to its Parcel shall include the following:

(a) Drive Areas and Parking Areas. Maintaining all paved surfaces and curbs, including all Drive Areas, parking areas and Drive-Through Areas, in a smooth and evenly covered condition, which maintenance work shall include snow and ice removal and regular cleaning, sweeping, restriping, repairing and resurfacing.

(b) Debris and Refuse. Removing on a regular basis all papers, debris, filth, refuse, including sweeping to the extent necessary to keep the Lot in a first-class, clean and orderly condition. All sweeping shall be at appropriate intervals during such times so as not to unreasonably interfere with the conduct of business within the Center. Notwithstanding the foregoing, each Occupant shall be responsible for removal and the cost of such removal of extraordinary debris and trash resulting from the operation of each Occupant's possession of space within the Center as determined by the Metropolitan District, and the Metropolitan District shall have the right to fine and assess, if permitted under the Regulations, and any Owner or Occupant for failure to do so.

(c) Lighting. Operating, keeping in repair, cleaning and replacing when necessary such lighting facilities for the Parcel as may be reasonably required, including all lighting necessary or appropriate for exterior security as determined by the Metropolitan District.

(d) Landscaped Areas. Cleaning and maintaining all landscaped areas of the Parcel, repairing automatic sprinkler systems or water lines on the Parcel, weeding, mowing, pruning, fertilizing and replacing shrubs and other landscaping as necessary.

(e) Utilities. Maintaining, cleaning, and repairing any and all storm drains, utility lines, sewers and other utility systems and services located on the Parcel.

(f) Obstructions. Keeping the Parcel free from obstructions not permitted hereunder, including keeping such area free from any obstructions caused by sale or display of merchandise outside the exterior walls of Buildings. Neither the foregoing nor anything else in this Declaration shall prohibit, when approved by the Metropolitan District, as to all of the Center, reasonable, customary and ordinary "sidewalk sales," "tent sales" or other similar sales conducted in a reasonable manner approved by the Metropolitan District and in keeping with the image of the Center as a first-class center, nor shall the foregoing prohibit the use of the sidewalks adjacent to a convenience store located at a Parcel as allowed in Section 8.2(i).

(g) Sidewalks. Cleaning, maintenance and repair of all sidewalks, including removal of ice and snow. Sidewalks shall be cleaned at appropriate intervals during such time so as not to unreasonably interfere with the conduct of business or use of the Parcel.

(h) Signs. Cleaning, maintenance and repair of the signs on the Parcel, including relamping and repairs to components, except the Metropolitan District shall be responsible for the operation, maintenance, repair and replacement of the Center Sign, if any.

(i) Other Signs and Markers. Placing, keeping in repair, replacing and repainting appropriate directional signs or markers on the Parcel.

(j) Security and Traffic. Providing security, policing and traffic supervision of the Parcel, including the Drive Areas and Roadway, as reasonably necessary. In providing security, neither the Metropolitan District nor any other Owner of any Parcel shall in any way be considered an insurer or guarantor of security on its Parcel or within the Center, nor shall it be liable for any loss or damage to person or property by reason of failure to provide adequate security or for ineffectiveness of security measures taken, and each Owner, Occupant and Permittee shall hold harmless all such Persons and the other Indemnified Parties from any liability for any such loss or damage.

(k) Snow Removal. Removing from the parking areas of ice and snow to the extent necessary to keep the Common Areas on its Parcel functional for Owners and Occupants.

9.2. Maintenance Standards. The standard of maintenance for the Lots and Tracts shall be comparable to the standard of maintenance followed in other first-class mixed use commercial centers in the Denver metropolitan area, and in any event, substantially in compliance with all applicable Laws, the provisions of this Declaration and the Regulations.

9.3. First Class Standard. The term "first-class," when used in this Declaration in connection with the maintenance, operation or condition of the Center or any portion thereof, shall refer to a comparative high standard of quality, judged in accordance with other similar well maintained and operated, commercial centers within the Denver, Colorado metropolitan area.

9.4. Compliance with Laws. Each Owner shall cause the Common Area Improvements on its Parcel, if any, to be in compliance with all Laws, including any alterations or additions required to be made to or safety appliances or devices required to be maintained to the Common Area Improvements under any Laws. Each Owner shall have the right to contest, at its sole expense, any such Laws, provided doing so does not unreasonably interfere with the use of the Common Areas for their intended purposes by the other Owners.

9.5. Maintenance Regulations. The Metropolitan District may adopt additional Regulations relating to the maintenance and maintenance standards for the Lots consistent with the terms of this Declaration.

ARTICLE X TAXES

10.1. Real Estate Taxes. Each Owner shall pay or cause to be paid directly to the applicable taxing authority when due all Real Estate Taxes levied or assessed against its Parcel. If the Real Estate Taxes or any part of the same may be paid in installments, the Owner may pay each such installment as and when the same becomes due and payable. Upon request, each Owner shall provide the Metropolitan District with copies of the certificates evidencing payment of all Real Estate Taxes on its Parcel. Real Estate Taxes, if any, levied or assessed against Common Areas located within the Center but not on any specific Lot shall be a Common Expense.

10.2. Contest of Property Taxes. Each Owner may contest (or allow to be contested) in good faith any Real Estate Tax levied against its Parcel, provided such contest is pursued with reasonable diligence in good faith and does not subject the Lot to forfeiture, involuntary loss or sale or foreclosure. Any such contested Real Estate Tax shall be paid prior to the time when the affected Parcel may be subjected to sale under any applicable Law pursuant to a proceeding which may result in impairment of the rights created hereunder or terminate any provision hereof as applied to any Parcel.

10.3. Other Taxes. Each Owner and Occupant shall pay before delinquent all sales and use taxes, personal property taxes and all other taxes and other charges levied by any Governmental Authorities in connection with its business and other uses of and on its Lot, provided an Owner and Occupant shall have the right to contest such taxes and charges in the same manner and subject to the same conditions as the contest of Real Estate Taxes.

ARTICLE XI INSURANCE

11.1. Liability Insurance. Each Owner of a Parcel shall maintain or cause to be maintained in full force and effect commercial general liability insurance with a combined single limit liability of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate, with a \$5,000,000 umbrella for bodily and personal injury and property damage arising out of any one occurrence.

11.2. General Provisions for Liability Insurance. The liability insurance policies required under Section 11.1 shall include the following provisions: (a) a provision that the policy may not be canceled or materially reduced in amount or coverage without at least 30 days prior written notice by the insurer to each insured and the Metropolitan District; (b) a provision naming the other Owners (including the Metropolitan District), Declarant and the members of the DRC as additional insureds; (c) a provision for severability of interests; (d) a provision that

an act or omission of one of the insureds or additional insureds which would void or otherwise reduce coverage, shall not reduce or void the coverage as to the other additional insureds or the insured, respectively; and (e) a provision for contractual liability coverage with respect to the indemnity obligations set forth in this Declaration. If an Owner receives a notice under Section 11.2(a), the Owner will use reasonable efforts to deliver copies of such notice to all additional insureds.

11.3. Worker's Compensation and Employer's Liability Insurance. Each Owner shall maintain or cause to be maintained in full force and effect insurance with at least the minimum insurance coverages set forth below:

- (a) Worker's compensation insurance as required by any applicable Law;
- (b) Employer's liability insurance in the amount of \$1,000,000 for each accident for bodily injury; and \$1,000,000 policy limit for bodily injury by disease;
- (c) Automobile liability insurance for owned, hired and non-owned automobiles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage.
- (d) Any other insurance required by any applicable Law.

11.4. Fire Insurance and Rebuilding. Each Owner shall carry fire and extended coverage property insurance or "all risk" property insurance, with extended coverage for normal insurable risks, including vandalism and malicious mischief endorsements, upon all Buildings and Improvements within its Lot, with coverage in an amount of not less than the full replacement cost of all Buildings and Improvements located thereon (excluding foundations or excavations) with a standard co-insurance endorsement. Each Owner agrees to look first to the property insurance coverage obtained by it under this Section, and to exhaust all limits under such insurance before making any claim under the insurance carried by another Owner or Occupant hereunder.

11.5. Contractor's Insurance. Prior to commencing any construction activities within the Center, each Owner shall obtain or require its contractor to obtain and thereafter maintain so long as such construction activity is occurring, at least the following minimum insurance coverages:

- (a) Workers' Compensation Insurance as required by applicable Law.
- (b) Employer's liability insurance in the amount of \$1,000,000 for each accident for bodily injury and \$1,000,000 policy limit for bodily injury by disease.
- (c) Commercial General Liability Insurance covering all operations by or on behalf of the contractor, which shall include the following minimum coverages:

- (1) Premises and Operations;

- (2) Products and Completed Operations;
- (3) Contractual liability, insuring the indemnity obligations assumed by the contractor under the contract documents;
- (4) Broad Form Property Damage (including Completed Operations);
- (5) Explosion, Collapse and Underground Hazards; and
- (6) Personal Injury Liability.

(d) The Commercial General Liability Insurance shall include the following minimum limits of liability:

- (1) \$1,000,000 each occurrence for bodily injury and property damage;
- (2) \$1,000,000 for Personal Injury Liability; and
- (3) \$2,000,000 aggregate for Products and Completed Operations (which shall be maintained for a three-year period following final completion of the work); or
- (4) \$2,000,000 general aggregate.

(e) Automobile liability insurance, including coverage for owned, hired and non-owned automobiles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage.

(f) Umbrella/excess liability insurance in the amount of \$5,000,000. If there is no per project aggregate under the Commercial General Liability Policy, the limit shall be \$10,000,000.

If the construction activity involves the entry upon any other Owner's Parcel, then the Owner of each such Parcel, Declarant and the Metropolitan District shall be named as additional insureds and the policies shall provide that the policies will not be canceled without at least 30 days' prior written notice to the additional insureds. If such insurance is canceled or expires, the constructing Owner shall immediately stop all work until either the required insurance is reinstated or replacement insurance obtained.

11.6. Insurance Requirements. All insurance required by this Article shall be procured from companies licensed in the State of Colorado, and shall be rated by A. M. Best's Insurance

Reports not less than A-, Class VIII, or if such classifications are modified by Best or such rating service is not available, such substitute nationally recognized insurance rating service as determined by Declarant or the Metropolitan District in its reasonable discretion. All insurance may be provided under (a) an individual policy covering the Lot in the amounts required in this Declaration; (b) a blanket policy or policies that include other liabilities, properties and locations of such Owner or Occupant; provided, however, that if any blanket commercial general liability policy contains a general policy aggregate of less than \$20,000,000, then such insuring party shall also maintain excess liability coverage necessary to establish a total liability insurance limit of \$20,000,000; and (c) a combination of any of the foregoing insurance programs. Any deductible under any insurance policy carried by an Owner in compliance with this Article shall not exceed \$1,000 unless approved by the Metropolitan District or Declarant, which approval may be withheld for any reason. Upon request, each Owner shall furnish to the Metropolitan District, Declarant and any other requesting Owner certificates of insurance evidencing that the insurance required to be carried by such requested Owner is in full force and effect. No later than fifteen (15) days prior to the expiration of a policy, or within thirty (30) days of the Metropolitan District's request, each Owner shall furnish to the Metropolitan District of evidence of coverage required of the Owner by this Article. The Metropolitan District may provide copies of such certificates to any other Owners and Occupants.

11.7. Changes in Coverage. The limits of all policies required by this Declaration shall be reviewed by the Metropolitan District and approved as to sufficiency at least once every five years. The Metropolitan District shall have the right to adopt as a part of its Regulations different limits of coverage, different types of policies covering the risks intended to be insured hereunder, maximum deductibles and additional coverages and other terms of insurance, including the rating requirements of the insurance companies providing insurance required under this Declaration, provided the Metropolitan District has made a good faith determination that such limits, policies, deductibles and coverages (a) are then being required by other first-class mixed use commercial centers in the Denver, Colorado metropolitan area; and (b) are available to the Center at commercially reasonable rates.

11.8. Other Insurance Coverage. The Metropolitan District may obtain other insurance, including additional liability insurance, as it deems necessary or appropriate for the operation and maintenance of the Center, provided that, unless otherwise provided in this Declaration or by written agreement of the Metropolitan District, the insurance carried by the Owners and Occupants shall at all times be primary. The cost of all such insurance maintained by the Metropolitan District and any deductible thereunder shall be Common Expenses.

11.9. Self-Insurance. Notwithstanding anything to the contrary stated in this Article, an Owner shall have the right to self-insure as to some or all of the risks covered by this Article XI, so long as the Owner's net worth is equal to or greater than \$100,000,000 and the Owner maintains a formal program of self-insurance for the applicable risks required to be insured under this Declaration. Any Owner that self-insures shall certify to the Metropolitan District, for the benefit of all Owners, that such Owner: (a) is self-insuring, (b) meets the minimum net worth requirements for self-insuring in this Section, (c) maintains a formal program of self-insurance for the applicable risks required to be insured under this Declaration, (d) will promptly notify the

Metropolitan District if it no longer needs the minimum net worth requirements or no longer maintains a program of self-insurance, and (e) assumes all risks of and shall pay all costs, expenses, damages, claims, losses and liabilities for those risks for which it is self-insuring that would otherwise be covered by the insurance described in this Article. If an Owner chooses to so self-insure, then upon Declarant's or Metropolitan District's request (which request shall not be made more than once in any given twelve (12) month period), the Owner shall provide Declarant or Metropolitan District with copies of the Owner's audited financial statements evidencing Owner's net worth in excess of \$100,000,000 and a copy of its self-insurance program. Notwithstanding anything to the contrary contained herein, if the Owner is a publicly traded corporation making annual 10K filings with the Securities and Exchange Commission, the Owner may satisfy the requirements of this Section 11.9 with respect to delivery of financial information by delivery of the Owner's most recent annual report filed with the Securities and Exchange Commission to Declarant or Metropolitan District.

11.10. Waiver and Release. Each Owner, Occupant, the Metropolitan District and Declarant (the "Releasing Party") releases and waives for itself and on behalf of its insurer, each other Owner and Occupant (the "Released Party") from any liability for any loss or damage to all property of such Releasing Party located upon any portion of the Center, which loss or damage is of the type generally covered by property insurance provided under the casualty insurance required to be maintained by the Owners and Occupants under this Declaration, or, in the case of a self-insured Owner, would have been covered by such casualty insurance, irrespective either of any negligence on the part of the Released Party which may have contributed to or caused such loss, or of the amount of such insurance required or actually carried, including any deductibles or self-insurance reserve. All property insurance policies carried by an Owner or Occupant shall contain waivers of subrogation (whether in the policy or by endorsement) against all Persons who are required by this Declaration to be additional insureds under the property insurance policy. Failure to obtain such waiver of subrogation shall not affect the release and waiver given pursuant to this Section.

ARTICLE XII INDEMNIFICATION

12.1. General. Each Owner and Occupant shall indemnify and hold harmless the Indemnified Parties from and against any and all claims, expenses, liabilities, loss, damage and costs, including reasonable attorneys' fees, in each case, owed to or asserted by third parties, and any actions or proceedings in connection therewith, incurred in connection with, arising from, due to or as a result of the death of any person or any accident, injury, property loss or damage, howsoever caused, to any person or property as shall occur in or about each Owner's or Occupant's Parcel, except: (a) claims released under Section 11.10, but only to the extent of such release; and (b) claims resulting from the negligence or willful act or omission of Indemnified Party or its agents, employees or contractors wherever the same may occur.

12.2. Utility and Other Easements. Notwithstanding anything in this Declaration to the contrary, whenever an Owner allows any utility or other Improvements to be constructed on the Owner's Parcel for the benefit of another Owner or Occupant, whether under any easement

granted under this Declaration, or by permission, the Owner or Occupant who benefits from such an easement or permission shall indemnify and hold harmless the Owner or Occupant of the burdened Parcel and all other Indemnified Parties from, of and against any and all claims; expenses, liabilities, loss, damage and costs, including reasonable attorneys' fees, and any actions or proceedings in connection therewith, incurred in connection with, arising from, due to or as a result of the death of any person or any accident, injury, loss or damage to any person or property as shall occur in connection with the construction, use or maintenance of such easement or other property used by permission hereunder, except claims resulting from the negligence or willful act or omission of the Indemnified Party, or of its Permittees.

12.3. Hazardous Materials. Each Owner and its Occupants shall indemnify and hold harmless the Indemnified Parties from all claims, expenses, liabilities, loss, damage and costs, including reasonable attorneys' fees associated with any permit compliance, remedial investigation, testing, monitoring, feasibility studies, remedial action, planning, removal, clean up, abatement, closure, restoration work or other action required to report, remediate, monitor, abate or clean up any such Hazardous Materials in full compliance with all Laws relating to use of Hazardous Materials by such Owner or its Occupants.

12.4. Survival. The indemnity obligations in this Declaration shall survive any expiration or earlier termination of the term of this Declaration or sale or transfer of any interest in any Owner's Parcel.

12.5. Defending of Claims. As a part of any indemnification required under this Declaration, if an Indemnified Party so requests the Indemnifying Party shall defend any claim against the Indemnified Party with legal counsel reasonably acceptable to the Indemnified Party.

ARTICLE XIII DAMAGE OR DESTRUCTION

13.1. Obligation to Repair or Replace. If any of the Improvements are damaged by fire or other casualty (regardless of whether there is insurance), the Owner of the Parcel upon which such Improvements are located shall repair, restore or rebuild (collectively, "repair or replace") such Improvements as soon as is commercially reasonable and, in any event, within three years following the casualty (the "Restoration Date"). Immediately following any casualty, the Owner shall remove the debris resulting from such event and provide a sight barrier approved by the DRC. Within a reasonable time thereafter, not to exceed 180 days from the date of the casualty, the Owner shall elect by written notice to the Metropolitan District to either: (a) repair or replace the Improvements so damaged, such repair or replacement to be performed in accordance with all provisions of this Declaration, including DRC approval; (b) erect other Improvements in such location, subject to all Improvements being approved by the DRC and otherwise complying with all provisions of this Declaration; or (c) promptly raze and demolish the damaged portion of such Improvements and restore the Parcel to a paved or landscaped condition as approved by the DRC. If the Owner does not elect any of the options within 90 days of the casualty, the Owner shall be required to take all of the actions described in subparagraph (c). If the Owner elects to take the action described in subparagraph (c), the Owner may later elect to erect other

Improvements in such location, subject to the all Improvements being approved by the DRC and otherwise complying with all provisions of this Declaration.

13.2. Satisfaction of Obligation to Repair or Replace. An Owner shall be deemed to have satisfied the obligation to repair or replace the Improvements as required under this Article if, by the Restoration Date: (a) Plans for the Improvements have been approved by the DRC, and (b) (i) if the Improvements are being repaired, the repair work commences, or (ii) if the Improvements are being replaced, the foundation for such Improvements has been installed in substantial conformance with the Approved Plans.

13.3. Obligations on Rebuilding. Whenever an Owner is required under this Article to repair or replace any Improvement damaged or destroyed from any cause whatsoever (including any paving or landscaping under Section 13.1), the repair or replacement work shall be undertaken by the Owner in accordance with all the terms of this Declaration, including obtaining DRC approval, which approval shall not be unreasonably withheld if the Improvements are repaired or replaced in general conformance with the Improvements that existed prior to the damage or destruction, provided those Improvements were previously approved by the DRC. Once the repair or restoration work is commenced, it shall be undertaken continuously and as expeditiously as possible (subject to a reasonable extension for Force Majeure) so that the same may be completed and, if applicable, open for business and operating as part of the Center with as little delay and disruption as circumstances will reasonably permit. If a Party is delayed by Force Majeure, in order to be eligible for an extension, the party delayed by Force Majeure shall give prompt, written notice of the Force Majeure to the Metropolitan District.

13.4. Common Area Improvements. Any damage or destruction to any Improvements on the Common Area on an Owner's Lot shall be promptly repaired or replaced by the Owner of such Lot. Any insurance proceeds paid to any Owner on account of damage or destruction to any such Common Area and otherwise not attributable to damage or destruction of that Owner's Buildings or other Improvements, shall be used by the Owner in the repair or replacement of such Common Area.

ARTICLE XIV CONDEMNATION

14.1. Condemnation of Common Area. If all or a part of the Common Area on any Parcel is taken, whether by condemnation, eminent domain or otherwise, by any Governmental Authority, including a sale or transfer in lieu of such taking (hereinafter collectively referred to as a "Taking" or "Taken") that results in a permanent taking, or a temporary taking for a period of more than ninety (90) days, the award, compensation, damages or consideration paid as a result of the Taking (the "Award") shall be paid to the Owner of the Parcel upon which the Common Area is located.

14.2. Taking of Entire Property. If the Taking is of the entire Center, then, notwithstanding Section 14.1, separate Awards shall be made and paid to the respective Owners

of the Lots to use as each such Owner shall determine, and this Declaration shall terminate, but such termination shall not relieve any Owner from any liability to Declarant or the Metropolitan District arising prior to the termination.

14.3. Use of Award. Except as provided in Section 14.2, any Award received by an Owner shall be used by the Owner for any purpose it determines, subject to the terms of this Section. If an Owner elects to repair or restore following a Taking, the Owner shall use good faith efforts to replace any Common Areas taken. In the event of any Taking of any Improvements on a Lot, the Owner of the affected Lot shall repair or replace such Improvements as soon as is commercially reasonable and, in any event, within three years of the date of the Taking on and subject to the same terms and conditions as applicable to the repair and restoration upon casualty to Improvements as set forth in Article XIII, including making an election by giving written notice to the Metropolitan District within 90 days from the date of the Taking in the same manner as provided in Section 13.1.

14.4. Interests Affected. Nothing contained in this Declaration shall entitle any Owner or Occupant to share in any Award made to any other Owner whose Lot is Taken, including the taking of any Common Areas located on the Lot that is Taken.

ARTICLE XV DEFAULT AND REMEDIES

15.1. Events of Default. An Owner or Occupant shall be deemed in default under this Declaration upon the occurrence of any of the following events:

(a) The Owner or Occupant fails to make any payment payable by it under the terms of this Declaration, within ten (10) days after such written notice that such payment is due (a "Monetary Default"); or

(b) The Owner or Occupant breaches or fails to comply with any Restriction or any term, covenant, condition or obligation in this Declaration (other than a Monetary Default), and does not cure such breach or failure within twenty (20) days after written notice thereof from the Metropolitan District, the DRC or Declarant, or, if such breach or failure to comply cannot be reasonably cured within such 20-day period, if the Owner or Occupant shall not in good faith commence to cure such breach or failure to comply within such 20-day period or shall not diligently proceed therewith to completion within sixty (60) days following the occurrence of the breach or failure.

