

**NEW ISSUE  
BOOK-ENTRY-ONLY****NOT RATED**

*In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.*

**\$14,125,000\*****SLC METROPOLITAN DISTRICT NO. 3****In the City of Aurora****Arapahoe County, Colorado****Limited Tax General Obligation Bonds****Series 2025****Dated: Date of Delivery****Due: December 1, as shown below**

SLC Metropolitan District No. 3, in the City of Aurora, Arapahoe County, Colorado (the "District") is issuing its Limited Tax General Obligation Bonds, Series 2025 (the "Bonds"), pursuant to an Indenture of Trust to be dated as of the date of issuance of the Bonds (the "Indenture") between the District and BOKF, NA., Denver, Colorado, as trustee (the "Trustee"). The Trustee will also act as Registrar and Paying Agent for the Bonds. DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. Capitalized terms used on the cover page of this Official Statement are defined in the Introduction herein or in "APPENDIX A—SELECTED DEFINITIONS."

The Bonds are limited tax general obligations of the District secured by and payable from the "Pledged Revenue," consisting of the following: (a) all Property Tax Revenues (generally defined as all ad valorem property taxes derived from imposition of the Required Mill Levy); (b) all Specific Ownership Tax Revenues; (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund. The Bonds will also be secured by the Reserve Fund which will be fully funded in the amount of the Reserve Requirement upon issuance of the Bonds from the proceeds thereof.

The Bonds are being issued in denominations of \$5,000 as fully registered bonds. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2025, at the rates set forth below.

|                      |                 |   |              |                 |               |                |
|----------------------|-----------------|---|--------------|-----------------|---