15.2. Right to Cure. If any Owner or Occupant is in default under Section 15.1, the Metropolitan District and Declarant shall have the right, but not the obligation, upon written notice (except in the case of emergency) to cure such defaults for the account of and at the expense of the defaulting Owner or Occupant. Prior written notice shall not be required nor shall the Metropolitan District or Declarant, as applicable, be required to wait until the expiration of the applicable cure period, if the Metropolitan District or Declarant, as applicable, determines, using its reasonable business judgment, that an emergency exists which requires immediate

attention. In the event of such an emergency, the curing party shall endeavor to give whatever notice to the defaulting Owner or Occupant is reasonable under the circumstances.

15.3. Reimbursement of Costs to Cure. A defaulting Owner or Occupant shall reimburse the Metropolitan District or Declarant, as applicable, for any amount reasonably spent by the Metropolitan District or Declarant, as applicable, to cure the default, together with interest on such amount at the Default Rate. Such amount shall be due and payable within 10 days after written demand (including providing copies of invoices reflecting costs). Such amount owed to the Metropolitan District, as well as any other amounts owed to the Metropolitan District under this Declaration, shall be secured by the Assessment Lien.

15.4. Other Effects of Default. The Metropolitan District, Declarant and the DRC shall have the right to withhold the processing and consent to any request for approval, consent or any other action from an Owner or Occupant while it is in default under this Declaration.

15.5. Force Majeure. The time within which any Owner or any other Person is required to perform any act under this Declaration (other than making a payment required under this Declaration) shall be extended to the extent that performance of such act is delayed by Force Majeure, but only if such delay was beyond that Person's reasonable control and was not caused by its fault or negligence. If a delay of performance occurs by an Owner or Occupant and such delay is excusable under this provision, the period for performance shall be extended for a time equal to the time lost because of the Force Majeure, but only if the Owner or Occupant entitled to such extension gives prompt notice to the Metropolitan District and, if applicable, the DRC and Declarant, upon the occurrence causing the delay and if the Owner so excused acts in good faith in diligently pursuing the performance in a prompt manner.

15.6. Enforcement Actions. The Metropolitan District and Declarant and each of the Owners shall have the right to enforce any or all of the terms of this Declaration against the Owners; provided, however, that no Owner shall be permitted to bring any enforcement action under this Declaration unless the Metropolitan District and Declarant, if during the Declarant Approval Period, timely decline to bring a similar action as provided in Section 15.7 and certain claims are subject to compliance with the terms of Section 15.7. The right of enforcement shall include the right to bring an action for damages as well as any equitable relief, including any action to enjoin any violation or specifically enforce the applicable provision or any other provision of this Declaration.

15.7. Declination of Enforcement Action. Subject to Section 15.6 above, the Metropolitan District and Declarant shall be deemed to have declined to bring an enforcement action only if an Owner (the "Complaining Owner") gives notice to the Metropolitan District and Declarant (a "Complaint Notice"), in the manner provided in this Declaration that there is a violation of the terms of this Declaration or any of the Regulations (specifying the provision of the Declaration or the Regulations at issue and briefly summarizing the circumstances giving rise to the Complaint Notice) and that such Owner intends to bring an enforcement action, and (a) the Metropolitan District and Declarant gives notice to the Complaining Owner that it declines to enforce the provision, or (b) the Metropolitan District or Declarant fails to initiate an

enforcement action or otherwise cause compliance within 60 days after the date of the Complaint Notice, provided the Complaining Owner may request an expedited response if emergency circumstances exist, in which event the Metropolitan District and Declarant shall be deemed to have declined to bring an enforcement action, or (c) some form of enforcement action is not scheduled within 90 days from the date of the Complaint Notice to the Metropolitan District and Declarant unless postponed for good cause. If the Metropolitan District and Declarant decline or are deemed to have declined to bring an enforcement action, the Complaining Owner shall have the right to bring such enforcement action, provided the Complaining Owner must initiate the action within six (6) months after the date of the Complaining Owner's Complaint Notice is filed with the Metropolitan District and Declarant. If after such period the Complaining Owner wishes to initiate the enforcement action, it must again file another Complaint Notice with the Metropolitan District and Declarant, and the Metropolitan District and Declarant must have declined to bring the action as provided herein. Notwithstanding the foregoing, an Owner or Occupant shall have the right to bring an action at law or in equity directly against any other Owner or Occupant, without filing a Complaint Notice with the Metropolitan District and Declarant, to enforce any obligation to indemnify under this Declaration, and to collect any monies owed to it by another Owner or Occupant under this Declaration.

15.8. Other Remedies. The remedies available to the Metropolitan District or Declarant or a Complaining Owner, but only if the Complaining Owner has the right to initiate an action under Section 15.7, under this Declaration shall include all rights and remedies provided in this Declaration at law or in equity, including the right to, by *ex parte* application for temporary restraining orders, preliminary injunctions and permanent injunctions enjoining any such violation or attempted violation or default and actions for specific performance of the obligations of such Owner or Occupant as set forth in this Declaration. The Metropolitan District and Declarant shall not be required to post any bond, surety or other security in connection with any injunctive or other equitable relief, any appeal or other actions taken by any of them in enforcing or defending any action brought under this Declaration.

15.9. Interest and Late Charge. In addition to any other remedies for a Monetary Default, if the payment owed to the Metropolitan District, Declarant or another Owner is not received within ten (10) days after the payment is due, the delinquent Owner or Occupant shall pay to the Person to whom the payment is due: (a) interest on such amount from the due date, through and including the date such payment is received by the Owner entitled thereto, at the Default Rate; and (b) an administrative late charge of five percent (5%) of such past due amount to help defray the additional cost such Person for processing such late payments.

15.10. Minimization of Damages. In all situations arising out of this Declaration, all Owners and Occupants shall use good faith efforts to attempt to avoid and minimize the damages resulting from the conduct of any other Owner and Occupant. Each Owner and Occupant shall take all reasonable measures to effectuate the provisions of this Declaration.

15.11. Declaration Continuation Notwithstanding Default. No default under this Declaration shall (a) entitle the Metropolitan District, Declarant or any Owner to cancel, rescind,

or otherwise terminate this Declaration, or (b) defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value as to any part of the Center.

15.12. Expenses of Litigation. If the Metropolitan District, Declarant, or an Owner shall bring an action or proceeding (including any cross-claim, counterclaim or third party claim) to enforce any provision of this Declaration or otherwise arising out of this Declaration, the prevailing party in such action or proceeding shall be entitled to its costs and expenses of such action, including its reasonable attorneys' fees. The prevailing party, as defined herein, shall include any such Person who dismisses an action or proceeding in exchange for payment of the sums allegedly due, performance or a cure of the default or consideration substantially equal to the relief sought in the action.

15.13. Owner Responsibility. Each Owner shall be liable for the performance of all covenants, obligations and undertakings set forth in this Declaration with respect to the portion of the Center owned by it which accrue during the period of such ownership including the acts or omissions of its Occupants and Permittees.

15.14. No Implied Waiver or Consent. No Person (including the Metropolitan District, Declarant, the DRC or an Owner or Occupant) shall be deemed to have made a waiver, consent or approval under this Declaration or any Regulation unless it does so in writing, and the mere failure of a Person to act to enforce any provision of this Declaration or any Regulation shall not be considered a waiver, consent or approval and shall not prevent that Person from exercising its rights, if any, to enforce any provision of this Declaration in the future. Any waiver, consent or approval under this Declaration or any Regulation shall apply only to the matter expressly waived, consented to or approved, and shall not be deemed to be a waiver, consent or approval of any subsequent breach or of any other provision of this Declaration or any Regulation.

15.15. No Obligation to Enforce. Neither the Metropolitan District, the DRC, Declarant nor any other Person shall have any obligation to enforce or to see to the enforcement of all or any of the terms of the Declaration or the Regulations nor shall any of them have any liability to any Person for any default under this Declaration or the Regulations by any other Owner or any failure by any Person to enforce any of the terms of the Declaration or the Regulations.

15.16. Remedies Cumulative. All of the remedies permitted or available under this Declaration or at law or in equity shall be cumulative and not alternative, and initiation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

15.17. Estoppel Certificate. Any Owner may from time to time, in connection with a bona fide sale, transfer, financing or other third party transaction made in good faith, deliver a written request to the Metropolitan District, the Declarant and the Architectural Control Committee requesting that it certify in writing whether to the knowledge of such Person the requesting

Owner is in default under this Declaration, and, if in default, describe therein the nature of all defaults and, if the default is monetary, the amount owed. The Metropolitan District, Declarant

or the Committee, as the case may be, is the recipient of such request, shall deliver such certificate within 30 days following receipt of the written request. The certifying party shall be under no obligation to undertake any independent investigation of the requesting Owner's Parcel in connection with the delivery of the certificate. Such a certificate may be relied upon by bona fide third party transferees, Mortgagees, lessees, lessors and other Persons acquiring an interest in the subject Parcel. A certificate from the DRC shall be binding only if it is executed by a majority of the members of the Committee.

ARTICLE XVI NOTICES

16.1. Method for Giving Notices. All notices given under this Declaration shall be in writing and given by delivering the same in person or by sending the same by either (a) United States certified, registered or express mail, return receipt requested, with postage prepaid, or (b) for delivery on the next business day with a nationally recognized overnight courier (such as FedEx or UPS) to the address of the party to whom the notice is being sent. Notices shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by overnight courier, the next business day after the mailing is postmarked or placed with an express courier and addressed to the proper address of the receiving party.

16.2. Addresses for Notices. Notices to the Metropolitan District shall be sent to the Metropolitan District at the address of the Metropolitan District as given to the Owners from time to time; notices to the DRC shall be sent to the Committee in care of the Metropolitan District at the address of the Metropolitan District as given to the Owners from time to time; notices shall be given to an Owner or Occupant at the address for notices given in writing by such Owner or Occupant to the Metropolitan District, and, if no such address has been given to the Metropolitan District, to the address for the Building located on the Lot for the Owner or Occupant and, if there is no Building at the address for the Owner, then to the address as shown on the records of the County Assessor. Any Owner or Occupant may change its address at any time by giving written notice of such change to the Metropolitan District in the manner provided herein, at least 10 days prior to the date such change is to be effective. The Metropolitan District may change its address at any time by giving written notice of such change to all Owners and Occupants, but notice need be given only to those Occupants who have notified the Metropolitan District of their address. The Metropolitan District will provide to any Owner or Occupant, upon their written request, the then current known address for notice purposes of any or all other Owners or Occupants.

16.3. Notice of Transfer. An Owner shall give notice to the Metropolitan District of any sale or transfer of all or any portion of its interest in the Center. The notice shall include the name and address of the buyer or transferee and a copy of the legal description of the portion of the Center sold or transferred. Until the notice requirement is complied with, notices shall be given to the Owner as shown on the records of the Metropolitan District, the transferring Owner

shall (for the purpose of this Declaration only) be the transferee's agent, and notice to the transferring Owner will be deemed to be notice to the transferee's agent.

16.4. Notice of Claims. Except in the event of an emergency, no action shall be brought against the Metropolitan District, the DRC, Declarant or any officers, directors, employees, members, partners, managers, attorneys or other affiliates of any of them (collectively, the "Defending Parties") by any Owner (other than Declarant) or Occupant which arises, directly or indirectly, out of this Declaration or any duty owed or allegedly owed by such Defending Party under this Declaration, unless (a) such Defending Party is given 90 days' prior written notice of the intent to bring such action, which notice shall state with specificity the nature of the claim being brought against such Defending Party; (b) such Defending Party is given the opportunity to cure the alleged default within such 90 day period; (c) the complaining party has complied with the terms of this Declaration relating to dispute resolution; and (d) the action is brought, if at all, within two (2) years following the date the action accrues. Actions subject to the terms of this paragraph shall include all civil actions, regardless of the theory upon which suit is brought, or against whom suit is brought, and shall include all tort and contract actions. The term "emergency" shall mean the imminent threat of loss or damage to persons or property.

ARTICLE XVII TERM AND AMENDMENTS

17.1. Term. This Declaration and all Restrictions and covenants contained in this Declaration, shall continue in full force and effect until December 31, 2120 (the "Termination Date"); provided, however, that this Declaration, and all Restrictions and covenants contained in this Declaration, shall be automatically extended for consecutive ten (10) year periods following the Termination Date unless, not less than thirty (30) days prior to the then current Termination Date, the Metropolitan District elects to terminate this Declaration effective as of such Termination Date. Upon such election, an instrument confirming such vote and termination shall be executed and Recorded by an authorized officer of the Metropolitan District, which instrument shall include a certification by the officer that the termination has been approved and, thereafter, this Declaration will terminate as of the applicable Termination Date, subject to the terms of Section 17.2.

17.2. Effect of Termination. Notwithstanding any termination, the easements created in this Declaration are perpetual and shall continue following termination of this Declaration. Upon termination of this Declaration, all rights and privileges derived from and all duties and obligations created and imposed by the provisions of this Declaration, except as relates to such easements, shall terminate and have no further force or effect; provided, however, that the termination of this Declaration shall not limit or affect any remedy at law or in equity that an Owner may have against any other Owner with respect to any liability or obligation arising or to be performed under this Declaration prior to the date of such expiration. Following termination of this Declaration, each Owner agrees to execute in Recordable form all documents reasonably requested by any other Owner to evidence termination of this Declaration.

17.3. Amendments. This Declaration may be amended only by approval of both (a) the Owners holding at least 66 2/3% of the Lots, and (b) affirmative approval by the Metropolitan District. An amendment shall also require the written consent of Declarant if (x) such amendment is adopted during the Declarant Approval Period, (y) the amendment is materially and adversely inconsistent with or materially and adversely modifies any of the rights granted, retained or reserved to Declarant hereunder, or (z) the amendment attempts to enlarge or expand any obligation of Declarant. An amendment shall be effective upon the Recording of the amendment executed by an authorized officer of the Metropolitan District and, by Declarant, but only if the written consent of Declarant is required as provided herein. Notwithstanding the forgoing, the Declarant may amend this Declaration unilaterally (without the consent of the Metropolitan District or the Owners) during the Declarant Approval Period. The term "amendment," as used in this Article, includes any change, modification, repeal or addition to this Declaration.

17.4. Minor Amendments. Notwithstanding anything in this Declaration to the contrary, the Declarant each shall have the authority to make minor technical and clerical amendments to the Declaration without the consent of any Person (except Declarant, as provided in this Section) provided that such amendments are considered by the Metropolitan District, in its reasonable judgment, to be an immaterial change, such as the correction of a technical, drafting or typographical error, correction of some obvious omission, resolution of any conflict with applicable Laws, clarification of any ambiguous statement or the like. An amendment by the Metropolitan District under this paragraph shall also require the written consent of Declarant if (a) such amendment is adopted while Declarant owns any Lot, (b) the amendment is materially and adversely inconsistent with or materially and adversely modifies any of the rights granted, retained or reserved to Declarant hereunder, or (c) the amendment attempts to enlarge or expand any obligation of Declarant. Any amendment made under this paragraph shall not be effective until it is executed by the Metropolitan District and Declarant, as applicable, and Recorded.

17.5. Rule Against Perpetuities. It is the intent of Declarant that the rule against perpetuities not apply to any of the terms of this Declaration. If any interest purported to be created by this Declaration is challenged under the rule against perpetuities or any related rule interpretation thereof, the interest shall be construed as becoming void and of no effect as of 98 years and 11 months from the date hereof, and thus not subject to challenge under any such rule or principle of law now or hereafter in effect.

ARTICLE XVIII DEVELOPMENT OF CENTER; SPECIAL DECLARANT RIGHTS

18.1. Special Declarant Rights; Development Rights. In addition to and without limiting any other right reserved by or for the benefit of Declarant in this Declaration (all of which will also be "Special Declarant Rights," as further defined below), Declarant reserves the following rights, which, except as expressly provided below, may be exercised by Declarant for the duration of the Declarant Approval Period, with no limitations on the extent to, or the order in which, such rights are exercised (collectively, the "Special Declarant Rights"):

- (a) To designate or dedicate (or convey) sites within the Center for public or quasi-public facilities
- (b) To add or withdraw real property as set forth in Article II.
- (c) The right to construct and complete Improvements within the Center.
- (d) The right to exercise any right reserved in Section 18.2 below or any other rights reserved by Declarant in this Declaration.
- (e) The right to use easements through the Center for the purpose of making improvements and providing access within the Center.
- (f) The right to alter any condition (including size and location of Improvements) on any Lot owned by Declarant, whether with respect to sales and marketing efforts or otherwise.
- (g) To complete infrastructure improvements described on or in the Plat, this Declaration or any governmental approvals relating to the Center (and to transfer the right and obligation to complete any such improvement to any special district).
- (h) To subdivide or cause a parcel reconfiguration of any of the Lots into additional Lots, and to change the boundary line of, replat or cause a parcel reconfiguration of any Lots or Tracts or other portions of the Center owned by Declarant as deemed appropriate by Declarant in its complete discretion.
- (i) To amend the Plat as it applies specifically to any Parcel or other portion of the Center or other land owned by Declarant, or owned by another Owner with such Owner's consent, in order to create any easements necessary for the orderly development of the Center or the other land owned by Declarant. By taking title, each Owner of any Lot covenants and agrees to furnish cooperation (including any consent as required by the City) in connection with and not object to such proposed amendment so long as the amendment is sought in a manner that complies with the procedures prescribed in the City's subdivision or parcel reconfiguration regulations. No Owner required to cooperate with a proposed amendment to the Plat pursuant to this Article XVIII will be required to incur any costs or expenses in connection with such cooperation.
- (j) To grant any exclusive use right/covenant to any Owner or Occupant of the Center in a lease agreement, by amendment to this Declaration, or other agreement (including a deed, declaration of restrictive covenant or other property covenant) relating to all or any portion of the Center, as permitted by Section 8.3 above. By taking title, each Owner of a Lot hereby agrees to and will not object to such proposed exclusive use rights/covenants or the Recording in the chain of title for all or any portion of the Center of any document reflecting such exclusive use rights/covenants, so long as the same does not conflict with any then current exclusive use rights/covenants granted to a current

Owner or Occupant of a Lot. By taking title, each Owner of a Lot hereby covenants and agrees to furnish its cooperation in connection with the forgoing. No Owner required to cooperate with the granting of exclusive use rights/covenants pursuant to Section 8.3 and this Article XVIII will be required to incur any costs or expenses in connection with such cooperation.

(k) Notwithstanding any language in this Declaration to the contrary, during the Declarant Approval Period, Declarant shall have the right to exercise any and all rights of the Metropolitan District set forth in this Declaration as if it were the Metropolitan District.

18.2. Development Rights. The Declarant reserves the following rights (the "Development Rights"):

(a) Expansion Rights. The Declarant reserves the right (but is not required) to subject additional real property to the terms, conditions and restrictions of this Declaration in accordance with Article II above. Furthermore, the Declarant reserves the right to subject all or any portion of any such additional real property to such other covenants, conditions and restrictions as the Declarant deems appropriate by Recording a Supplemental Declaration with respect thereto; provided, however, that no such other covenants, conditions and restrictions may amend or be in conflict with this Declaration, unless approved as an amendment to this Declaration or, where approval is not required, executed by the Declarant in accordance with the provisions hereof. The consent of the existing Lot Owners shall not be required for the exercise of these rights, and the Declarant may proceed to exercise such rights without limitation, at its sole option.

(b) Exercise of Rights. The Declarant may exercise any Development Rights with respect to all or a portion of different parcels of real property at different times in whatever order and to whatever extent the Declarant, in its sole discretion, may determine.

(c) Interpretation. Upon the Recording of a Supplemental Declaration, the real property subject thereto, or any part thereof as specifically stated therein, shall be added to and become a part of the Center for all purposes, or for such limited purpose as are set forth in the Supplemental Declaration, and, except as set forth in the Supplemental Declaration, the definitions in this Declaration shall automatically be extended to encompass and refer to all real property then comprising the Center. Reference to this Declaration in any instrument shall be deemed to include all supplements and amendments to this Declaration without specific reference thereto.

ARTICLE XIX MISCELLANEOUS

19.1. Mutuality; Reciprocity; Runs With Land. Each and all of the Restrictions contained in this Declaration (whether affirmative or negative in nature) are made for the direct, mutual and reciprocal benefit of each Lot in the Center; create mutual equitable servitudes upon

each Lot in the Center in favor of every other Parcel; constitute covenants running with the land; bind every person having any fee, leasehold, or other interest in any portion of the Center; inure to the benefit of the Owners and their respective successors and assigns as to their respective Lots; and except as expressly provided on this Declaration, may not be Transferred, assigned or encumbered except as an appurtenance to a Parcel. Regardless of whether reference is made to this Declaration in any future deed or other instrument of conveyance, any Person acquiring any interest in, or entering upon, or using the Center shall be on constructive notice of the terms and conditions of this Declaration.

19.2. Relationship of the Parties. None of the terms or provisions of this Declaration shall be deemed to create a partnership between or among the Owners, Occupants or any other Persons in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. Each Owner shall be considered a separate owner, and no Owner shall have the right to act as an agent for another Owner, unless expressly authorized to do so in this Declaration or by separate written instrument signed by the Owner to be charged.

19.3. Not a Public Dedication. Except as identified on the Plat, nothing contained in this Declaration shall be deemed to be a gift or dedication of the Common Area or of any other portion of the Center, or of any Lot, to the general public or for any public use or purpose whatsoever.

19.4. No Beneficiaries. No third parties other than for the Indemnified Parties are intended as beneficiaries of this Declaration.

19.5. Entire Agreement; Enforceability. This Declaration constitutes all of the terms and conditions relating to the subject matter hereof, and no other terms or oral promises which are not in this Declaration shall be binding upon or enforceable against Declarant or the Metropolitan District, or the DRC, and no promises, projections, inducements or representations made before the date of Recording this Declaration will change the terms of this Declaration or be binding on any Person. No promises or other terms shall be implied in this Declaration.

19.6. Approval Rights. Unless expressly provided otherwise in this Declaration, whenever approval, consent or permission is required from the Metropolitan District, Declarant or the DRC in this Declaration, such approval, consent or permission may not be unreasonably withheld, denied or delayed. Unless provision is made for a specific time period, a response to the requested approval, consent or permission shall be given or withheld within 30 days of the receipt of the request. Except as provided in Section 5.7 (and then only if there is compliance with the procedures set forth therein), if a response is not given within the required time period, the request shall be deemed disapproved. The sole and exclusive remedy in any action brought by an Owner, Occupant or other Person claiming that the Metropolitan District, Declarant or the DRC has improperly withheld its approval, consent or permission shall be an action for specific performance, with all claims to damages and other remedies being specifically waived, except that the prevailing party may recover its attorneys' fees and court costs incurred in such action.

19.7. Time of the Essence. Time is of the essence with respect to all matters provided in this Declaration.

19.8. Severability. Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial enforceability of any provision or portion thereof shall not affect the validity or enforceability of any other provisions, which provisions shall remain in full force and effect.

19.9. Conflict of Provisions. In the event of any conflict or inconsistency between the provisions of this Declaration and the Plat, the provisions of the Plat will govern and control, and this Declaration shall automatically be amended, but only to the extent necessary to conform the conflicting provisions hereof with the provisions of the Plat. In addition, the Metropolitan District and Declarant may make such amendment to the Declaration and the Plat to conform such documents as a minor amendment under Section 17.4.

19.10. Captions. The article and section captions used in this Declaration are inserted only as a matter of convenience, and do not in any way define, limit, or describe the scope or intent of this Declaration. Any references in this Declaration to a section or subsection shall refer to such section or subsection of this Declaration, unless expressly provided otherwise.

19.11. Interpretation. Throughout this Declaration, the singular shall include the plural, the plural shall include the singular; all genders shall be deemed to include other genders, wherever the context so requires; and the terms "including," "include" or derivatives thereof, unless otherwise specified, shall be interpreted in as broad a sense as possible to mean "including, but not limited to," or "including, by way of example and not limitation." Wherever the word "day(s)" is used in this Declaration, and the word "business" does not appear immediately before such word, such word shall mean "calendar day(s)." All references in this Declaration to a document or instrument (including the Center Documents) shall be deemed to include, unless otherwise specified or the context requires otherwise, such document or instrument as amended, modified, supplemented, restated and replaced from time to time.

19.12. Joint and Several Obligations. If any Owner or Occupant is composed of more than one Person, the obligations of each such Persons shall be joint and several.

19.13. Terms Incorporated. The terms of this Declaration shall be deemed incorporated in each deed, lease, mortgage, deed of trust or other instrument by which any right, title or interest in any Parcel is granted, devised or conveyed, regardless of whether this Declaration is set forth or referred to in such instrument.

19.14. CCIOA Exemption. Each Lot within the Center is hereby restricted exclusively to non-residential use. Consequently, pursuant to Colorado Revised Statutes § 38-33.3-121, this Declaration is not subject to the provisions of the Colorado Common Interest Ownership Act found in Colorado Revised Statutes § 38-33.3-101, et seq. Nothing in this Section is, however, intended to permit any use of any Lot within the Center which would otherwise be prohibited pursuant to any restriction otherwise applicable to such Lot.

19.15. Claims Regarding Grants of Center. Declarant, the Metropolitan District and all Owners shall have a period of one (1) year from the date any property (including Improvements) conveyed are actually Transferred (but not leased) to the Metropolitan District, within which to assert by legal action or otherwise any claim, demand, cause of action or against the grantor, assignee or conveyor with regard to such property however arising and for whatever cause or reason whatsoever. Any claim not brought within such one year period shall be deemed waived and barred. Nothing herein shall be construed to limit, impair, diminish or bar any claim by the Metropolitan District, Declarant or any other Person with standing to bring such claim to ever assert by legal proceedings or otherwise any claim, demand, cause of action or lawsuit against any engineer, architect, contractor or other Person (other than Declarant) involved in the design, installation, manufacture, assembly, construction, operation, maintenance, repair or replacement of any such property.

19.16. Governing Law and Venue. This Declaration shall be governed by and construed in accordance with the laws of the State of Colorado. The exclusive jurisdiction and venue for any actions arising under this Declaration or the Regulations shall lie in the Adams County District Court and each Owner and any other Person who acquires an interest in the Center and each Occupant who enters upon the Center by accepting such interest or by such entry consents to such exclusive jurisdiction and venue.

19.17. Construction. The provisions of this Declaration will be construed as a whole according to their common meaning, and not strictly for or against Declarant, the Metropolitan District or the drafting Party.

19.18. Assignment of Declarant's Rights. Upon the assignment of all or part of Declarant's rights in the manner provided in this Declaration, Declarant shall be relieved of the assigned rights and powers and shall be released from the corresponding liabilities, obligations and duties relating to the assigned rights and powers thereafter accruing. The mere conveyance or transfer of ownership or other interest in a Lot or any other interest in the Center by Declarant to any third party, whether by deed or other instrument of conveyance, shall only convey the rights and obligations of Declarant thereunder as the Owner of the applicable Lot or other interest, and shall not convey any right or obligation of Declarant in its capacity as Declarant, unless and except as otherwise expressly provided in such deed or other instrument of conveyance.

CONSENT OF THE PRAIRIE CORNER METROPOLITAN DISTRICT

The undersigned, Prairie Corner Metropolitan District, hereby consents to the aforesaid Declaration of Covenants, Conditions, Restrictions and Easements for Prairie Corner.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this 20th day of May, 2021.

PRAIRIE CORNER METROPOLITAN DISTRICT

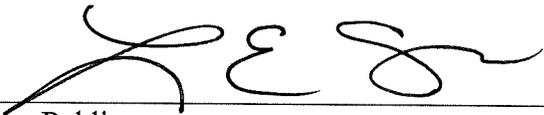
By: 
Name: Scott T. WETZEL
Title: Chairman

STATE OF COLORADO)
)
COUNTY OF Jefferson) ss.

The foregoing instrument was acknowledged before me this 20 day of May, 2021 by Scott T. Wetzel as Chairman of Prairie Corner Metropolitan District.

Witness my hand and official seal.

My commission expires: 02-17-2025


Notary Public

LORI E. SHIELDS
Notary Public
State of Colorado
Notary ID # 20094005778
My Commission Expires 02-17-2025

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF LAND BEING LOCATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 22;
THENCE SOUTH 87°58'31" EAST, A DISTANCE OF 571.08 FEET;
THENCE NORTH 89°00'49" EAST ALONG A LINE 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 22, A DISTANCE OF 165.50 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 89°00'49" EAST, A DISTANCE OF 257.52 FEET;

THENCE DEPARTING SAID PARALLEL LINE, NORTH 06°20'11" WEST, A DISTANCE OF 30.13 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 22;

THENCE ALONG SAID NORTHERLY LINE, NORTH 89°00'49" EAST, A DISTANCE OF 303.04 FEET;

THENCE DEPARTING SAID LINE, SOUTH 38°24'34" WEST, A DISTANCE OF 1240.00 FEET;

THENCE NORTH 21°00'36" WEST, A DISTANCE OF 163.02 FEET;

THENCE NORTH 20°38'54" WEST, A DISTANCE OF 47.48 FEET;

THENCE NORTH 51°28'11" WEST, A DISTANCE OF 256.02 FEET;

THENCE NORTH 09°53'43" WEST, A DISTANCE OF 107.87 FEET;

THENCE NORTH 36°12'27" EAST, A DISTANCE OF 413.08 FEET;

THENCE NORTH 62°36'38" EAST, A DISTANCE OF 296.47 FEET TO THE AFOREMENTIONED PARALLEL LINE AND TO THE POINT OF BEGINNING;

CONTAINING 467,316 SQUARE FEET OR 10.728 ACRE OF LAND.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS BASED ON A PORTION OF THE NORTH LINE OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, AS MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 22 BY A FOUND 3.25" ALUMINUM CAP STAMPED "COLO DEPT OF TRANSPORTATION PLS NO 10734" AND AT A POINT ALONG SAID LINE WHENCE THE SAID NORTHWEST CORNER BEARS SOUTH 89°00'49" WEST FOR A DISTANCE OF 1113.45 FEET AS MONUMENTED BY A REBAR AND 1.5" ALUMINUM CAP STAMPED "PLS 12405". SAID LINE IS ASSUMED TO BEAR NORTH 89°00'49" EAST.

EXHIBIT D
RESOLUTIONS/FEE SCHEDULES

When Recorded Return To:
Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, 22nd Floor
Denver, Colorado 80202
Attn: Carolynne C. White

AMENDED AND RESTATED DECLARATION OF PAYMENT IN LIEU OF TAXES

THIS AMENDED AND RESTATED DECLARATION OF PAYMENT IN LIEU OF TAXES (this "**Declaration**") is made as of June 11, 2021, by **PRAIRIE CORNER DEVELOPMENT PARTNERS, LLC**, a Colorado limited liability company ("**Declarant**"), for the benefit of **PRAIRIE CORNER METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §§32-1-101, et seq., and its successors and assigns.

RECITALS

A. Except as otherwise expressly provided herein or unless the context requires otherwise, capitalized terms used in this Declaration shall have the meanings set forth in Section 1 of this Declaration, and references to Sections and Exhibits shall refer to Sections and Exhibits of this Declaration unless expressly stated otherwise.

B. Declarant wishes to amend and restate in its entirety that certain Declaration of Payment in Lieu of Taxes dated May 18, 2021 and recorded May 21, 2021 in the real property records of Adams County, Colorado at Reception No. 2021000062495 (the "**Original Declaration**"). Following the Effective Date, the Original Declaration shall be of no further force and effect and this Declaration shall replace the Original Declaration in its entirety. Declarant acknowledges that the legal description attached as **Exhibit A** to this Declaration is different than the legal description attached as Exhibit A to the Original Declaration. The legal description attached hereto as **Exhibit A** shall control.

C. Declarant owns the real property described in **Exhibit A**, attached hereto and incorporated herein (the "**Property**"), which is located in the City.

D. Declarant intends to develop and construct or cause to be constructed a development which may consist of commercial, office, medical, retail, and/or hotel, together with related amenities and uses on the Property which will be benefited by the completion of the Project.

E. The Property lacks infrastructure and improvements to support development of the Property.

F. The District is organized pursuant to Colorado law in order to provide for the financing, construction, and completion of the Eligible Improvements.

G. The completion of the Eligible Improvements and the ongoing Operations and Maintenance for the Eligible Improvements will benefit the Property. The District has the authority, under the laws of the State, its Service Plan, and its electoral authorizations, to impose property taxes to provide revenues (a) to pay debt service on bonds and other indebtedness (including bonds and other obligations for the refinancing of such indebtedness) issued by the District, for the purpose of among other things paying the costs to acquire, finance, refinance, construct, and complete the Eligible Improvements and (b) to pay the District's Operation Expenses.

H. For the purpose of financing (or refinancing) the costs of the acquisition, construction, completion, and provision of the Eligible Improvements, along with the acquisition of real property to be owned by the District, the District will issue one or more series of District Bonds, which are payable, in part, from revenue derived from taxation of the Property.

I. Repayment of the District Bonds and payment of the District's Operation Expenses is therefore dependent, in part, on property tax revenue derived from the Property. A sale or transfer of any Interest in the Property, or any portion thereof, to an entity which is exempt from property taxation (or an entity eligible to apply for such exemption) would result in a reduction of the property tax revenue, including the property taxes which would otherwise be paid to the District, on which the District is relying in order to pay the District Bonds and the District's Operation Expenses benefiting the Property.

J. Subject to and in accordance with the terms of this Declaration, Declarant desires to impose upon the Property the covenants and restrictions set forth below to secure the repayment of the District Bonds and the payment of the District's Operation Expenses and the cost of Eligible Improvements benefiting the Property.

DECLARATION

NOW THEREFORE, for and in consideration of the foregoing, Declarant declares and grants, as follows:

1. Defined Terms. Except as otherwise expressly provided herein or unless the context requires otherwise, the singular of any term includes the plural of such term, and any reference herein to a Section is to a Section of this Declaration. The following terms, when used in this Declaration, shall have the following meanings:

(a) "Act" shall have the meaning set forth in Section 13 below.

(b) "Administration" means the conduct of routine clerical and administrative activities and the maintenance of records required by law for Statutory Compliance.

(c) "Change in Taxable Status" shall have the meaning set forth in Section 3 below.

(d) "City" means the City of Brighton, Colorado, a home rule municipal corporation.

(e) “**District**” means the Prairie Corner Metropolitan District, which was formed pursuant to C.R.S. §§32-1-101, *et seq.*, and its successors and assigns.

(f) “**District Bond Documents**” means, collectively, the District Bond Indenture, resolution, loan agreement and any other documents pursuant to which the District Bonds are issued and secured as to repayment.

(g) “**District Bond Indenture**” means any indenture, resolution, loan agreement capital pledge or similar documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(h) “**District Bond Trustee**” means the trustee and/or lender in connection with the issuance of any District Bonds.

(i) “**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness, which may be in the form of a note, loan, or other financial obligation, issued or incurred by the District to finance or refinance the Eligible Costs, including any bonds, notes, loans, or other financial obligations issued by the District to refund District Bonds.

(j) “**District Debt Service Mill Levy**” means the property tax mill levy to be levied by the District pursuant to the Bond Documents on the taxable property within the District; provided, however, that such rate may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such levy is neither diminished nor enhanced as a result of such changes.

(k) “**District Operations and Maintenance Mill Levy**” means the operations and maintenance tax mill levy to be levied by the District on the taxable property within the District; provided, however, that such rate may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such levy is neither diminished nor enhanced as a result of such changes.

(l) “**District’s Operation Expenses**” means the anticipated reasonable, ordinary, and necessary expenses of Administration, Statutory Compliance, and Operations and Maintenance, as each is defined herein, including but not limited to attorneys’ fees, management costs, accounting costs, and fees of other consultants relating to any and all of the foregoing.

(m) “**Effective Date**” means the date on which this Declaration is recorded with the Office of the Clerk and Recorder of Adams County, State of Colorado.

(n) “**Eligible Costs**” shall mean any costs eligible to be paid by the District from the proceeds of District Bonds or other revenues pursuant to the Special District Act.

(o) “**Eligible Improvements**” means a part of all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in the Service Plan.

(p) “**Interest**” means any and all partial or total legal right to property or for the use of property, including a fee interest, leasehold or other right to use, possess or occupy.

(q) “**Operations and Maintenance**” means the ordinary and necessary maintenance of Eligible Improvements necessary to maintain the Eligible Improvements to all applicable standards and specifications, to the extent specifically budgeted and appropriated for as operations and maintenance expenses in the District’s annual budgetary process.

(r) “**Original Declaration**” has the meaning set forth in Recital B.

(s) “**Owner(s)**” means a Person that has an Interest in any portion of the Property, whether by contract or otherwise, including without limitation Declarant and its successors and assigns, and such Person has the legal obligation to pay property tax on such Interest. If more than one Person owns an Interest in a particular portion of the Property and the legal obligation to pay property tax is allocated among such Persons, for purposes of this Declaration, such Persons shall be jointly and severally liable for the payments required under this Declaration with regard to such Interest.

(t) “**Payment in Lieu**” means an annual amount equal to the revenue that would be derived from the imposition by the District of the District Debt Service Mill Levy and the District Operations and Maintenance Mill Levy on that portion of the taxable real and personal property within the Property where a Tax-Exempt Entity is the Owner thereof were such Owner not a Tax-Exempt Entity, or if a portion of the Property is a Tax-Exempt Property, were the Property not determined by the assessor to be exempt from taxation, computed based on the District Debt Service Mill Levy and the District Operations and Maintenance Mill Levy most recently certified by the District and the most recent final certified assessed value of the subject portion of the taxable real and personal property within the Property.

(u) “**Person(s)**” means an individual, firm, corporation, partnership, company, association, joint stock company, trust, body politic, or any other incorporated or unincorporated organization, or any trustee, receiver, assignee, or other similar representative thereof.

(v) “**PILOT**” shall have the meaning set forth in Section 6 below.

(w) “**Project**” means the development of the Property to include a mix of uses generally comprised of commercial, office, retail, hotel, and a variety of residential uses, together with related amenities and uses.

(x) “**Service Plan**” means that certain Service Plan for Prairie Corner Metropolitan District approved by the City Council of the City on September 1, 2020, as amended from time to time.

(y) “**Special District Act**” means C.R.S. §§32-1-101 *et seq.*

(z) “**State**” means the State of Colorado.

(aa) “**Statutory Compliance**” means those actions required by law to be taken by the District to maintain its corporate existence, including but not limited to the preparation and filing

of annual reports, adoption and filing of the annual budget and certification of an annual mill levy and holding of public meetings in connection therewith, preparation and filing of financial statements (including annual audits or audit exemptions), and preparation of annual funding agreements.

(bb) “**Tax-Exempt Entity or Tax-Exempt Entities**” means any organization or other Person that is legally exempt from paying ad valorem property taxes in the State. Notwithstanding the foregoing or any other provision in this Declaration, the City and the District shall never be Tax-Exempt Entities under this Declaration.

(cc) “**Tax-Exempt Property**” means any property which the county assessor has deemed to be exempt from the payment of ad valorem taxes.

2. **Use Restriction.** Except as hereinafter provided, any Person that is a Tax-Exempt Entity and that acquires an Interest in the Property, or any portion thereof, and any Tax-Exempt Property, effective on the date that such Person becomes the Owner of such Interest, or that such Tax-Exempt Property becomes tax exempt, shall be subject to the payment of PILOTs.

3. **Change in Taxable Status.** Any Owner that, during the period of its ownership, becomes a Tax-Exempt Entity shall, as of the date that it becomes a Tax-Exempt Entity, or Owner who receives a determination that its property is Tax-Exempt Property, be subject to the payment of PILOTs. Further, immediately upon the happening of any event, act, omission or other occurrence (whether voluntary or involuntary) that results in the Property or any portion thereof being exempt from taxation, the Owner of such Tax-Exempt Property shall be subject to the payment of PILOTs. The terms of this Section 3 shall collectively be referred to herein as a “**Change in Taxable Status**”.

4. **Notice.** ANY OWNER TRANSFERRING AN INTEREST IN ANY PORTION OF THE PROPERTY TO A TAX-EXEMPT ENTITY SHALL PROVIDE NOTICE OF SUCH TRANSFER TO THE DISTRICT, IN WRITING, IDENTIFYING THE PORTION OF THE PROPERTY BEING TRANSFERRED. ANY OWNER THAT BECOMES A TAX-EXEMPT ENTITY DURING THE PERIOD OF ITS OWNERSHIP, OR WHO HAS AN INTEREST IN PROPERTY THAT BECOMES EXEMPT FROM TAXATION, SHALL PROVIDE NOTICE TO THE DISTRICT, IN WRITING, OF THE CHANGE IN TAXABLE STATUS. SUCH NOTICES SHALL BE DELIVERED TO THE DISTRICT, AT THE ADDRESS SET FORTH BELOW, NOT LATER THAN THE DATE SUCH TRANSFER OF INTEREST OR CHANGE IN TAXABLE STATUS IS EFFECTIVE.

To the District: Prairie Corner Metropolitan District
270 Saint Paul Street, Suite 300
Denver, Colorado 80206
Attention: Mark Connor

With a copy to: Prairie Corner Metropolitan District
c/o Collins Cockrel & Cole, P.C.
390 Union Boulevard, Suite 400
Denver, Colorado 80228

Attention: Matthew Ruhland

5. Failure to Give Notice. Failure of an Owner to give notice as required by Section 4, shall in no way affect or eliminate the requirement of a Tax-Exempt Entity or an Owner of a Tax-Exempt Property to pay PILOTs pursuant to Section 6.

6. Payment of PILOTs. The payment in lieu of taxes (“PILOTs”) shall be equal to the sum of the Payment in Lieu and made by the Tax-Exempt Entity annually at the same time or times as ad valorem property taxes are due. Notwithstanding anything in this Declaration to the contrary, the City and the District shall never be obligated to pay the PILOTs. The PILOTs shall be prorated for any portion of a year during which a Tax-Exempt Entity acquires an Interest in the Property or in which an Owner becomes a Tax-Exempt Entity. The PILOTs shall at all times be paid to the District. PILOTs not paid when due shall accrue interest at the same rate at which unpaid property taxes accrue interest, in accordance with State law. Any Owner required to pay a PILOT hereunder specifically authorizes the pledge of revenues derived from the PILOT to payment of debt service on the District Bonds. Revenue derived from the PILOTs shall be used for any purpose which the District is authorized to use the revenue under State law.

7. Enforcement. A PILOT that is not paid in full when due shall constitute a lien against the Tax-Exempt Property with respect to which such PILOT was due and unpaid. The lien shall attach from the date that a PILOT was not paid when due and may, but need not be, evidenced by the recordation of a statement of lien in connection therewith and shall be enforceable in any judicial or non-judicial proceeding allowed by law, including without limitation, suit in the nature of a suit to foreclose a mortgage, deed of trust or mechanic’s lien under the applicable provisions of the laws of the State. The District and the District Bond Trustee, subject to the provisions of the District Bond Documents, shall have the right and authority to enforce this Declaration by proceedings at law or in equity against any Person or Persons violating or attempting to violate the covenants set forth herein. Such right and authority of the District and the District Bond Trustee includes the ability to enforce this Declaration by restraining such violation, compelling compliance or recovering damages. In the event that the District fails to enforce this Declaration against any Person or Persons violating or attempting to violate the covenants set forth herein, the District Bond Trustee shall have the right, but not the obligation to enforce this Declaration in the same manner and with the same rights and authority as if the District was acting directly, subject to the District Bond Documents.

8. Governing Law and Venue. This Declaration will be governed by, and enforced in accordance with, the laws of the State. Venue for legal proceedings shall be proper in the jurisdiction where the Property is located.

9. Termination. This Declaration shall terminate upon the dissolution of the District.

10. Run with the Land: Reasonableness. This Declaration, as recorded, shall run with the land, and shall be binding upon all Owners of the Property and their respective successors and assigns. If and to the extent that any of the restrictions or covenants herein would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned will continue and endure only until the expiration of a period of

ninety (90) years after the Effective Date. The covenants set forth herein are reasonable and necessary to effect the financing, provision, and maintenance of the Eligible Improvements benefitting the Property and the Owners thereof and the payment of the District's Operation Expenses. Declarant, on behalf of itself and its successors and assigns, covenants that it will not contest the effectiveness or enforceability of this Declaration by any legal proceedings in any forum.

11. Assignment. Any and all of the rights, powers, and reservations of the District herein contained may be assigned (in whole or in part) to any Person, and, except for any pledge and collateral assignment to the District Bond Trustee or District lenders, such assignment shall be evidenced by a recorded document executed by both the assignor and the assignee. Upon such assignment, the assignee shall, to the extent of such assignment, have the same rights and powers as are given to the District herein and shall assume the obligations of the District hereunder.

12. Severability. Invalidation of any of the provisions contained in this Declaration, or of the application thereof to any Person by judgment or court order, will in no way affect any of the other provisions of this Declaration or the application thereof to any other Person or circumstance, and the remainder of this Declaration will remain in effect; provided, however, that in the event such invalidation would render the remaining portions of this Declaration ineffective to carry out the intentions of the Declarant as expressed or implied by this Declaration, then the objectionable provision(s) hereof will be construed, and this Declaration will be presumed amended, as if such provision was replaced with an enforceable provision which effectuates, as nearly as possible, the intent of the Declarant, which includes the payment of property tax revenue (or the payment of the PILOTS in lieu thereof), to or at the direction of the District for payment of District Bonds issued to finance or refinance the Eligible Improvements and for payment of the District's Operation Expenses associated with such Eligible Improvements.

13. No Common Interest Community. This Declaration does not create a "common interest community," as defined in §§38-33.3-101, et seq., C.R.S., commonly known as the Colorado Common Interest Ownership Act (the "Act"). Therefore, the Act does not apply to this Declaration or to the Declarant or the District, and the terms of this Declaration shall be read, construed and interpreted accordingly. Accordingly, Declarant is not a "declarant," and this Declaration is not a "declaration," as such terms are used and defined in the Act.

14. No Third Party Beneficiary. It is expressly understood and agreed that enforcement of the terms and conditions of this Declaration, and all rights of action relating to such enforcement, shall be strictly reserved to the District and the District Bond Trustee, and their duly authorized successors and assigns, and nothing contained in this Declaration shall give or allow any claim or right of action by any other Person with respect to this Declaration. However, if any of the rights, powers, and reservations of the District is assigned, pursuant to Section 11 (including pursuant to a collateral assignment), the assignee shall be considered a third party beneficiary with enforcement rights hereunder as if it were an original party hereto.

15. Amendment by Declarant. Declarant may make amendments to the provisions of this Declaration only with the prior written consent of (i) the District and (ii) only in accordance

with the District Bond Documents, but without the consent of any Owner, or other Person, and Declarant may record any such amendments in the real property records of Adams County, Colorado even if Declarant does not own all of the Property at the time of such recording; provided, further, that no amendment shall obligate the City to pay any PILOTS hereunder without the prior written consent of the City, which shall be evidenced by a resolution of the City council. Additionally, subject to the prior written consent of the District, Declarant may take the necessary and appropriate action to cause additional real property to be subject to this Declaration without the prior consent of any other Person.

16. Recitals. The Recitals shall be deemed incorporated into the terms and conditions of this Declaration as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

The District, its successors, and its assigns, are beneficiaries of the restrictions and covenants set forth in this Declaration and the District hereby acknowledges its enforcement rights provided herein.

Prairie Corner Metropolitan District,
a quasi-municipal corporation and political
subdivision of the state formed pursuant to C.R.S.
§§32-1-101, et seq.

By: 86
Name: SCOTT T. WETZEL
Its: PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14 day of JUNE, 2021, by SCOTT T. WETZEL as PRESIDENT of Prairie Corner Metropolitan District, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §§32-1-101, et seq.

Witness my hand and official seal.

My commission expires: 86
MAY 26, 2024

[Signature]
Notary Public

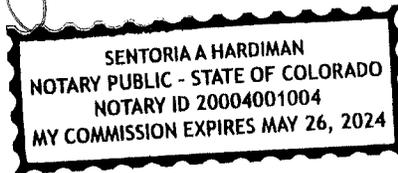


EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF LAND BEING LOCATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 22;
THENCE SOUTH 87°58'31" EAST, A DISTANCE OF 571.08 FEET;
THENCE NORTH 89°00'49" EAST ALONG A LINE 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 22, A DISTANCE OF 165.50 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 89°00'49" EAST, A DISTANCE OF 257.52 FEET;
THENCE DEPARTING SAID PARALLEL LINE, NORTH 06°20'11" WEST, A DISTANCE OF 30.13 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 22;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°00'49" EAST, A DISTANCE OF 303.04 FEET;
THENCE DEPARTING SAID LINE, SOUTH 38°24'34" WEST, A DISTANCE OF 1241.20 FEET;
THENCE NORTH 20°38'54" WEST, A DISTANCE OF 163.63 FEET;
THENCE NORTH 20°38'54" WEST, A DISTANCE OF 47.48 FEET;
THENCE NORTH 51°28'11" WEST, A DISTANCE OF 256.02 FEET;
THENCE NORTH 09°53'43" WEST, A DISTANCE OF 107.87 FEET;
THENCE NORTH 36°12'27" EAST, A DISTANCE OF 413.08 FEET;
THENCE NORTH 62°36'38" EAST, A DISTANCE OF 296.47 FEET TO THE AFOREMENTIONED PARALLEL LINE AND TO THE POINT OF BEGINNING;

CONTAINING 467,400 SQUARE FEET OR 10.730 ACRE OF LAND.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS BASED ON A PORTION OF THE NORTH LINE OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, AS MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 22 BY A FOUND 3.25" ALUMINUM CAP STAMPED "COLO DEPT OF TRANSPORTATION PLS NO 10734" AND AT A POINT ALONG SAID LINE WHENCE THE SAID NORTHWEST CORNER BEARS SOUTH 89°00'49" WEST FOR A DISTANCE OF 1113.45 FEET AS MONUMENTED BY A REBAR AND 1.5" ALUMINUM CAP STAMPED "PLS 12405". SAID LINE IS ASSUMED TO BEAR NORTH 89°00'49" EAST.

CERTIFICATE OF DECLARANT

\$6,000,000

**Prairie Corner Metropolitan District
(In the City of Brighton)
Adams County, Colorado
Limited Tax General Obligation Bonds
Series 2021**

July 13, 2021

In connection with the issuance by Prairie Corner Metropolitan District, in the City of Brighton, Adams County, Colorado (the “District”), of its Limited Tax General Obligation Bonds, Series 2021, in the aggregate principal amount of \$6,000,000 (the “Bonds”) dated as of July 13, 2021, the undersigned authorized representative of Prairie Corner Development Partners, LLC, a Colorado limited liability company (the “**Company**”), hereby certifies as follows:

1. The Company is a declarant under each of (i) the Amended and Restated Declaration of Payment in Lieu of Taxes dated June 11, 2021, recorded in the real property records of the County under Reception No. 2021000072250, (ii) the Amended and Restated Declaration of Covenants Imposing and Implementing the Prairie Corner Lodging Public Improvement Fee dated June 11, 2021, recorded in the real property records of the County under Reception No. 2021000072251 and (iii) the Amended and Restated Declaration of Covenants Imposing and Implementing the Prairie Corner Add-On Public Improvement Fee dated June 11, 2021, recorded in the real property records of the County under Reception No. 2021000072252 (collectively, the “**Declarations**”).

2. The Company is a Colorado limited liability company, duly organized and validly existing under the laws of the State of Colorado with full power and authority to execute the Declarations and perform the transactions contemplated thereunder.

3. The Company is not in violation of any provision of its organizational instruments, has full power and authority to own its properties and conduct its business, and has full legal right, power and authority to enter into the Declaration and the consummation and performance of the transactions contemplated by the Declarations are within the Company’s legally authorized powers.

4. Each of the Declarations has been duly authorized, executed and delivered on behalf of the Company.

5. Compliance by the Company with the provisions of the Declarations does not and will not conflict with or constitute a breach or default on the part of the Company under its organizational instruments, and does not and will not conflict with, result in a breach of, or constitute a default under any material contractual or legal restriction contained in any agreement, contract, or other document or instrument binding on the Company or its property or other assets.

6. The representations in the Declarations were true and correct in all material respects when made and are true and correct in all material respects as of the date hereof.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity, or before or by any court, governmental agency, public board or body, pending against the Company or, to the knowledge of the Company, threatened against the Company, and no order, writ, judgment, injunction, decree, determination or award has been entered against the Company by a court or governmental authority of that remains outstanding.

8. The Company is not, and will not with the lapse of time or giving of notice or both be, in breach of or in default under any applicable law, rule, ordinance, resolution, order, writ, judgment, injunction, decree, determination, award or regulation of any court or governmental authorities, or any indenture, contract, agreement or other instrument to which the Company is a party, including without limitation, the Declarations, or to which the Company or any of its property or assets are otherwise subject or bound which in any material way, directly or indirectly, affects the validity or enforceability of, or compliance by the Company with, the provisions of the Declarations or the other instruments contemplated hereby and thereby, or which would have any material adverse impact on the ability of the Company to perform its obligations under the Declarations, nor will the consummation on the part of the Company of the transactions contemplated by the Declarations conflict with or constitute a breach of or default under any of the foregoing.

9. The Company is not party to, and has no knowledge of, any agreement or understanding which could have a material adverse effect upon the transactions contemplated by the Declarations.

10. No bankruptcy proceedings, liquidation proceedings, dissolution proceedings, or material claims of securities law violations are pending or threatened against the Company, and no bankruptcy proceedings, liquidation proceedings, or dissolution proceedings have been commenced or are expected to be commenced by the Company.

11. Except as set forth in the Declarations, the Company has not assigned, conveyed, transferred, pledged, hypothecated or otherwise encumbered any right, title or interest it had or has pursuant to the Declarations to the revenues to be generated pursuant to the Declarations to any person or entity.

12. The Company has not amended, terminated or otherwise modified any of the Declarations after each was initially executed by the Company.

[Signature appears on following page.]

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate, as of the date first set forth above.

PRAIRIE CORNER DEVELOPMENT
PARTNERS, LLC, a Colorado limited liability
company

By: 

Name: Mark D. Gannon

Title: Authorized Signatory

[Certificate of PILOT/PIF Declarant]

When Recorded Return To:

Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, 22nd Floor
Denver, Colorado 80202
Attn: Carolynne C. White

**AMENDED AND RESTATED DECLARATION OF COVENANTS IMPOSING AND
IMPLEMENTING
THE PRAIRIE CORNER LODGING PUBLIC IMPROVEMENT FEE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS IMPOSING AND IMPLEMENTING THE PRAIRIE CORNER LODGING PUBLIC IMPROVEMENT FEE, as it may be supplemented or amended from time to time ("**PIF Covenant**") is made as of the 11th day of June, 2021 (the "**Effective Date**"), by **Prairie Corner Development Partners, LLC**, a Colorado limited liability company ("**Declarant**").

RECITALS

A. Except as otherwise expressly provided herein or unless the context requires otherwise, capitalized terms used in this PIF Covenant shall have the meanings set forth in Section 1 of this PIF Covenant, and references to Sections and Exhibits shall refer to Sections and Exhibits of this PIF Covenant unless expressly stated otherwise.

B. Declarant wishes to amend and restate in its entirety that certain Declaration of Covenants Imposing and Implementing the Prairie Corner Lodging Public Improvement Fee dated May 18, 2021 and recorded May 21, 2021 in the real property records of Adams County, Colorado at Reception No. 2021000062494 (the "**Original Covenant**"). Following the Effective Date, the Original Covenant shall be of no further force and effect and this PIF Covenant shall replace the Original Covenant in its entirety. Declarant acknowledges that the legal description attached as **Exhibit A** to this PIF Covenant is different than the legal description attached as Exhibit A to the Original Covenant. The legal description attached hereto as **Exhibit A** shall control.

C. Declarant owns the real property described on **Exhibit A**, attached hereto and incorporated herein (the "**Property**"), which is located in the City.

D. Declarant intends to develop and construct or cause to be constructed a development which may consist of commercial, office, medical, retail, and/or hotel, together with related amenities and uses on the Property which will be benefited by the completion of the Project.

E. The Property lacks infrastructure and improvements to support development of the Property.

F. The Declarant is empowered to construct or cause to have constructed, all or a part of the Project to benefit and serve the Property.

G. In consideration of the benefits to be provided to the Property with respect to construction, installation, operation, and maintenance of the Eligible Improvements, Declarant has agreed to impose a public improvement fee on the Property in accordance with the terms of this PIF Covenant.

H. The District was organized pursuant to Colorado law in order to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, operation and maintenance of Eligible Improvements within or without its boundaries, including, without limitation, water, sanitary sewer, storm drainage, streets, parks and recreation, safety protection, transportation, mosquito control and covenant enforcement services and facilities.

I. The District intends to issue the District Bonds in order to finance, construct, and complete all or a portion of the Eligible Improvements on the Property. The District constitutes the initial PIF Receiving Party hereunder and, as a result, owns all right, title, and interest in the PIF Revenue until such time as the District Bonds are paid in full or defeased, as more particularly provided herein.

J. Subject to and in accordance with the terms of this PIF Covenant, Declarant desires to impose the obligation to collect and pay, and to provide for the implementation of the collection and payment of, a Lodging PIF on certain Lodging Sales that occur from or within the Property.

DECLARATION

NOW, THEREFORE, in consideration of the facts set forth in the Recitals, incorporated herein and made a part hereof by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Declarant, Declarant hereby agrees and declares that this PIF Covenant shall run with the land and be binding upon, and effective against all successors in interest, assigns and transferees of any portion of the Property as follows:

1. **Defined Terms.** Except as otherwise expressly provided herein or unless the context requires otherwise, the singular of any term includes the plural of such term. The following terms, when used in this PIF Covenant, shall have the following meanings:

(a) “**Auditor**” has the meaning set forth in Section 7 below.

(b) “**City**” means the City of Brighton, Colorado, a home rule municipal corporation.

(c) “**Code**” means the Municipal Code of the City of Brighton, as the same may be amended or supplemented.

(d) “**Commencement Date**” means the date on which this PIF Covenant is recorded in the real property records of the County.

(e) “**County**” means the County of Adams, State of Colorado.

(f) “**Declarant**” shall mean the Declarant named in this PIF Covenant for so long as such named party holds title to any portion of the Property or a Person who is designated as Declarant in an instrument recorded in the real property records of the County, and executed by the immediately preceding Declarant, who holds title to any portion of the Property. If the Declarant named in this PIF Covenant, or the then-current Declarant no longer holds title to any portion of the Property and does not record an instrument designating a new Person as Declarant, the Person holding title to the largest parcel within the Property shall become the Declarant, not including any parcel that is assessed as residential property.

(g) “**Default Rate**” means eighteen percent (18%) per annum, but if such rate exceeds the maximum interest rate permitted by State law, such rate shall be reduced to the highest rate allowed by State law under the circumstances.

(h) “**District**” means the Prairie Corner Metropolitan District which has been formed pursuant to Sections 32-1-101, et seq., C.R.S., and its successors and assigns.

(i) “**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness, which may be in the form of a note, loan, or other financial obligation, issued or incurred by the District to finance or refinance the Eligible Costs, including any bonds, notes, loans, or other financial obligations issued by or on behalf the District to refund District Bonds to which PIF Revenue is pledged.

(j) “**District Bond Documents**” means, collectively, the District Bond Indenture, resolution, loan agreement and any other documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(k) “**District Bond Indenture**” means any indenture, resolution, loan agreement, capital pledge agreement or similar documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(l) “**District Bond Trustee**” means the trustee and/or lender in connection with the issuance of any District Bonds.

(m) “**Eligible Costs**” shall mean any expenditure the District is authorized to make pursuant to the Special District Act, except as specially limited in the Service Plan.

(n) “**Eligible Improvements**” means a part of all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in the Service Plan.

(o) “**Leasing Activities**” means the rental or lease of residential units, for a period of time equal to or greater than thirty (30) days, such as multifamily condominium, apartment units or single family homes, occurring from or within any portion of the Property, along with

incidental fees to such rental or lease, including, but not limited to, pet fees and parking fees. Notwithstanding the foregoing, in no event shall pet fees, parking fees, insurance fees, utility fees (including, without limitation, cable, internet, telephone, water, electricity and health club fees) and other incidental fees charged at a hotel, inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel, guest house, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment constitute Leasing Activities.

(p) “**Lodging PIF**” means the public improvement fee imposed on the Property in the amount of 1.00% of Lodging Sales, which will be collected in accordance with the terms of this PIF Covenant and the PIF Collection Agreement, and will be accounted for and spent in accordance with the terms of this PIF Covenant, the District Bond Documents while any District Bonds are outstanding thereunder and for any legal purpose if no District Bonds are outstanding.

(q) “**Lodging Sales**” means any exchange of goods or services for money or other media of exchange initiated, consummated, conducted, or transacted within the Property that is subject to Lodging Tax.

(r) “**Lodging Tax**” means the municipal accommodations tax of the City on the furnishing of rooms or accommodations by any person, partnership, association, corporation, estate, representative capacity or any other combination of individuals by whatever name known to a person who for consideration uses, possesses, or has the right to use or possess any room in a hotel, inn, bed and breakfast residence, apartment hotel, lodging house, motor hotel, guest house, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment, for a period of less than thirty (30) days under any concession, permit, right of access, license to use, or other agreement, or otherwise, at such rate and on such terms and conditions as prescribed in the Code, but in no event to include Leasing Activities.

(s) “**Occupancy Agreement**” means any deed, lease, sublease, license, concession or other occupancy agreement between an Owner or an Occupant and a Retailer under which the Retailer is given the right to possess or occupy any portion of the Owned/Leased Property owned or occupied by the Owner or the Occupant.

(t) “**Occupant**” means any Owner or other Person who has the legal right, pursuant to any agreement of any type or nature, to possess or occupy any portion of the Property, including, without limitation, any space within or without any building constructed on any Property; provided, however, that a mortgagee, a trustee or a beneficiary of a deed of trust, or any other Person who has such a right of possession primarily for the purpose of securing a debt or other obligation owed to such Person will not constitute an “Occupant,” unless and until such Person becomes a mortgagee in possession or otherwise possesses or occupies a portion of the Property pursuant to such right by an intentional or voluntary act of its own, whereupon the subject mortgagee, trustee, beneficiary, or other Person will be an “Occupant” hereunder.

(u) “**Original Covenant**” has the meaning set forth in Recital B.

(v) “**Owned/Leased Property**” means with respect to any Owner, the portion of the Property to which such Owner owns fee title and with respect to any Occupant, the portion of the

Property which such Occupant has the right to possess or occupy pursuant to an Occupancy Agreement.

(w) “**Owner(s)**” means an individual or entity that owns a fee interest in any portion of the Property, during the period of such ownership.

(x) “**Person(s)**” means an individual, firm, association, unincorporated organization, corporation (for profit or nonprofit), limited liability company, partnership, company, joint stock company, joint venture, trust or government or agency or a political subdivision thereof, any trustee, receiver, assignee or similar representative thereof or any other entity.

(y) “**PIF Collection Agent**” means an entity retained by the Declarant (if no District Bonds are outstanding pursuant to the applicable District Bond Documents) or the PIF Receiving Party for the purpose of collecting, accounting for, and disbursing the PIF Revenue in accordance with this PIF Covenant.

(z) “**PIF Collection Agreement**” means an agreement related to the collection and remittance of the PIF Revenue between the Declarant or the PIF Receiving Party and the PIF Collection Agent.

(aa) “**PIF Receiving Party**” means initially and while any District Bonds are outstanding pursuant to the District Bond Documents, the District, and after the District Bonds are no longer outstanding pursuant to the District Bond Documents, or any entity so designated by the Declarant.

(bb) “**PIF Reports**” has the meaning set forth in Section 5(b).

(cc) “**PIF Revenue**” means the revenue derived from the imposition of the Lodging PIF in accordance with this PIF Covenant, net of the costs of collection.

(dd) “**Project**” means the development of the Property to include a mix of uses generally comprised of commercial, office, medical, retail, and/or hotel, together with related amenities and uses.

(ee) “**Property**” means the real property more particularly described on Exhibit A, attached hereto and incorporated herein.

(ff) “**Purchaser**” or “**Purchasers**” means the purchaser or recipient of goods or services or both from a Retailer in a Lodging Sale.

(gg) “**Records**” means those items that must be made available by a Retailer in connection with a sales tax audit pursuant to Section 3-28-90 of the Code.

(hh) “**Retailer**” means any Person, including the Declarant and any Owner or Occupant, who:

(i) has the legal right, pursuant to a deed, lease, sublease, license, concession, easement or other Occupancy Agreement of any type or nature, to possess or occupy

all or any portion of the Property, including, without limitation, any space within any building constructed on all or any portion of the Property; provided that a mortgagee, a trustee under or beneficiary of a deed of trust, or any other Person who has such right of possession primarily for the purpose of securing a debt or other obligation owed to such Person, will not constitute a "Retailer" unless and until such Person becomes an Owner or a mortgagee in possession or otherwise possesses or occupies all or any portion of the Property pursuant to such right by an intentional or voluntary act of its own, whereupon the subject mortgagee, trustee, beneficiary or other Person will be a "Retailer" hereunder; and

(ii) is a seller or provider of goods or services who engages in any Lodging Sales initiated, consummated, conducted, transacted or otherwise occurring from or within the Property.

(ii) "**Service Plan**" means that certain Service Plan for Prairie Corner Metropolitan District approved by the City Council of the City on September 1, 2020, as amended from time to time.

(jj) "**Special District Act**" means Section 32-1-101, *et seq.*, of the Colorado Revised Statutes, as amended from time to time.

(kk) "**State**" means the state of Colorado.

2. **Assessment of Lodging PIF.** Declarant, for itself, its successors and assigns, hereby declares that the Property is hereby made subject to this PIF Covenant, and each part of such Property shall, from and after the date of recording of this PIF Covenant, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions and other provisions set forth in this PIF Covenant, all of which shall run with the title to such Property and be binding upon all parties having any right, title or interest in said Property or any part thereof and upon their successors and assigns. From and after the Commencement Date:

(a) Every Retailer shall collect from every Purchaser in each Lodging Sale by such Retailer, in its capacity as a Retailer, and remit to the PIF Collection Agent, the Lodging PIF due with respect to such transaction in accordance with this PIF Covenant. To the extent this PIF Covenant does not address any procedural matters relating to the collection of the Lodging PIF by Retailers and such matters are not established by the PIF Collection Agent in accordance with Section 4, the provisions of the Code relating to the collection of Lodging Tax shall apply.

(b) Every Owner or Occupant who leases or subleases any portion of its Owned/Leased Property to a Retailer, or who permits a Retailer to occupy any portion of its Owned/Leased Property by license, concession, or otherwise, will expressly require, pursuant to the Occupancy Agreement, which shall contain enforceable provisions requiring the collection of the Lodging PIF and subjecting the Occupant to this PIF Covenant, by virtue of which such Retailer is given the right to possess or occupy such portion of Property, that such Retailer collect the Lodging PIF due with respect to each such transaction from each Purchaser in each

Lodging Sale by such Retailer and remit the Lodging PIF to the PIF Collection Agent in accordance with the terms of this PIF Covenant.

(c) If the initial PIF Collection Agent no longer acts as the PIF Collection Agent, the Declarant (if no District Bonds are outstanding pursuant to the applicable District Bond Documents) or the PIF Receiving Party shall appoint a new PIF Collection Agent, in which case, the appointing party shall provide, or cause to be provided, to each Retailer written notice containing the name and address of the new PIF Collection Agent. Each Retailer shall be entitled to rely upon such written notice of the designation of the new PIF Collection Agent.

(d) The Declarant and PIF Receiving Party agree to cause all PIF Revenue to be remitted to the District Bond Trustee through the PIF Collection Agent and as required by the District Bond Documents, or, when the District Bonds have been paid in full or defeased, to the District through the PIF Collection Agent.

(e) Notwithstanding anything to the contrary in this PIF Covenant, upon the payment in full or defeasance of all outstanding District Bonds pursuant to the applicable provisions of the District Bond Documents, Declarant, at its election, may discontinue or continue the Lodging PIF, increase or decrease the rate of the Lodging PIF.

3. **Imposition of Lodging PIF.** Each Retailer shall collect and remit to the PIF Collection Agent the Lodging PIF for all Lodging Sales that occur within the Property from and after the Commencement Date. Each Retailer shall have the right to make or apply adjustments, exemptions, credits and rebates to the Lodging PIF to the same extent adjustments, exemptions, credits and rebates may be made to the Lodging Tax payable under the Code. If an adjustment results in a refund of such Lodging PIF, such Retailer shall process the refund or credit for such adjusted Lodging PIF in a manner substantially similar to the process used and required by the City for an adjustment of the Lodging Tax. Such Retailer may claim any credit or refund in the next monthly reporting period by use of the standard reporting and remittance forms. Each Occupant who is a Retailer shall provide the Declarant, the District, the PIF Collection Agent and the PIF Receiving Party with its name and address prior to conducting any Lodging Sales on the Property, and each Occupant will promptly provide the Declarant, the District, the PIF Collection Agent and the PIF Receiving Party with the name and address of each Retailer upon entering into any Occupancy Agreement by which a Retailer is granted the right to possess or occupy a portion of the Property to conduct Lodging Sales.

4. **Lodging PIF Sales Information.** The PIF Collection Agent shall establish and circulate to all Retailers and Owner(s) uniform written information relating to the calculation, payment and reporting of the Lodging PIF, including (i) uniform guidelines specifying the scope of the definition of Lodging Sales for purposes of calculating the Lodging PIF due hereunder, and (ii) any collection and reporting procedures which procedures shall take effect no earlier than thirty (30) days after written notice has been provided to all Retailers and Owner(s). Each Retailer will be entitled to rely on the information provided by the PIF Collection Agent for purposes of compliance with this PIF Covenant. Additionally, the PIF Collection Agent shall provide at least thirty (30) days' prior written notice to Retailers if the amount of the Lodging PIF changes, for any reason whatsoever. The PIF Collection Agent shall also promptly notify all Retailers of any procedures that the Retailers must follow with respect to informing Purchasers of the Lodging

PIF, as such procedures are established in order to comply with the District Bond Documents, applicable laws or reasonable business practices.

5. **Calculation, Payment and Reporting of Lodging PIF.**

(a) Whether or not collected from Purchasers (provided that the foregoing shall not be construed to permit any Retailer to fail to implement, assess and collect the Lodging PIF as provided in this PIF Covenant), each Retailer shall, on a monthly basis, pay to the PIF Collection Agent all of the Lodging PIF imposed hereunder attributable to the immediately preceding month from or within any portion of the Owned/Leased Property occupied by such Retailer during such period. All of the Lodging PIF shall be due and payable without notice on the date required for payment of the Lodging Tax under the Code. Each Retailer shall pay all of the Lodging PIF directly to the PIF Collection Agent.

(b) Each Retailer that is required to collect the Lodging PIF shall report all Lodging Sales and remit the Lodging PIF thereon to the PIF Collection Agent on a monthly basis at the same time that the Retailer reports and remits the Lodging Tax to the City, employing reporting forms (collectively, the "**PIF Reports**") and following procedures provided by the PIF Collection Agent that are intended to be substantially similar to those used and required by the City for the remittance of the Lodging Tax.

(c) The Lodging PIF shall be calculated and imposed on each Lodging Sales transaction and added to the sales price of such Lodging Sales prior to the calculation and assessment of any City, County or State sales tax, including the Lodging Tax, and before any sales taxes of any other taxing entity required to be imposed by law. The Lodging Tax and all other sales taxes of the City, County, the State, and other taxing entities shall, to the extent that such sales taxes apply to the Lodging Sales transaction, be calculated and assessed on the sum of the Lodging Sales price plus the amount of the Lodging PIF.

(d) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant permits to possess or occupy any portion of its Owned/Leased Property to acknowledge, prior to conducting any business on any Owned/Leased Property, that the Lodging PIF is not a tax in any form and that the authority of the PIF Collection Agent to receive the Lodging PIF is derived through this PIF Covenant and the PIF Collection Agreement.

(e) The PIF Collection Agent shall promptly notify in writing each Retailer of the name and address of the PIF Collection Agent and provide appropriate directions for payment and reporting of the Lodging PIF. For purposes of compliance with this Section 5(e), each Retailer will be entitled to rely upon such written notice of the designation of the PIF Collection Agent.

(f) No provision of this PIF Covenant shall be construed, implied or applied to alter, modify, limit, or affect the Lodging Tax or any other sales taxes that may be imposed by the City, the County or the State or any other applicable taxing authority.

6. **Additional Reporting Requirements.**

(a) Each Retailer that is required to collect the Lodging PIF shall, with respect to that portion of the Owned/Leased Property occupied by such Retailer, deliver to the PIF Collection Agent, along with the PIF Reports, true and complete copies of all written reports, returns, statements, records and declarations, including any supplements or amendments thereto made or provided to the City, the County or the State by such Retailer in connection with all sales taxes for such Retailer's location within the Owned/Leased Property for the corresponding sales tax period (collectively, the "**Sales Tax Reports**"), at the same time that such Sales Tax Reports are delivered to the City, the County or the State.

(b) If any subsequent adjustments, additions or modifications are made by a Retailer to any sales taxes reported in such Sales Tax Reports, such Retailer shall provide the PIF Collection Agent with true and complete copies of all revised PIF Reports and Sales Tax Reports and any other information issued or filed by such Retailer in regard thereto. If any such adjustments include the amount of the Lodging PIF which a Retailer is required to remit or pay or results in a refund of such Lodging PIF, such Retailer shall process and pay such adjusted Lodging PIF in a manner substantially similar to the process used and required by the City for an adjustment with respect to the Lodging Tax. Such Retailer shall claim any credit or refund or shall pay such additional Lodging PIF in the next monthly reporting period by use of the standard reporting and remittance forms.

(c) All PIF Reports and Sales Tax Reports made or provided by a Retailer shall be maintained by such Retailer for at least three (3) years from the date of submission thereof to the PIF Collection Agent, the City, the County and/or the State and, upon written request, will be made available to the PIF Collection Agent for inspection and audit.

(d) All Sales Tax Reports received by the PIF Collection Agent shall remain confidential and shall be used by the PIF Collection Agent and its employees, agents and consultants only for purposes of collecting the Lodging PIF, enforcing the obligations of any Retailer hereunder, and monitoring compliance with the provisions of this PIF Covenant, unless otherwise required to be made public by law or to be made available to others pursuant to this PIF Covenant.

(e) Any Person not otherwise entitled pursuant to this PIF Covenant to receive Sales Tax Reports shall sign, prior to receiving such Sales Tax Reports, a confidentiality agreement, which confidentiality agreement shall prohibit without exception the disclosure of the information contained in or of the type normally contained in Sales Tax Reports to any Person not otherwise entitled pursuant to this PIF Covenant to receive such Sales Tax Reports or the information contained therein. The PIF Receiving Party shall be responsible for having such confidentiality agreement(s) executed by the appropriate Person receiving such Sales Tax Reports, but the PIF Receiving Party may delegate such responsibility to the PIF Collection Agent, in its sole discretion.

(f) Notwithstanding anything to the contrary in this PIF Covenant, but subject to the provisions of Section 7(b), the PIF Collection Agent may aggregate data it receives in the Sales Tax Reports and include such aggregated data in reports that are delivered to the PIF Receiving

Party, Declarant, District and District Bond Trustee (which may disseminate such reports to owners and potential owners of the District Bonds), provided the aggregated data is anonymized such that it is not associated with any individual Retailer in the reports.

7. **Audits and Release of Information by PIF Collection Agent.**

(a) By acquiring a possessory interest in and to any portion of the Owned/Leased Property that is subject to the terms and conditions of this PIF Covenant, each Retailer hereby specifically authorizes the PIF Collection Agent, District Bond Trustee, the Declarant and the District, and any accountant or financial consultant designated by the foregoing (collectively and, in such capacity, the "**Auditor**"), to audit its Records with respect to that portion of the Owned/Leased Property occupied by such Retailer to determine compliance with the Lodging PIF collection and remittance obligations of such Retailer under this PIF Covenant; provided, however, that no Auditor may be engaged on a contingency-based compensation system. Each Retailer agrees to release to the Auditor any PIF Reports, Sales Tax Reports and other documents delivered to the City or the PIF Collection Agent by the Retailer that are related to such Retailer's Lodging Sales within the Owned/Leased Property.

(b) All information released to or gathered by the Auditor in connection with the audit shall be the "**Confidential Information**." Any Auditor shall be entitled to share Confidential Information with any other Person entitled to conduct an audit pursuant to this Section 7. All Confidential Information shall be deemed proprietary to each respective Retailer, shall be kept strictly confidential, and shall not be disclosed or otherwise published by the Auditor or any Person to whom the Auditor releases Confidential Information, except (i) as set forth herein or (ii) for such disclosures or publications as may be required by law or required or permitted by this PIF Covenant. Each Retailer shall be protected by, and may rely on, the confidentiality provisions set forth in this PIF Covenant.

(c) Upon request by the Auditor, all of Retailer's Records shall be made available for inspection by the Auditor and: (i) the Auditor's rights in connection with such an audit shall be the same as the rights of the City in connection with a sales tax audit pursuant to Section 3-28-90 of the Code; and (ii) the obligations of a Retailer in connection therewith shall be the same as they are in connection with a sales tax audit pursuant to Section 3-28-90 of the Code.

(d) A prospective purchaser or seller of a possessory interest in and to any portion of the Owned /Leased Property that is subject to the terms and conditions of this PIF Covenant may submit to the PIF Collection Agent a written request for an estoppel letter indicating that a Retailer occupying such Owned/Leased Property at the time of the request is current in payment of the Lodging PIF. The PIF Collection Agent shall deliver the estoppel letter within 30 days of receipt of such a written request, provided that prior to the delivery of the estoppel letter the PIF Collection Agent shall have the right, but not the obligation, to conduct an audit of the subject Retailer's Records pursuant to this Section 7 at the cost of the party submitting the written request.

(e) Any Person not otherwise entitled pursuant to this PIF Covenant to receive Confidential Information shall sign, prior to receiving such Confidential Information, a confidentiality agreement, which confidentiality agreement shall prohibit without exception the

disclosure of the information contained in, collected to be contained in, or of the type normally contained in Confidential Information to any Person not otherwise entitled pursuant to this PIF Covenant to receive such Confidential Information or the information contained therein. The PIF Receiving Party shall be responsible for having such confidentiality agreement(s) executed by the appropriate Person receiving such Confidential Information, but the PIF Receiving Party may designate such responsibility to the PIF Collection Agent or the Auditor, in its sole discretion.

8. **Compliance and Enforcement.**

(a) Each Retailer shall comply with all reasonable policies and requirements of the PIF Collection Agent regarding the collection and remittance of the Lodging PIF and notification to Purchasers of the imposition and collection of the Lodging PIF as such policies and requirements are communicated by the PIF Collection Agent to each Retailer in writing from time to time. The failure or refusal of any Retailer to impose, collect or remit the Lodging PIF or to comply with the requirements concerning notification to Purchasers as required in this PIF Covenant, will constitute a default by such Retailer under the terms of this PIF Covenant. The PIF Collection Agent, the PIF Receiving Party, the District, District Bond Trustee, any designated successors of the foregoing and any other Person expressly designated in writing by the PIF Receiving Party are expressly made third party beneficiaries of each Owners', Occupants' and Retailers' obligations under this PIF Covenant, including without limitation the assessment, imposition, collection and remittance of the Lodging PIF.

(b) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant authorizes to possess or occupy any portion of its Owned/Leased Property to acknowledge, prior to conducting any business at any Owned/Leased Property, that the PIF Collection Agent, the PIF Receiving Party, the District, the District Bond Trustee and the Declarant will have a direct cause of action and full right and authority to enforce each Retailer's obligations under this PIF Covenant, and that no default under any provision of the Occupancy Agreement pursuant to which a Retailer occupies any portion of such Owned/Leased Property will entitle any Occupant or Retailer to any offset, deduction or other defense to payment of all of the Lodging PIF due hereunder.

(c) All of the Lodging PIF that is not paid when due hereunder will bear interest at the Default Rate and will be subject to a late fee imposed in the discretion of the PIF Collection Agent from time to time in an amount not to exceed the greater of One Hundred Dollars and 00/100 (\$100.00) or ten percent (10%) of the amount due. Any Retailer who fails to make timely remittance of any Lodging PIF shall pay, or reimburse the PIF Collection Agent, the District, or the District Bond Trustee, for all costs of enforcement and collection thereof, including reasonable attorney's fees.

(d) Notwithstanding anything to the contrary contained in this PIF Covenant, the Declarant, the PIF Receiving Party, the District Bond Trustee, the PIF Collection Agent, the

District, and any Person designated by any of the foregoing parties (collectively, an “**Enforcing Party**”) shall have the right to enforce all provisions of this PIF Covenant against any Retailer that fails to comply with any term or condition of this PIF Covenant. An Enforcing Party shall also be paid, awarded, and recover from any defaulting Retailer all reasonable costs and expenses incurred by such Enforcing Party in successfully enforcing the obligations of such Retailer under this PIF Covenant in any legal proceeding brought or defended by such Enforcing Party.

9. **Use of PIF Revenue.** The PIF Revenue generated pursuant to this PIF Covenant shall be collected by the PIF Collection Agent and disbursed to the District Bond Trustee, for as long as any District Bonds are outstanding pursuant to the applicable District Bond Documents. Upon the payment or defeasance in full of all outstanding District Bonds, the PIF Revenue shall be disbursed at the direction of the Declarant, which may use the PIF Revenue for any legal purpose.

10. **No Dominion or Control by Declarant.**

(a) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant shall be deemed to have acknowledged, and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant authorizes to possess or occupy any portion of its Owned/Leased Property to acknowledge, that the District will be relying upon this PIF Covenant in taking certain actions with respect to the Lodging PIF, the District Bonds, the construction, installation, operation and maintenance of the Eligible Improvements and the incurrence of Eligible Costs. Accordingly, Declarant hereby agrees, and all other Owners, Occupants and Retailers shall be deemed to have agreed, that no amendment or modification will be made to this PIF Covenant, nor any waiver made or accepted by Declarant or any Owner with respect to this PIF Covenant, if: (i) District Bonds are outstanding, unless such waiver, amendment or modification has been approved in writing by the District and the District Bond Trustee in accordance with the District Bond Documents, or (ii) the District continues to receive PIF Revenue for operation and maintenance of the Eligible Improvements, unless such waiver, amendment or modification has been approved in writing by the District. Any purported amendment, modification or waiver made without the prior written consent of the District (for so long as the District Bonds are outstanding), the District and, if required by the District Bond Documents, the District Bond Trustee, to the extent required pursuant to this Section 10(a) shall be void and of no force and effect.

(b) The PIF Receiving Party, during such time as the District Bonds are outstanding, and the District when the District Bonds have been paid in full, shall have all right, title, and interest in, and shall be deemed to possess all dominion and control over and ownership interests in, the Lodging PIF and PIF Revenue, provided that the use of such PIF Revenue is subject to the limitations of Section 9 hereof. Until such time as the District Bonds are paid in full or defeased, in accordance with the applicable District Bond Documents, if and to the extent that the Declarant is deemed to have any right, title, or interest in, or be deemed to exercise any dominion or control over, the Lodging PIF or PIF Revenue, which is not intended, all right, title, and interest and dominion or control of Declarant in the Lodging PIF and PIF Revenue and the

obligations of each Owner shall be, and hereby are, irrevocably and unconditionally transferred, sold, assigned, and conveyed by Declarant to the PIF Receiving Party or the District Bond Trustee for payment of District Bonds or otherwise to pay Eligible Costs and completion, operation, and maintenance of the Eligible Improvements.

(c) SUBJECT TO THE EXPRESS TERMS OF THIS SECTION 10, IT IS INTENDED AND HEREBY DECLARED THAT (I) THE LODGING PIF IS A CHARGE IMPOSED ON CERTAIN LODGING SALES ON THE PROPERTY FOR THE PURPOSES STATED HEREIN AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS PIF COVENANT; (II) THE NATURE OF THE LODGING PIF IS THAT OF A FEE IMPOSED BY PRIVATE COVENANT FOR THE BENEFIT OF THE PROPERTY AND THE PIF RECEIVING PARTY AND NOT THROUGH THE EXERCISE OF ANY POWER BY THE CITY OR ANY OTHER PUBLIC TAXING AUTHORITY; (III) PIF REVENUES ARE NOT TAX REVENUES IN ANY FORM; AND (IV) ALL PIF REVENUE RECEIVED BY THE PIF RECEIVING PARTY WILL BE USED TO PAY AND DISCHARGE DISTRICT BONDS OR TO OTHERWISE PAY AND REIMBURSE THE ELIGIBLE COSTS, OR AS MAY OTHERWISE BE PROVIDED IN THIS PIF COVENANT.

11. **Governing Law.** This PIF Covenant will be governed by, and enforced in accordance with, the laws of the State. Venue for any judicial action to interpret or enforce this PIF Covenant shall only be in the Adams County District Court of the Seventeenth Judicial District of Colorado.

12. **Covenants Run with the Land.** The covenants, agreements, promises, and duties as set forth in this PIF Covenant will run with the Property and be enforceable against both the covenantors and the Property, and will constitute equitable servitudes burdening both the respective covenantor and its Property for the benefit of the respective covenantee. Each covenant to do or refrain from doing some act on or with respect to activities on any portion of the Property under this PIF Covenant (a) is a burden upon such portion of the Property and is for the benefit of the remainder of the Property, (b) will be a covenant running with the land with respect to both the burdened and benefited portions of the Property, and (c) will be binding upon each Owner, Occupant and Retailer and each successor and assign to their respective interests in Property and will inure to the benefit of the Declarant and, as set forth herein, to the other parties authorized to enforce this PIF Covenant. If and to the extent that any of the covenants or other provisions of this PIF Covenant would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned will continue and endure only until the expiration of a period of ninety (90) years after the Commencement Date, or if applicable, the maximum period of time allowed pursuant to C.R.S. § 15-11-1102.5.

13. **Severability.** Invalidation of any of the provisions contained in this PIF Covenant, or of the application thereof to any Person by judgment or court order, will in no way affect any of the other provisions of this PIF Covenant or the application thereof to any other Person or circumstance, and the remainder of this PIF Covenant will remain in effect; provided, however, that in the event such invalidation would render the remaining portions of this PIF Covenant ineffective to carry out the intentions of Declarant as expressed or implied by this PIF Covenant,

then the objectionable provision(s) hereof will be construed, and this PIF Covenant will be presumed amended, as if such provision was replaced with an enforceable provision which effectuates, as nearly as possible, the intentions of Declarant.

14. **Amendments.** Subject to Section 10, Declarant shall be entitled to make amendments to the provisions of this PIF Covenant, including adding additional property to this PIF Covenant, without the consent of any Owner, Occupant, Retailer, or other third party and to record any such amendments in the real property records of the County, even if any portion of the Property is not then owned by Declarant; provided, however, in no event may the Declarant amend this PIF Covenant in a manner that results in a reduced PIF Revenue amount or rate of the Lodging PIF until after the date upon which the District Bonds are paid in full or defeased in accordance with the applicable District Bond Documents. Notwithstanding the foregoing, Declarant will not record an amendment against any portion of the Property not owned by Declarant without the consent of the then-current Owner if the amendment would materially and adversely affect any portion of the Property owned by that Owner. Further, Declarant will not record an amendment to this PIF Covenant that would have the effect or result of imposing the Lodging PIF on the rental or lease of residential units, such as multi-family condominium or apartment units, occurring from or within any portion of the Property.

15. **No Operating Covenant.** This PIF Covenant is not intended to, and does not, create or impose any obligation on an Owner, Occupant or Retailer to operate, continuously operate, or cause to be operated a business or any particular business on the Property. If such an obligation exists in any other agreement, this PIF Covenant is not intended to and does not modify, limit, or enlarge such other obligation.

16. **Assignment; Successor Declarant.** Declarant may assign its right, title, and interest in and to this PIF Covenant to any Person having an interest in the Property ("**Assignment**") and such Assignment shall be effective immediately upon recording a document in the real property records for the County evidencing such Assignment.

17. **Recitals.** The Recitals shall be deemed incorporated into the terms and conditions of this PIF Covenant as if fully set forth herein.

18. **CCIOA Exemption.** Declarant does not intend that recording of this PIF Covenant or that imposition of the Lodging PIF or that collection and utilization of the PIF Revenue will create or be construed to create a "common interest community" within the meaning of the Colorado Common Interest Ownership Act codified at C.R.S. §§ 3833.1101, *et seq.*, as amended.

[Signatures on Following Page]

IN WITNESS WHEREOF, Declarant has executed this PIF Covenant as of the date first set forth above.

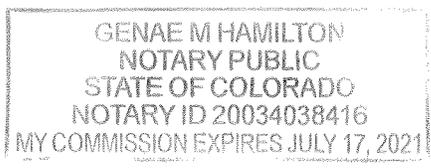
PRAIRIE CORNER DEVELOPMENT PARTNERS, LLC,
a Colorado limited liability company

By: [Signature]
Name: Mark D. Connor
Title: Authorized Signatory

STATE OF Colorado) ss.
COUNTY OF Arapahoe

The foregoing instrument was acknowledged before me this 11th day of June, 2021, by Mark D. Connor as Authorized Signatory of Prairie Corner Development Partners, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.



[Signature]
Notary Public for the State of Colorado
My Commission Expires: 7/17/2021

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF LAND BEING LOCATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 22;
THENCE SOUTH $87^{\circ}58'31''$ EAST, A DISTANCE OF 571.08 FEET;
THENCE NORTH $89^{\circ}00'49''$ EAST ALONG A LINE 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 22, A DISTANCE OF 165.50 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH $89^{\circ}00'49''$ EAST, A DISTANCE OF 257.52 FEET;

THENCE DEPARTING SAID PARALLEL LINE, NORTH $06^{\circ}20'11''$ WEST, A DISTANCE OF 30.13 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 22;

THENCE ALONG SAID NORTHERLY LINE, NORTH $89^{\circ}00'49''$ EAST, A DISTANCE OF 303.04 FEET;

THENCE DEPARTING SAID LINE, SOUTH $38^{\circ}24'34''$ WEST, A DISTANCE OF 1241.20 FEET;

THENCE NORTH $20^{\circ}38'54''$ WEST, A DISTANCE OF 163.63 FEET;

THENCE NORTH $20^{\circ}38'54''$ WEST, A DISTANCE OF 47.48 FEET;

THENCE NORTH $51^{\circ}28'11''$ WEST, A DISTANCE OF 256.02 FEET;

THENCE NORTH $09^{\circ}53'43''$ WEST, A DISTANCE OF 107.87 FEET;

THENCE NORTH $36^{\circ}12'27''$ EAST, A DISTANCE OF 413.08 FEET;

THENCE NORTH $62^{\circ}36'38''$ EAST, A DISTANCE OF 296.47 FEET TO THE AFOREMENTIONED PARALLEL LINE AND TO THE POINT OF BEGINNING;

CONTAINING 467,400 SQUARE FEET OR 10.730 ACRE OF LAND.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS BASED ON A PORTION OF THE NORTH LINE OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, AS MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 22 BY A FOUND 3.25" ALUMINUM CAP STAMPED "COLO DEPT OF TRANSPORTATION PLS NO 10734" AND AT A POINT ALONG SAID LINE WHENCE THE SAID NORTHWEST CORNER BEARS SOUTH $89^{\circ}00'49''$ WEST FOR A DISTANCE OF 1113.45 FEET AS MONUMENTED BY A REBAR AND 1.5" ALUMINUM CAP STAMPED "PLS 12405". SAID LINE IS ASSUMED TO BEAR NORTH $89^{\circ}00'49''$ EAST.

When Recorded Return To:
Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, 22nd Floor
Denver, Colorado 80202
Attn: Carolynne C. White

AMENDED AND RESTATED DECLARATION OF PAYMENT IN LIEU OF TAXES

THIS AMENDED AND RESTATED DECLARATION OF PAYMENT IN LIEU OF TAXES (this "**Declaration**") is made as of June 11, 2021, by **PRAIRIE CORNER DEVELOPMENT PARTNERS, LLC**, a Colorado limited liability company ("**Declarant**"), for the benefit of **PRAIRIE CORNER METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §§32-1-101, et seq., and its successors and assigns.

RECITALS

A. Except as otherwise expressly provided herein or unless the context requires otherwise, capitalized terms used in this Declaration shall have the meanings set forth in Section 1 of this Declaration, and references to Sections and Exhibits shall refer to Sections and Exhibits of this Declaration unless expressly stated otherwise.

B. Declarant wishes to amend and restate in its entirety that certain Declaration of Payment in Lieu of Taxes dated May 18, 2021 and recorded May 21, 2021 in the real property records of Adams County, Colorado at Reception No. 2021000062495 (the "**Original Declaration**"). Following the Effective Date, the Original Declaration shall be of no further force and effect and this Declaration shall replace the Original Declaration in its entirety. Declarant acknowledges that the legal description attached as Exhibit A to this Declaration is different than the legal description attached as Exhibit A to the Original Declaration. The legal description attached hereto as Exhibit A shall control.

C. Declarant owns the real property described in Exhibit A, attached hereto and incorporated herein (the "**Property**"), which is located in the City.

D. Declarant intends to develop and construct or cause to be constructed a development which may consist of commercial, office, medical, retail, and/or hotel, together with related amenities and uses on the Property which will be benefited by the completion of the Project.

E. The Property lacks infrastructure and improvements to support development of the Property.

F. The District is organized pursuant to Colorado law in order to provide for the financing, construction, and completion of the Eligible Improvements.

G. The completion of the Eligible Improvements and the ongoing Operations and Maintenance for the Eligible Improvements will benefit the Property. The District has the authority, under the laws of the State, its Service Plan, and its electoral authorizations, to impose property taxes to provide revenues (a) to pay debt service on bonds and other indebtedness (including bonds and other obligations for the refinancing of such indebtedness) issued by the District, for the purpose of among other things paying the costs to acquire, finance, refinance, construct, and complete the Eligible Improvements and (b) to pay the District's Operation Expenses.

H. For the purpose of financing (or refinancing) the costs of the acquisition, construction, completion, and provision of the Eligible Improvements, along with the acquisition of real property to be owned by the District, the District will issue one or more series of District Bonds, which are payable, in part, from revenue derived from taxation of the Property.

I. Repayment of the District Bonds and payment of the District's Operation Expenses is therefore dependent, in part, on property tax revenue derived from the Property. A sale or transfer of any Interest in the Property, or any portion thereof, to an entity which is exempt from property taxation (or an entity eligible to apply for such exemption) would result in a reduction of the property tax revenue, including the property taxes which would otherwise be paid to the District, on which the District is relying in order to pay the District Bonds and the District's Operation Expenses benefiting the Property.

J. Subject to and in accordance with the terms of this Declaration, Declarant desires to impose upon the Property the covenants and restrictions set forth below to secure the repayment of the District Bonds and the payment of the District's Operation Expenses and the cost of Eligible Improvements benefiting the Property.

DECLARATION

NOW THEREFORE, for and in consideration of the foregoing, Declarant declares and grants, as follows:

1. Defined Terms. Except as otherwise expressly provided herein or unless the context requires otherwise, the singular of any term includes the plural of such term, and any reference herein to a Section is to a Section of this Declaration. The following terms, when used in this Declaration, shall have the following meanings:

(a) "Act" shall have the meaning set forth in Section 13 below.

(b) "Administration" means the conduct of routine clerical and administrative activities and the maintenance of records required by law for Statutory Compliance.

(c) "Change in Taxable Status" shall have the meaning set forth in Section 3 below.

(d) "City" means the City of Brighton, Colorado, a home rule municipal corporation.

(e) “**District**” means the Prairie Corner Metropolitan District, which was formed pursuant to C.R.S. §§32-1-101, *et seq.*, and its successors and assigns.

(f) “**District Bond Documents**” means, collectively, the District Bond Indenture, resolution, loan agreement and any other documents pursuant to which the District Bonds are issued and secured as to repayment.

(g) “**District Bond Indenture**” means any indenture, resolution, loan agreement capital pledge or similar documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(h) “**District Bond Trustee**” means the trustee and/or lender in connection with the issuance of any District Bonds.

(i) “**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness, which may be in the form of a note, loan, or other financial obligation, issued or incurred by the District to finance or refinance the Eligible Costs, including any bonds, notes, loans, or other financial obligations issued by the District to refund District Bonds.

(j) “**District Debt Service Mill Levy**” means the property tax mill levy to be levied by the District pursuant to the Bond Documents on the taxable property within the District; provided, however, that such rate may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such levy is neither diminished nor enhanced as a result of such changes.

(k) “**District Operations and Maintenance Mill Levy**” means the operations and maintenance tax mill levy to be levied by the District on the taxable property within the District; provided, however, that such rate may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or their method of calculation so that, to the extent possible, the revenue produced by such levy is neither diminished nor enhanced as a result of such changes.

(l) “**District’s Operation Expenses**” means the anticipated reasonable, ordinary, and necessary expenses of Administration, Statutory Compliance, and Operations and Maintenance, as each is defined herein, including but not limited to attorneys’ fees, management costs, accounting costs, and fees of other consultants relating to any and all of the foregoing.

(m) “**Effective Date**” means the date on which this Declaration is recorded with the Office of the Clerk and Recorder of Adams County, State of Colorado.

(n) “**Eligible Costs**” shall mean any costs eligible to be paid by the District from the proceeds of District Bonds or other revenues pursuant to the Special District Act.

(o) “**Eligible Improvements**” means a part of all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in the Service Plan.

(p) “**Interest**” means any and all partial or total legal right to property or for the use of property, including a fee interest, leasehold or other right to use, possess or occupy.

(q) “**Operations and Maintenance**” means the ordinary and necessary maintenance of Eligible Improvements necessary to maintain the Eligible Improvements to all applicable standards and specifications, to the extent specifically budgeted and appropriated for as operations and maintenance expenses in the District’s annual budgetary process.

(r) “**Original Declaration**” has the meaning set forth in Recital B.

(s) “**Owner(s)**” means a Person that has an Interest in any portion of the Property, whether by contract or otherwise, including without limitation Declarant and its successors and assigns, and such Person has the legal obligation to pay property tax on such Interest. If more than one Person owns an Interest in a particular portion of the Property and the legal obligation to pay property tax is allocated among such Persons, for purposes of this Declaration, such Persons shall be jointly and severally liable for the payments required under this Declaration with regard to such Interest.

(t) “**Payment in Lieu**” means an annual amount equal to the revenue that would be derived from the imposition by the District of the District Debt Service Mill Levy and the District Operations and Maintenance Mill Levy on that portion of the taxable real and personal property within the Property where a Tax-Exempt Entity is the Owner thereof were such Owner not a Tax-Exempt Entity, or if a portion of the Property is a Tax-Exempt Property, were the Property not determined by the assessor to be exempt from taxation, computed based on the District Debt Service Mill Levy and the District Operations and Maintenance Mill Levy most recently certified by the District and the most recent final certified assessed value of the subject portion of the taxable real and personal property within the Property.

(u) “**Person(s)**” means an individual, firm, corporation, partnership, company, association, joint stock company, trust, body politic, or any other incorporated or unincorporated organization, or any trustee, receiver, assignee, or other similar representative thereof.

(v) “**PILOT**” shall have the meaning set forth in Section 6 below.

(w) “**Project**” means the development of the Property to include a mix of uses generally comprised of commercial, office, retail, hotel, and a variety of residential uses, together with related amenities and uses.

(x) “**Service Plan**” means that certain Service Plan for Prairie Corner Metropolitan District approved by the City Council of the City on September 1, 2020, as amended from time to time.

(y) “**Special District Act**” means C.R.S. §§32-1-101 *et seq.*

(z) “**State**” means the State of Colorado.

(aa) “**Statutory Compliance**” means those actions required by law to be taken by the District to maintain its corporate existence, including but not limited to the preparation and filing

of annual reports, adoption and filing of the annual budget and certification of an annual mill levy and holding of public meetings in connection therewith, preparation and filing of financial statements (including annual audits or audit exemptions), and preparation of annual funding agreements.

(bb) “**Tax-Exempt Entity or Tax-Exempt Entities**” means any organization or other Person that is legally exempt from paying ad valorem property taxes in the State. Notwithstanding the foregoing or any other provision in this Declaration, the City and the District shall never be Tax-Exempt Entities under this Declaration.

(cc) “**Tax-Exempt Property**” means any property which the county assessor has deemed to be exempt from the payment of ad valorem taxes.

2. **Use Restriction.** Except as hereinafter provided, any Person that is a Tax-Exempt Entity and that acquires an Interest in the Property, or any portion thereof, and any Tax-Exempt Property, effective on the date that such Person becomes the Owner of such Interest, or that such Tax-Exempt Property becomes tax exempt, shall be subject to the payment of PILOTs.

3. **Change in Taxable Status.** Any Owner that, during the period of its ownership, becomes a Tax-Exempt Entity shall, as of the date that it becomes a Tax-Exempt Entity, or Owner who receives a determination that its property is Tax-Exempt Property, be subject to the payment of PILOTs. Further, immediately upon the happening of any event, act, omission or other occurrence (whether voluntary or involuntary) that results in the Property or any portion thereof being exempt from taxation, the Owner of such Tax-Exempt Property shall be subject to the payment of PILOTs. The terms of this Section 3 shall collectively be referred to herein as a “**Change in Taxable Status**”.

4. **Notice.** ANY OWNER TRANSFERRING AN INTEREST IN ANY PORTION OF THE PROPERTY TO A TAX-EXEMPT ENTITY SHALL PROVIDE NOTICE OF SUCH TRANSFER TO THE DISTRICT, IN WRITING, IDENTIFYING THE PORTION OF THE PROPERTY BEING TRANSFERRED. ANY OWNER THAT BECOMES A TAX-EXEMPT ENTITY DURING THE PERIOD OF ITS OWNERSHIP, OR WHO HAS AN INTEREST IN PROPERTY THAT BECOMES EXEMPT FROM TAXATION, SHALL PROVIDE NOTICE TO THE DISTRICT, IN WRITING, OF THE CHANGE IN TAXABLE STATUS. SUCH NOTICES SHALL BE DELIVERED TO THE DISTRICT, AT THE ADDRESS SET FORTH BELOW, NOT LATER THAN THE DATE SUCH TRANSFER OF INTEREST OR CHANGE IN TAXABLE STATUS IS EFFECTIVE.

To the District: Prairie Corner Metropolitan District
270 Saint Paul Street, Suite 300
Denver, Colorado 80206
Attention: Mark Connor

With a copy to: Prairie Corner Metropolitan District
c/o Collins Cockrel & Cole, P.C.
390 Union Boulevard, Suite 400
Denver, Colorado 80228

Attention: Matthew Ruhland

5. Failure to Give Notice. Failure of an Owner to give notice as required by Section 4, shall in no way affect or eliminate the requirement of a Tax-Exempt Entity or an Owner of a Tax-Exempt Property to pay PILOTs pursuant to Section 6.

6. Payment of PILOTs. The payment in lieu of taxes ("PILOTs") shall be equal to the sum of the Payment in Lieu and made by the Tax-Exempt Entity annually at the same time or times as ad valorem property taxes are due. Notwithstanding anything in this Declaration to the contrary, the City and the District shall never be obligated to pay the PILOTs. The PILOTs shall be prorated for any portion of a year during which a Tax-Exempt Entity acquires an Interest in the Property or in which an Owner becomes a Tax-Exempt Entity. The PILOTs shall at all times be paid to the District. PILOTs not paid when due shall accrue interest at the same rate at which unpaid property taxes accrue interest, in accordance with State law. Any Owner required to pay a PILOT hereunder specifically authorizes the pledge of revenues derived from the PILOT to payment of debt service on the District Bonds. Revenue derived from the PILOTs shall be used for any purpose which the District is authorized to use the revenue under State law.

7. Enforcement. A PILOT that is not paid in full when due shall constitute a lien against the Tax-Exempt Property with respect to which such PILOT was due and unpaid. The lien shall attach from the date that a PILOT was not paid when due and may, but need not be, evidenced by the recordation of a statement of lien in connection therewith and shall be enforceable in any judicial or non-judicial proceeding allowed by law, including without limitation, suit in the nature of a suit to foreclose a mortgage, deed of trust or mechanic's lien under the applicable provisions of the laws of the State. The District and the District Bond Trustee, subject to the provisions of the District Bond Documents, shall have the right and authority to enforce this Declaration by proceedings at law or in equity against any Person or Persons violating or attempting to violate the covenants set forth herein. Such right and authority of the District and the District Bond Trustee includes the ability to enforce this Declaration by restraining such violation, compelling compliance or recovering damages. In the event that the District fails to enforce this Declaration against any Person or Persons violating or attempting to violate the covenants set forth herein, the District Bond Trustee shall have the right, but not the obligation to enforce this Declaration in the same manner and with the same rights and authority as if the District was acting directly, subject to the District Bond Documents.

8. Governing Law and Venue. This Declaration will be governed by, and enforced in accordance with, the laws of the State. Venue for legal proceedings shall be proper in the jurisdiction where the Property is located.

9. Termination. This Declaration shall terminate upon the dissolution of the District.

10. Run with the Land: Reasonableness. This Declaration, as recorded, shall run with the land, and shall be binding upon all Owners of the Property and their respective successors and assigns. If and to the extent that any of the restrictions or covenants herein would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned will continue and endure only until the expiration of a period of

ninety (90) years after the Effective Date. The covenants set forth herein are reasonable and necessary to effect the financing, provision, and maintenance of the Eligible Improvements benefitting the Property and the Owners thereof and the payment of the District's Operation Expenses. Declarant, on behalf of itself and its successors and assigns, covenants that it will not contest the effectiveness or enforceability of this Declaration by any legal proceedings in any forum.

11. Assignment. Any and all of the rights, powers, and reservations of the District herein contained may be assigned (in whole or in part) to any Person, and, except for any pledge and collateral assignment to the District Bond Trustee or District lenders, such assignment shall be evidenced by a recorded document executed by both the assignor and the assignee. Upon such assignment, the assignee shall, to the extent of such assignment, have the same rights and powers as are given to the District herein and shall assume the obligations of the District hereunder.

12. Severability. Invalidation of any of the provisions contained in this Declaration, or of the application thereof to any Person by judgment or court order, will in no way affect any of the other provisions of this Declaration or the application thereof to any other Person or circumstance, and the remainder of this Declaration will remain in effect; provided, however, that in the event such invalidation would render the remaining portions of this Declaration ineffective to carry out the intentions of the Declarant as expressed or implied by this Declaration, then the objectionable provision(s) hereof will be construed, and this Declaration will be presumed amended, as if such provision was replaced with an enforceable provision which effectuates, as nearly as possible, the intent of the Declarant, which includes the payment of property tax revenue (or the payment of the PILOTS in lieu thereof), to or at the direction of the District for payment of District Bonds issued to finance or refinance the Eligible Improvements and for payment of the District's Operation Expenses associated with such Eligible Improvements.

13. No Common Interest Community. This Declaration does not create a "common interest community," as defined in §§38-33.3-101, et seq., C.R.S., commonly known as the Colorado Common Interest Ownership Act (the "Act"). Therefore, the Act does not apply to this Declaration or to the Declarant or the District, and the terms of this Declaration shall be read, construed and interpreted accordingly. Accordingly, Declarant is not a "declarant," and this Declaration is not a "declaration," as such terms are used and defined in the Act.

14. No Third Party Beneficiary. It is expressly understood and agreed that enforcement of the terms and conditions of this Declaration, and all rights of action relating to such enforcement, shall be strictly reserved to the District and the District Bond Trustee, and their duly authorized successors and assigns, and nothing contained in this Declaration shall give or allow any claim or right of action by any other Person with respect to this Declaration. However, if any of the rights, powers, and reservations of the District is assigned, pursuant to Section 11 (including pursuant to a collateral assignment), the assignee shall be considered a third party beneficiary with enforcement rights hereunder as if it were an original party hereto.

15. Amendment by Declarant. Declarant may make amendments to the provisions of this Declaration only with the prior written consent of (i) the District and (ii) only in accordance

with the District Bond Documents, but without the consent of any Owner, or other Person, and Declarant may record any such amendments in the real property records of Adams County, Colorado even if Declarant does not own all of the Property at the time of such recording; provided, further, that no amendment shall obligate the City to pay any PILOTS hereunder without the prior written consent of the City, which shall be evidenced by a resolution of the City council. Additionally, subject to the prior written consent of the District, Declarant may take the necessary and appropriate action to cause additional real property to be subject to this Declaration without the prior consent of any other Person.

16. Recitals. The Recitals shall be deemed incorporated into the terms and conditions of this Declaration as if fully set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

The District, its successors, and its assigns, are beneficiaries of the restrictions and covenants set forth in this Declaration and the District hereby acknowledges its enforcement rights provided herein.

Prairie Corner Metropolitan District,
a quasi-municipal corporation and political
subdivision of the state formed pursuant to C.R.S.
§§32-1-101, et seq.

By: 86
Name: SCOTT T. WETZEL
Its: PRESIDENT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14 day of JUNE, 2021, by SCOTT T. WETZEL as PRESIDENT of Prairie Corner Metropolitan District, a quasi-municipal corporation and political subdivision of the state formed pursuant to C.R.S. §§32-1-101, et seq.

Witness my hand and official seal.

My commission expires: 86
MAY 26, 2024

[Signature]
Notary Public

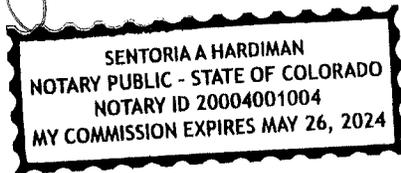


EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF LAND BEING LOCATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 22;
THENCE SOUTH 87°58'31" EAST, A DISTANCE OF 571.08 FEET;
THENCE NORTH 89°00'49" EAST ALONG A LINE 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 22, A DISTANCE OF 165.50 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 89°00'49" EAST, A DISTANCE OF 257.52 FEET;
THENCE DEPARTING SAID PARALLEL LINE, NORTH 06°20'11" WEST, A DISTANCE OF 30.13 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 22;
THENCE ALONG SAID NORTHERLY LINE, NORTH 89°00'49" EAST, A DISTANCE OF 303.04 FEET;
THENCE DEPARTING SAID LINE, SOUTH 38°24'34" WEST, A DISTANCE OF 1241.20 FEET;
THENCE NORTH 20°38'54" WEST, A DISTANCE OF 163.63 FEET;
THENCE NORTH 20°38'54" WEST, A DISTANCE OF 47.48 FEET;
THENCE NORTH 51°28'11" WEST, A DISTANCE OF 256.02 FEET;
THENCE NORTH 09°53'43" WEST, A DISTANCE OF 107.87 FEET;
THENCE NORTH 36°12'27" EAST, A DISTANCE OF 413.08 FEET;
THENCE NORTH 62°36'38" EAST, A DISTANCE OF 296.47 FEET TO THE AFOREMENTIONED PARALLEL LINE AND TO THE POINT OF BEGINNING;

CONTAINING 467,400 SQUARE FEET OR 10.730 ACRE OF LAND.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS BASED ON A PORTION OF THE NORTH LINE OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, AS MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 22 BY A FOUND 3.25" ALUMINUM CAP STAMPED "COLO DEPT OF TRANSPORTATION PLS NO 10734" AND AT A POINT ALONG SAID LINE WHENCE THE SAID NORTHWEST CORNER BEARS SOUTH 89°00'49" WEST FOR A DISTANCE OF 1113.45 FEET AS MONUMENTED BY A REBAR AND 1.5" ALUMINUM CAP STAMPED "PLS 12405". SAID LINE IS ASSUMED TO BEAR NORTH 89°00'49" EAST.

When Recorded Return To:

Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, 22nd Floor
Denver, Colorado 80202
Attn: Carolynne C. White

**AMENDED AND RESTATED DECLARATION OF COVENANTS IMPOSING AND
IMPLEMENTING
THE PRAIRIE CORNER ADD-ON PUBLIC IMPROVEMENT FEE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS IMPOSING AND IMPLEMENTING THE PRAIRIE CORNER ADD-ON PUBLIC IMPROVEMENT FEE, as it may be supplemented or amended from time to time ("**PIF Covenant**") is made as of the 17th day of June, 2021 (the "**Effective Date**"), by **Prairie Corner Development Partners, LLC**, a Colorado limited liability company ("**Declarant**").

RECITALS

A. Except as otherwise expressly provided herein or unless the context requires otherwise, capitalized terms used in this PIF Covenant shall have the meanings set forth in Section 1 of this PIF Covenant, and references to Sections and Exhibits shall refer to Sections and Exhibits of this PIF Covenant unless expressly stated otherwise.

B. Declarant wishes to amend and restate in its entirety that certain Declaration of Covenants Imposing and Implementing the Prairie Corner Add-On Public Improvement Fee dated May 18, 2021 and recorded May 21, 2021 in the real property records of Adams County, Colorado at Reception No. 2021000062493 (the "**Original Covenant**"). Following the Effective Date, the Original Covenant shall be of no further force and effect and this PIF Covenant shall replace the Original Covenant in its entirety. Declarant acknowledges that the legal description attached as **Exhibit A** to this PIF Covenant is different than the legal description attached as Exhibit A to the Original Covenant. The legal description attached hereto as **Exhibit A** shall control.

C. Declarant owns the real property described on **Exhibit A**, attached hereto and incorporated herein (the "**Property**"), which is located in the City.

D. Declarant intends to develop and construct or cause to be constructed a development which may consist of commercial, office, medical, retail, and/or hotel, together with related amenities and uses on the Property which will be benefited by the completion of the Project.

E. The Property lacks infrastructure and improvements to support development of the Property.

F. The Declarant is empowered to construct or cause to have constructed, all or a part of the Project to benefit and serve the Property.

G. In consideration of the benefits to be provided to the Property with respect to construction, installation, operation, and maintenance of the Eligible Improvements, Declarant has agreed to impose a public improvement fee on the Property in accordance with the terms of this PIF Covenant.

H. The District was organized pursuant to Colorado law in order to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, financing, operation and maintenance of Eligible Improvements within or without its boundaries, including, without limitation, water, sanitary sewer, storm drainage, streets, parks and recreation, safety protection, transportation, mosquito control and covenant enforcement services and facilities.

I. The District intends to issue the District Bonds in order to finance, construct, and complete all or a portion of the Eligible Improvements on the Property. The District constitutes the initial PIF Receiving Party hereunder and, as a result, owns all right, title, and interest in the PIF Revenue until such time as the District Bonds are paid in full or defeased, as more particularly provided herein.

J. Subject to and in accordance with the terms of this PIF Covenant, Declarant desires to impose the obligation to collect and pay, and to provide for the implementation of the collection and payment of, a PIF on certain Taxable Sales that occur from or within the Property.

DECLARATION

NOW, THEREFORE, in consideration of the facts set forth in the Recitals, incorporated herein and made a part hereof by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Declarant, Declarant hereby agrees and declares that this PIF Covenant shall run with the land and be binding upon, and effective against all successors in interest, assigns and transferees of any portion of the Property as follows:

1. **Defined Terms.** Except as otherwise expressly provided herein or unless the context requires otherwise, the singular of any term includes the plural of such term. The following terms, when used in this PIF Covenant, shall have the following meanings:

(a) “**Auditor**” has the meaning set forth in Section 7 below.

(b) “**City**” means the City of Brighton, Colorado, a home rule municipal corporation.

(c) “**Code**” means the Municipal Code of the City of Brighton, as the same may be amended or supplemented.

(d) “**Commencement Date**” means the date on which this PIF Covenant is recorded in the real property records of the County.

(e) “**County**” means the County of Adams, State of Colorado.

(f) “**Declarant**” shall mean the Declarant named in this PIF Covenant for so long as such named party holds title to any portion of the Property or a Person who is designated as Declarant in an instrument recorded in the real property records of the County, and executed by the immediately preceding Declarant, who holds title to any portion of the Property. If the Declarant named in this PIF Covenant, or the then-current Declarant no longer holds title to any portion of the Property and does not record an instrument designating a new Person as Declarant, the Person holding title to the largest parcel within the Property shall become the Declarant, not including any parcel that is assessed as residential property.

(g) “**Default Rate**” means eighteen percent (18%) per annum, but if such rate exceeds the maximum interest rate permitted by State law, such rate shall be reduced to the highest rate allowed by State law under the circumstances.

(h) “**District**” means the Prairie Corner Metropolitan District which has been formed pursuant to Sections 32-1-101, *et seq.*, C.R.S., and its successors and assigns.

(i) “**District Bonds**” means, collectively, one or more series of bonds or other evidences of indebtedness, which may be in the form of a note, loan, or other financial obligation, issued or incurred by the District to finance or refinance the Eligible Costs, including any bonds, notes, loans, or other financial obligations issued by or on behalf the District to refund District Bonds to which PIF Revenue is pledged.

(j) “**District Bond Documents**” means, collectively, the District Bond Indenture, resolution, loan agreement and any other documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(k) “**District Bond Indenture**” means any indenture, resolution, loan agreement, capital pledge agreement or similar documents pursuant to which the District Bonds are issued or incurred and secured as to repayment.

(l) “**District Bond Trustee**” means the trustee and/or lender in connection with the issuance of any District Bonds.

(m) “**Eligible Costs**” shall mean any expenditure the District is authorized to make pursuant to the Special District Act, except as specially limited in the Service Plan.

(n) “**Eligible Improvements**” means a part of all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in the Service Plan.

(o) “**Leasing Activities**” means the rental or lease of residential units, for a period of time equal to or greater than thirty (30) days, such as multifamily condominium, apartment units or single family homes, occurring from or within any portion of the Property, along with incidental fees to such rental or lease, including, but not limited to, pet fees and parking fees. Notwithstanding the foregoing, in no event shall pet fees, parking fees, insurance fees, utility fees (including, without limitation, cable, internet, telephone, water, electricity and health club fees) and other incidental fees charged at a hotel, inn, bed and breakfast residence, apartment

hotel, lodging house, motor hotel, guest house, guest ranch, trailer coach, mobile home, auto camp, or trailer court and park, or similar establishment constitute Leasing Activities.

(p) “**Occupancy Agreement**” means any deed, lease, sublease, license, concession or other occupancy agreement between an Owner or an Occupant and a Retailer under which the Retailer is given the right to possess or occupy any portion of the Owned/Leased Property owned or occupied by the Owner or the Occupant.

(q) “**Occupant**” means any Owner or other Person who has the legal right, pursuant to any agreement of any type or nature, to possess or occupy any portion of the Property, including, without limitation, any space within or without any building constructed on any Property; provided, however, that a mortgagee, a trustee or a beneficiary of a deed of trust, or any other Person who has such a right of possession primarily for the purpose of securing a debt or other obligation owed to such Person will not constitute an “Occupant,” unless and until such Person becomes a mortgagee in possession or otherwise possesses or occupies a portion of the Property pursuant to such right by an intentional or voluntary act of its own, whereupon the subject mortgagee, trustee, beneficiary, or other Person will be an “Occupant” hereunder.

(r) “**Original Covenant**” has the meaning set forth in Recital B.

(s) “**Owned/Leased Property**” means with respect to any Owner, the portion of the Property to which such Owner owns fee title and with respect to any Occupant, the portion of the Property which such Occupant has the right to possess or occupy pursuant to an Occupancy Agreement.

(t) “**Owner(s)**” means an individual or entity that owns a fee interest in any portion of the Property, during the period of such ownership.

(u) “**Person(s)**” means an individual, firm, association, unincorporated organization, corporation (for profit or nonprofit), limited liability company, partnership, company, joint stock company, joint venture, trust or government or agency or a political subdivision thereof, any trustee, receiver, assignee or similar representative thereof or any other entity.

(v) “**PIF**” means the public improvement fee imposed on the Property in the amount of 1.25% on Taxable Sales, which will be (i) collected in accordance with the terms of this PIF Covenant and the PIF Collection Agreement, and (ii) accounted for and spent in accordance with the District Bond Documents while any District Bonds are outstanding thereunder and for any legal purpose if no District Bonds are outstanding.

(w) “**PIF Collection Agent**” means an entity retained by the Declarant (if no District Bonds are outstanding pursuant to the applicable District Bond Documents) or the PIF Receiving Party for the purpose of collecting, accounting for, and disbursing the PIF Revenue in accordance with this PIF Covenant.

(x) “**PIF Collection Agreement**” means an agreement related to the collection and remittance of the PIF Revenue between the Declarant or the PIF Receiving Party and the PIF Collection Agent.

(y) “**PIF Receiving Party**” means initially and while any District Bonds are outstanding pursuant to the District Bond Documents, the District, and after the District Bonds are no longer outstanding pursuant to the District Bond Documents, any entity so designated by the Declarant.

(z) “**PIF Reports**” has the meaning set forth in Section 5(b).

(aa) “**PIF Revenue**” means the revenue derived from the imposition of the PIF in accordance with this PIF Covenant, net of the costs of collection.

(bb) “**Project**” means the development of the Property to include a mix of uses generally comprised of commercial, office, medical, retail, and/or hotel, together with related amenities and uses.

(cc) “**Property**” means the real property more particularly described on Exhibit A, attached hereto and incorporated herein.

(dd) “**Purchaser**” or “**Purchasers**” means the purchaser or recipient of goods or services or both from a Retailer in a Taxable Sale.

(ee) “**Records**” means those items that must be made available by a Retailer in connection with a sales tax audit pursuant to Section 3-28-90 of the Code.

(ff) “**Residential Improvements**” shall have the meaning as set forth in C.R.S. §39-1-102(14.3).

(gg) “**Retailer**” means any Person, including the Declarant and any Owner or Occupant, who:

(i) has the legal right, pursuant to a deed, lease, sublease, license, concession, easement or other Occupancy Agreement of any type or nature, to possess or occupy all or any portion of the Property, including, without limitation, any space within any building constructed on all or any portion of the Property; provided that a mortgagee, a trustee under or beneficiary of a deed of trust, or any other Person who has such right of possession primarily for the purpose of securing a debt or other obligation owed to such Person, will not constitute a “Retailer” unless and until such Person becomes an Owner or a mortgagee in possession or otherwise possesses or occupies all or any portion of the Property pursuant to such right by an intentional or voluntary act of its own, whereupon the subject mortgagee, trustee, beneficiary or other Person will be a “Retailer” hereunder; and

(ii) is a seller or provider of goods or services who engages in any Taxable Sales initiated, consummated, conducted, transacted or otherwise occurring from or within the Property.

(hh) “**Sales Tax**” means the municipal sales tax of the City on sales of goods and services that are subject to municipal sales taxes at such rate and on such terms and conditions as prescribed in the Code.

(ii) “**Sales Tax Reports**” has the meaning set forth in Section 6.

(jj) “**Service Plan**” means that certain Service Plan for Prairie Corner Metropolitan District approved by the City Council of the City on September 1, 2020, as amended from time to time.

(kk) “**Special District Act**” means Section 32-1-101, et seq., of the Colorado Revised Statutes, as amended from time to time.

(ll) “**State**” means the state of Colorado.

(mm) “**Taxable Sales**” means any exchange of goods or services for money or other media of exchange initiated, consummated, conducted, or transacted within the Property that is subject to Sales Tax under Chapter 3, Article 28 of the Code. Notwithstanding the foregoing or anything to the contrary in this PIF Covenant, (i) the only exchange of goods or services which shall be deemed Taxable Sales hereunder shall be those upon which a Sales Tax would be payable pursuant to Chapter 3, Article 28 of the Code, (ii) Taxable Sales shall not include the sale of Residential Improvements or any goods incident to the sale of Residential Improvements or the sale of materials incorporated into newly constructed or to be constructed Residential Improvements, (iii) in no event shall any use tax applicable to materials incorporated into Residential Improvements or into other areas of the Property with Residential Improvements be deemed Sales Tax for the purpose of determining applicability of the PIF, and (iv) Taxable Sales shall not include Leasing Activities.

2. **Assessment of PIF.** Declarant, for itself, its successors and assigns, hereby declares that the Property is hereby made subject to this PIF Covenant, and each part of such Property shall, from and after the date of recording of this PIF Covenant, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, limitations, reservations, exceptions and other provisions set forth in this PIF Covenant, all of which shall run with the title to such Property and be binding upon all parties having any right, title or interest in said Property or any part thereof and upon their successors and assigns. From and after the Commencement Date:

(a) Every Retailer shall collect from every Purchaser in each Taxable Sale by such Retailer, in its capacity as a Retailer, and remit to the PIF Collection Agent, the PIF due with respect to such transaction in accordance with this PIF Covenant. To the extent this PIF Covenant does not address any procedural matters relating to the collection of the PIF by Retailers and such matters are not established by the PIF Collection Agent in accordance with Section 4, the provisions of the Code relating to the collection of Sales Tax shall apply.

(b) Every Owner or Occupant who leases or subleases any portion of its Owned/Leased Property to a Retailer, or who permits a Retailer to occupy any portion of its Owned/Leased Property by license, concession, or otherwise, will expressly require, pursuant to the Occupancy Agreement, which shall contain enforceable provisions requiring the collection of the PIF and subjecting the Occupant to this PIF Covenant, by virtue of which such Retailer is given the right to possess or occupy such portion of Property, that such Retailer collect the PIF due with respect to each such transaction from each Purchaser in each Taxable Sale by such

Retailer and remit the PIF to the PIF Collection Agent in accordance with the terms of this PIF Covenant.

(c) If the initial PIF Collection Agent no longer acts as the PIF Collection Agent, the Declarant (if no District Bonds are outstanding pursuant to the applicable District Bond Documents) or the PIF Receiving Party shall appoint a new PIF Collection Agent, in which case, the appointing party shall provide, or cause to be provided, to each Retailer written notice containing the name and address of the new PIF Collection Agent. Each Retailer shall be entitled to rely upon such written notice of the designation of the new PIF Collection Agent.

(d) The Declarant and PIF Receiving Party agree to cause all PIF Revenue to be remitted to the District Bond Trustee through the PIF Collection Agent and as required by the District Bond Documents, or, when the District Bonds have been paid in full or defeased, to the District through the PIF Collection Agent.

(e) Notwithstanding anything to the contrary in this PIF Covenant, upon the payment in full or defeasance of all outstanding District Bonds pursuant to the applicable provisions of the District Bond Documents, Declarant, at its election, may discontinue or continue the PIF or increase or decrease the rate of the PIF.

3. **Imposition of PIF.** Each Retailer shall collect and remit to the PIF Collection Agent the PIF for all Taxable Sales that occur within the Property from and after the Commencement Date. Each Retailer shall have the right to make or apply adjustments, exemptions, credits and rebates to the PIF to the same extent adjustments, exemptions, credits and rebates may be made to the Sales Tax payable under the Code. If an adjustment results in a refund of such PIF, such Retailer shall process the refund or credit for such adjusted PIF in a manner substantially similar to the process used and required by the City for an adjustment of the Sales Tax. Such Retailer may claim any credit or refund in the next monthly reporting period by use of the standard reporting and remittance forms. Each Occupant who is a Retailer shall provide the Declarant, the District, the PIF Collection Agent, and the PIF Receiving Party with its name and address prior to conducting any Taxable Sales on the Property, and each Occupant will promptly provide the Declarant, the District, the PIF Collection Agent, and the PIF Receiving Party with the name and address of each Retailer upon entering into any Occupancy Agreement by which a Retailer is granted the right to possess or occupy a portion of the Property to conduct Taxable Sales.

4. **PIF Sales Information.** The PIF Collection Agent shall establish and circulate to all Retailers and Owner(s) uniform written information relating to the calculation, payment and reporting of the PIF, including (i) uniform guidelines specifying the scope of the definition of Taxable Sales for purposes of calculating the PIF due hereunder, and (ii) any collection and reporting procedures which procedures shall take effect no earlier than thirty (30) days after written notice has been provided to all Retailers and Owner(s). Each Retailer will be entitled to rely on the information provided by the PIF Collection Agent for purposes of compliance with this PIF Covenant. Additionally, the PIF Collection Agent shall provide at least thirty (30) days' prior written notice to Retailers if the amount of the PIF changes, for any reason whatsoever. The PIF Collection Agent shall also promptly notify all Retailers of any procedures that the Retailers must follow with respect to informing Purchasers of the PIF, as such procedures are

established in order to comply with the District Bond Documents, applicable laws or reasonable business practices.

5. **Calculation, Payment and Reporting of PIF.**

(a) Whether or not collected from Purchasers (provided that the foregoing shall not be construed to permit any Retailer to fail to implement, assess and collect the PIF as provided in this PIF Covenant), each Retailer shall, on a monthly basis, pay the PIF Collection Agent all of the PIF imposed hereunder attributable to the immediately preceding month from or within any portion of the Owned/Leased Property occupied by such Retailer during such period. All of the PIF shall be due and payable without notice on the date required for payment of the Sales Tax under the Code. Each Retailer shall pay all of the PIF directly to the PIF Collection Agent.

(b) Each Retailer that is required to collect the PIF shall report all Taxable Sales and remit the PIF thereon to the PIF Collection Agent on a monthly basis at the same time that the Retailer reports and remits the Sales Tax to the City, employing reporting forms (collectively, the "**PIF Reports**") and following procedures provided by the PIF Collection Agent that are intended to be substantially similar to those used and required by the City for the remittance of the Sales Tax.

(c) The PIF shall be calculated and imposed on each Taxable Sales transaction and added to the sales price of such Taxable Sales prior to the calculation and assessment of any City, County or State sales tax, including the Sales Tax, and before any sales taxes of any other taxing entity required to be imposed by law. The Sales Tax and all other sales taxes of the City, County, the State, and other taxing entities shall, to the extent that such sales taxes apply to the Taxable Sales transaction, be calculated and assessed on the sum of the Taxable Sales price plus the amount of the PIF.

(d) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant permits to possess or occupy any portion of its Owned/Leased Property to acknowledge, prior to conducting any business on any Owned/Leased Property, that the PIF is not a tax in any form and that the authority of the PIF Collection Agent to receive the PIF is derived through this PIF Covenant and the PIF Collection Agreement.

(e) The PIF Collection Agent shall promptly notify in writing each Retailer of the name and address of the PIF Collection Agent and provide appropriate directions for payment and reporting of the PIF. For purposes of compliance with this Section 5(e), each Retailer will be entitled to rely upon such written notice of the designation of the PIF Collection Agent.

(f) No provision of this PIF Covenant shall be construed, implied or applied to alter, modify, limit, or affect the Sales Tax or any other sales taxes that may be imposed by the City, the County or the State or any other applicable taxing authority.

6. **Additional Reporting Requirements.**

(a) Each Retailer that is required to collect the PIF shall, with respect to that portion of the Owned/Leased Property occupied by such Retailer, deliver to the PIF Collection Agent, along with the PIF Reports, true and complete copies of all written reports, returns, statements, records and declarations, including any supplements or amendments thereto made or provided to the City, the County or the State by such Retailer in connection with all sales taxes for such Retailer's location within the Owned/Leased Property for the corresponding sales tax period (collectively, the "Sales Tax Reports"), at the same time that such Sales Tax Reports are delivered to the City, the County or the State.

(b) If any subsequent adjustments, additions or modifications are made by a Retailer to any sales taxes reported in such Sales Tax Reports, such Retailer shall provide the PIF Collection Agent with true and complete copies of all revised PIF Reports and Sales Tax Reports and any other information issued or filed by such Retailer in regard thereto. If any such adjustments include the amount of the PIF which a Retailer is required to remit or pay or results in a refund of such PIF, such Retailer shall process and pay such adjusted PIF in a manner substantially similar to the process used and required by the City for an adjustment with respect to the Sales Tax. Such Retailer shall claim any credit or refund or shall pay such additional PIF in the next monthly reporting period by use of the standard reporting and remittance forms.

(c) All PIF Reports and Sales Tax Reports made or provided by a Retailer shall be maintained by such Retailer for at least three (3) years from the date of submission thereof to the PIF Collection Agent, the City, the County and/or the State and, upon written request, will be made available to the PIF Collection Agent for inspection and audit.

(d) All Sales Tax Reports received by the PIF Collection Agent shall remain confidential and shall be used by the PIF Collection Agent and its employees, agents and consultants only for purposes of collecting the PIF, enforcing the obligations of any Retailer hereunder, and monitoring compliance with the provisions of this PIF Covenant, unless otherwise required to be made public by law or to be made available to others pursuant to this PIF Covenant.

(e) Any Person not otherwise entitled pursuant to this PIF Covenant to receive Sales Tax Reports shall sign, prior to receiving such Sales Tax Reports, a confidentiality agreement, which confidentiality agreement shall prohibit without exception the disclosure of the information contained in or of the type normally contained in Sales Tax Reports to any Person not otherwise entitled pursuant to this PIF Covenant to receive such Sales Tax Reports or the information contained therein. The PIF Receiving Party shall be responsible for having such confidentiality agreement(s) executed by the appropriate Person receiving such Sales Tax Reports, but the PIF Receiving Party may delegate such responsibility to the PIF Collection Agent, in its sole discretion.

(f) Notwithstanding anything to the contrary in this PIF Covenant, but subject to the provisions of Section 7(b), the PIF Collection Agent may aggregate data it receives in the Sales Tax Reports and include such aggregated data in reports that are delivered to the PIF Receiving Party, Declarant, District and District Bond Trustee (which may disseminate such reports to owners and potential owners of the District Bonds), provided the aggregated data is anonymized such that it is not associated with any individual Retailer in the reports.

7. **Audits and Release of Information by PIF Collection Agent.**

(a) By acquiring a possessory interest in and to any portion of the Owned/Leased Property that is subject to the terms and conditions of this PIF Covenant, each Retailer hereby specifically authorizes the PIF Collection Agent, District Bond Trustee, the Declarant and the District, and any accountant or financial consultant designated by the foregoing (collectively and, in such capacity, the “**Auditor**”), to audit its Records with respect to that portion of the Owned/Leased Property occupied by such Retailer to determine compliance with the PIF collection and remittance obligations of such Retailer under this PIF Covenant; provided, however, that no Auditor may be engaged on a contingency-based compensation system. Each Retailer agrees to release to the Auditor any PIF Reports, Sales Tax Reports and other documents delivered to the City or the PIF Collection Agent by the Retailer that are related to such Retailer’s Taxable Sales within the Owned/Leased Property.

(b) All information released to or gathered by the Auditor in connection with the audit shall be the “**Confidential Information.**” Any Auditor shall be entitled to share Confidential Information with any other Person entitled to conduct an audit pursuant to this Section 7. All Confidential Information shall be deemed proprietary to each respective Retailer, shall be kept strictly confidential, and shall not be disclosed or otherwise published by the Auditor or any Person to whom the Auditor releases Confidential Information, except (i) as set forth herein or (ii) for such disclosures or publications as may be required by law or required or permitted by this PIF Covenant. Each Retailer shall be protected by, and may rely on, the confidentiality provisions set forth in this PIF Covenant.

(c) Upon request by the Auditor, all of Retailer’s Records shall be made available for inspection by the Auditor and: (i) the Auditor’s rights in connection with such an audit shall be the same as the rights of the City in connection with a sales tax audit pursuant to Section 3-28-90 of the Code; and (ii) the obligations of a Retailer in connection therewith shall be the same as they are in connection with a sales tax audit pursuant to Section 3-28-90 of the Code.

(d) A prospective purchaser or seller of a possessory interest in and to any portion of the Owned /Leased Property that is subject to the terms and conditions of this PIF Covenant may submit to the PIF Collection Agent a written request for an estoppel letter indicating that a Retailer occupying such Owned/Leased Property at the time of the request is current in payment of the PIF. The PIF Collection Agent shall deliver the estoppel letter within 30 days of receipt of such a written request, provided that prior to the delivery of the estoppel letter the PIF Collection Agent shall have the right, but not the obligation, to conduct an audit of the subject Retailer’s Records pursuant to this Section 7 at the cost of the party submitting the written request.

(e) Any Person not otherwise entitled pursuant to this PIF Covenant to receive Confidential Information shall sign, prior to receiving such Confidential Information, a confidentiality agreement, which confidentiality agreement shall prohibit without exception the disclosure of the information contained in, collected to be contained in, or of the type normally contained in Confidential Information to any Person not otherwise entitled pursuant to this PIF Covenant to receive such Confidential Information or the information contained therein. The PIF Receiving Party shall be responsible for having such confidentiality agreement(s) executed by the appropriate Person receiving such Confidential Information, but the PIF Receiving Party

may designate such responsibility to the PIF Collection Agent or the Auditor, in its sole discretion.

8. **Compliance and Enforcement.**

(a) Each Retailer shall comply with all reasonable policies and requirements of the PIF Collection Agent regarding the collection and remittance of the PIF and notification to Purchasers of the imposition and collection of the PIF as such policies and requirements are communicated by the PIF Collection Agent to each Retailer in writing from time to time. The failure or refusal of any Retailer to impose, collect or remit the PIF or to comply with the requirements concerning notification to Purchasers as required in this PIF Covenant, will constitute a default by such Retailer under the terms of this PIF Covenant. The PIF Collection Agent, the PIF Receiving Party, the District, District Bond Trustee, any designated successors of the foregoing and any other Person expressly designated in writing by the PIF Receiving Party are expressly made third party beneficiaries of each Owners', Occupants' and Retailers' obligations under this PIF Covenant, including without limitation the assessment, imposition, collection and remittance of the PIF.

(b) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant authorizes to possess or occupy any portion of its Owned/Leased Property to acknowledge, prior to conducting any business at any Owned/Leased Property, that the PIF Collection Agent, the PIF Receiving Party, the District, the District Bond Trustee and the Declarant will have a direct cause of action and full right and authority to enforce each Retailer's obligations under this PIF Covenant, and that no default under any provision of the Occupancy Agreement pursuant to which a Retailer occupies any portion of such Owned/Leased Property will entitle any Occupant or Retailer to any offset, deduction or other defense to payment of all of the PIF due hereunder.

(c) All of the PIF that is not paid when due hereunder will bear interest at the Default Rate and will be subject to a late fee imposed in the discretion of the PIF Collection Agent from time to time in an amount not to exceed the greater of One Hundred Dollars and 00/100 (\$100.00) or ten percent (10%) of the amount due. Any Retailer who fails to make timely remittance of any PIF shall pay, or reimburse the PIF Collection Agent, the District, or the District Bond Trustee, for all costs of enforcement and collection thereof, including reasonable attorney's fees.

(d) Notwithstanding anything to the contrary contained in this PIF Covenant, the Declarant, the PIF Receiving Party, the District Bond Trustee, the PIF Collection Agent, the District, and any Person designated by any of the foregoing parties (collectively, an "**Enforcing Party**") shall have the right to enforce all provisions of this PIF Covenant against any Retailer that fails to comply with any term or condition of this PIF Covenant. An Enforcing Party shall also be paid, awarded, and recover from any defaulting Retailer all reasonable costs and expenses incurred by such Enforcing Party in successfully enforcing the obligations of such

Retailer under this PIF Covenant in any legal proceeding brought or defended by such Enforcing Party.

9. **Use of PIF Revenue.** The PIF Revenue generated pursuant to this PIF Covenant shall be collected by the PIF Collection Agent and disbursed to the District Bond Trustee, for as long as any District Bonds are outstanding pursuant to the applicable District Bond Documents. Upon the payment or defeasance in full of all outstanding District Bonds, the PIF Revenue shall be disbursed at the direction of the Declarant, which may use the PIF Revenue for any legal purpose.

10. **No Dominion or Control by Declarant.**

(a) Declarant hereby acknowledges, and any other Owner by acquiring fee title to any portion of the Property subject to this PIF Covenant shall be deemed to have acknowledged, and any Occupant by acquiring the right to possess or occupy any portion of the Property subject to this PIF Covenant will be deemed to have acknowledged, and each Owner and Occupant will cause any Retailer whom such Owner or Occupant authorizes to possess or occupy any portion of its Owned/Leased Property to acknowledge, that the District will be relying upon this PIF Covenant in taking certain actions with respect to the PIF, the District Bonds, the construction, installation, operation and maintenance of the Eligible Improvements and the incurrence of Eligible Costs. Accordingly, Declarant hereby agrees, and all other Owners, Occupants and Retailers shall be deemed to have agreed, that no amendment or modification will be made to this PIF Covenant, nor any waiver made or accepted by Declarant or any Owner with respect to this PIF Covenant, if: (i) District Bonds are outstanding, unless such waiver, amendment or modification has been approved in writing by the District and the District Bond Trustee in accordance with the District Bond Documents, or (ii) the District continues to receive PIF Revenue for operation and maintenance of the Eligible Improvements, unless such waiver, amendment or modification has been approved in writing by the District. Any purported amendment, modification or waiver made without the prior written consent of the District (for so long as the District Bonds are outstanding, the District and, if required by the District Bond Documents, the District Bond Trustee, to the extent required pursuant to this Section 10(a) shall be void and of no force and effect.

(b) The PIF Receiving Party, during such time as the District Bonds are outstanding, and the District when the District Bonds have been paid in full, shall have all right, title, and interest in, and shall be deemed to possess all dominion and control over and ownership interests in, the PIF and PIF Revenue, provided that the use of such PIF Revenue is subject to the limitations of Section 9 hereof. Until such time as the District Bonds are paid in full or defeased in accordance with the applicable District Bond Documents, if and to the extent that the Declarant is deemed to have any right, title, or interest in, or be deemed to exercise any dominion or control over, the PIF or PIF Revenue, which is not intended, all right, title, and interest and dominion or control of Declarant in the PIF and PIF Revenue and the obligations of each Owner shall be, and hereby are, irrevocably and unconditionally transferred, sold, assigned, and conveyed by Declarant to the PIF Receiving Party or the District Bond Trustee for payment of District Bonds or otherwise to pay Eligible Costs and completion, operation, and maintenance of the Eligible Improvements.

(c) SUBJECT TO THE EXPRESS TERMS OF THIS SECTION 10, IT IS INTENDED AND HEREBY DECLARED THAT (I) THE PIF IS A CHARGE IMPOSED ON CERTAIN TAXABLE SALES ON THE PROPERTY FOR THE PURPOSES STATED HEREIN AND IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS PIF COVENANT; (II) THE NATURE OF THE PIF IS THAT OF A FEE IMPOSED BY PRIVATE COVENANT FOR THE BENEFIT OF THE PROPERTY AND THE PIF RECEIVING PARTY AND NOT THROUGH THE EXERCISE OF ANY POWER BY THE CITY OR ANY OTHER PUBLIC TAXING AUTHORITY; (III) PIF REVENUES ARE NOT TAX REVENUES IN ANY FORM; AND (IV) ALL PIF REVENUE RECEIVED BY THE PIF RECEIVING PARTY WILL BE USED TO PAY AND DISCHARGE DISTRICT BONDS OR TO OTHERWISE PAY AND REIMBURSE THE ELIGIBLE COSTS, OR AS MAY OTHERWISE BE PROVIDED IN THIS PIF COVENANT.

11. **Governing Law.** This PIF Covenant will be governed by, and enforced in accordance with, the laws of the State. Venue for any judicial action to interpret or enforce this PIF Covenant shall only be in the Adams County District Court of the Seventeenth Judicial District of Colorado.

12. **Covenants Run with the Land.** The covenants, agreements, promises, and duties as set forth in this PIF Covenant will run with the Property and be enforceable against both the covenantors and the Property, and will constitute equitable servitudes burdening both the respective covenantor and its Property for the benefit of the respective covenantee. Each covenant to do or refrain from doing some act on or with respect to activities on any portion of the Property under this PIF Covenant (a) is a burden upon such portion of the Property and is for the benefit of the remainder of the Property, (b) will be a covenant running with the land with respect to both the burdened and benefited portions of the Property, and (c) will be binding upon each Owner, Occupant and Retailer and each successor and assign to their respective interests in Property and will inure to the benefit of the Declarant and, as set forth herein, to the other parties authorized to enforce this PIF Covenant. If and to the extent that any of the covenants or other provisions of this PIF Covenant would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such covenants may be valid, then the provisions concerned will continue and endure only until the expiration of a period of ninety (90) years after the Commencement Date, or if applicable, the maximum period of time allowed pursuant to C.R.S. § 15-11-1102.5.

13. **Severability.** Invalidation of any of the provisions contained in this PIF Covenant, or of the application thereof to any Person by judgment or court order, will in no way affect any of the other provisions of this PIF Covenant or the application thereof to any other Person or circumstance, and the remainder of this PIF Covenant will remain in effect; provided, however, that in the event such invalidation would render the remaining portions of this PIF Covenant ineffective to carry out the intentions of Declarant as expressed or implied by this PIF Covenant, then the objectionable provision(s) hereof will be construed, and this PIF Covenant will be presumed amended, as if such provision was replaced with an enforceable provision which effectuates, as nearly as possible, the intentions of Declarant.

14. **Amendments.** Subject to Section 10, Declarant shall be entitled to make amendments to the provisions of this PIF Covenant, including adding additional property to this PIF Covenant, without the consent of any Owner, Occupant, Retailer, or other third party and to record any such amendments in the real property records of the County, even if any portion of the Property is not then owned by Declarant; provided, however, in no event may the Declarant amend this PIF Covenant in a manner that results in a reduced PIF Revenue amount or rate of the PIF until after the date upon which the District Bonds are paid in full or defeased in accordance with the applicable District Bond Documents. Notwithstanding the foregoing, Declarant will not record an amendment against any portion of the Property not owned by Declarant without the consent of the then-current Owner if the amendment would materially and adversely affect any portion of the Property owned by that Owner. Further, Declarant will not record an amendment to this PIF Covenant that would have the effect or result of imposing the PIF on the rental or lease of residential units, such as multi-family condominium or apartment units, occurring from or within any portion of the Property.

15. **No Operating Covenant.** This PIF Covenant is not intended to, and does not, create or impose any obligation on an Owner, Occupant or Retailer to operate, continuously operate, or cause to be operated a business or any particular business on the Property. If such an obligation exists in any other agreement, this PIF Covenant is not intended to and does not modify, limit, or enlarge such other obligation.

16. **Assignment; Successor Declarant.** Declarant may assign its right, title, and interest in and to this PIF Covenant to any Person having an interest in the Property ("**Assignment**") and such Assignment shall be effective immediately upon recording a document in the real property records for the County evidencing such Assignment.

17. **Recitals.** The Recitals shall be deemed incorporated into the terms and conditions of this PIF Covenant as if fully set forth herein.

18. **CCIOA Exemption.** Declarant does not intend that recording of this PIF Covenant or that imposition of the PIF or that collection and utilization of the PIF Revenue will create or be construed to create a "common interest community" within the meaning of the Colorado Common Interest Ownership Act codified at C.R.S. §§ 3833.1101, *et seq.*, as amended.

[Signatures on Following Page]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

A PORTION OF LAND BEING LOCATED IN THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, ADAMS COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 22;
THENCE SOUTH 87°58'31" EAST, A DISTANCE OF 571.08 FEET;
THENCE NORTH 89°00'49" EAST ALONG A LINE 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 22, A DISTANCE OF 165.50 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING ALONG SAID LINE, NORTH 89°00'49" EAST, A DISTANCE OF 257.52 FEET;

THENCE DEPARTING SAID PARALLEL LINE, NORTH 06°20'11" WEST, A DISTANCE OF 30.13 FEET TO A POINT ON THE AFOREMENTIONED NORTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 22;

THENCE ALONG SAID NORTHERLY LINE, NORTH 89°00'49" EAST, A DISTANCE OF 303.04 FEET;

THENCE DEPARTING SAID LINE, SOUTH 38°24'34" WEST, A DISTANCE OF 1241.20 FEET;

THENCE NORTH 20°38'54" WEST, A DISTANCE OF 163.63 FEET;

THENCE NORTH 20°38'54" WEST, A DISTANCE OF 47.48 FEET;

THENCE NORTH 51°28'11" WEST, A DISTANCE OF 256.02 FEET;

THENCE NORTH 09°53'43" WEST, A DISTANCE OF 107.87 FEET;

THENCE NORTH 36°12'27" EAST, A DISTANCE OF 413.08 FEET;

THENCE NORTH 62°36'38" EAST, A DISTANCE OF 296.47 FEET TO THE AFOREMENTIONED PARALLEL LINE AND TO THE POINT OF BEGINNING;

CONTAINING 467,400 SQUARE FEET OR 10.730 ACRE OF LAND.

THE BASIS OF BEARINGS FOR THIS LEGAL DESCRIPTION IS BASED ON A PORTION OF THE NORTH LINE OF SECTION 22, TOWNSHIP 1 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, ADAMS COUNTY, STATE OF COLORADO, AS MONUMENTED AT THE NORTHWEST CORNER OF SAID SECTION 22 BY A FOUND 3.25" ALUMINUM CAP STAMPED "COLO DEPT OF TRANSPORTATION PLS NO 10734" AND AT A POINT ALONG SAID LINE WHENCE THE SAID NORTHWEST CORNER BEARS SOUTH 89°00'49" WEST FOR A DISTANCE OF 1113.45 FEET AS MONUMENTED BY A REBAR AND 1.5" ALUMINUM CAP STAMPED "PLS 12405". SAID LINE IS ASSUMED TO BEAR NORTH 89°00'49" EAST.

EXHIBIT E
IGA

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT is made and entered into by and between the City of Brighton, Colorado, a municipal corporation of the State of Colorado (the "City"), and Prairie Corner Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District").

RECITALS

WHEREAS, the District was organized to provide those services and to exercise powers as are more specifically set forth in the District's Service Plan dated Sept. 1st, 2020, as amended from time to time by City approval (the "Service Plan"); and

WHEREAS, the Service Plan requires the execution of an intergovernmental agreement between the City and the District; and

WHEREAS, the City and the District have determined it to be in their best interests to enter into this Intergovernmental Agreement ("Agreement"); and

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

COVENANTS AND AGREEMENTS

1. Incorporation by Reference. The Service Plan is hereby incorporated in this agreement by this reference. The District agrees to comply with all provisions of the Service Plan, as it may be amended from time to time in accordance with the provisions thereof, and Title 32, Article 1, C.R.S. (the "Special District Act").
2. Maintenance of Public Improvements. After construction of Public Improvements, it is intended that the City will own and maintain the water improvements, sewer improvements, perimeter sidewalks and street improvements. The District agrees that it shall maintain the following Public Improvements: interior road improvements, storm drainage improvements, lift or pump stations, Force Main, interior common landscape areas and opens space, internal sidewalks, and internal trails.
3. Disclosure of District. The District agrees that, within 30 days of the order of the Adams County District Court deeming the District organized, and thereafter within 30 days of any change in the District's mill levy or in the assessment ratio, if impacting the District, the District will cause to be recorded, in the real property records for Adams County, a notice in the same form as that set forth in Exhibit A. The District shall not amend the notice without prior written approval of the City of such amendments, except that the District may periodically update the assessment ratios, mill levies, and similar information contained in the notice without the prior written approval of the City.

4. Design Standards. The District acknowledges that, in order to create a cohesive development, property within the District's boundaries are intended to be subject to design standards via agreement between the Developer (as defined in the Service Plan) and the City.

5. Enforcement. The parties agree that this Agreement may be enforced in law, or in equity for specific performance, injunctive, or other appropriate relief. The parties also agree that this Agreement may be enforced pursuant to Section 32-1-207, C.R.S. and other provisions of the Special District Act granting rights to municipalities or counties approving a service plan of a special district.

6. Entire Agreement of the Parties. This Agreement constitutes the entire agreement between the parties and supersedes all prior written or oral agreements, negotiations, or representations and understandings of the parties with respect to the subject matter contained herein.

7. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the parties hereto.

8. Governing Law; Venue. The internal laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement, without giving effect to choice of law or conflict of law principles. The parties hereby submit to the jurisdiction of and venue in the district court in Adams County, Colorado. In any proceeding brought to enforce the provisions of this Agreement, the prevailing party therein shall be entitled to an award of reasonable attorneys' fees, actual court costs and other expenses incurred.

9. Beneficiaries. Except as otherwise stated herein, this Agreement is intended to describe the rights and responsibilities of and between the named parties and is not intended to, and shall not be deemed to confer any rights upon any persons or entities not named as parties.

10. Effect of Invalidity. If any portion of this Agreement is held invalid or unenforceable for any reason by a court of competent jurisdiction as to either party or as to both parties, such portion shall be deemed severable and its invalidity or its unenforceability shall not cause the entire agreement to be terminated.

11. Assignability. Neither the City nor the District shall assign their rights or delegate their duties hereunder without the prior written consent of the other party.

12. Successors and Assigns. This Agreement and the rights and obligations created hereby shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**PRAIRIE CORNER METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary

CITY OF BRIGHTON, COLORADO

By: Gregory Mills
Mayor

Attest:

Natalie Hoel
City Clerk



EXHIBIT A

Public Disclosure Form

(on following three pages)

**NOTICE OF INCLUSION IN THE
PRAIRIE CORNER METROPOLITAN DISTRICT
AND POSSIBLE PROPERTY TAX CONSEQUENCES**

Legal description of the property:

See Exhibit A attached hereto and incorporated by reference

This property is located in the following metropolitan district:

Prairie Corner Metropolitan District (the "District").

In addition to standard property taxes identified on the next page, this property is subject to a metropolitan district mill levy (another property tax) of up to:

60 mills, subject to Mill Levy Adjustment, as described in the District's Service Plan

Based on the property's inclusion in the metropolitan district, a commercial parcel with a sale price of \$100,000 could result in ADDITIONAL property taxes up to:

\$1,740

The next page provides examples of estimated total annual property taxes that could be due on this property, first if located outside the District and next if located within the District.

Note: property that is not within the District would not pay the ADDITIONAL amount, though the property may be subject to different taxing entities.

The District's Board of Directors can be reached as follows:

Collins Cockrel & Cole, P.C.
390 Union Boulevard, Suite 400
Denver, Colorado 80228
303-986-1551

You may wish to consult with: (1) the Adams County Assessor's Office to determine the specific amount of District property taxes currently due on this property; and (2) the District's Board of Directors to determine if the District's Service Plan has been amended.

The figures used in this Notice of Inclusion are estimates at the time the District's Service Plan was Approved by the City of Brighton.

ESTIMATE OF PROPERTY TAXES

Annual Tax Levied on Commercial Property With \$100,000 Actual Value Without the District

Taxing Entity	Mill Levies (2020**)	Annual tax levied
Adams County	26.917	\$780.59
City of Brighton	6.650	\$192.85
Central Colorado Water Conservancy District	1.286	\$37.29
Fire District 6 Greater Brighton	11.795	\$342.06
Rangeview Library District	3.677	\$106.63
School District 27-Brighton	48.810	\$1,415.49
Urban Drainage & Flood Control	0.900	\$26.10
Urban Drainage & Flood, South Platte Levy	0.097	\$2.81
TOTAL:	100.132	\$2,903.82

Annual Tax Levied on Commercial Property With \$100,000 Actual Value With the District (Assuming Maximum District Mill Levy)

Taxing Entity	Mill Levies (2020**)	Annual tax levied
Adams County	26.917	\$780.59
City of Brighton	6.650	\$192.85
Central Colorado Water Conservancy District	1.286	\$37.29
Fire District 6 Greater Brighton	11.795	\$342.06
Rangeview Library District	3.677	\$106.63
School District 27-Brighton	48.810	\$1,415.49
Urban Drainage & Flood Control	0.900	\$26.10
Urban Drainage & Flood, South Platte Levy	0.097	\$2.81
Prairie Corner Metropolitan District	60.000	\$1,740.00
TOTAL:	160.135	\$4,643.82

**This estimate of mill levies is based upon mill levies certified by the Adams County Assessor's Office in December 2019 for collection in 2020, and is intended only to provide approximations of the total overlapping mill levies within the District. The stated mill levies are subject to change and you should contact the Adams County Assessor's Office to obtain accurate and current information.

EXHIBIT A
TO NOTICE OF INCLUSION

Legal Description of the Property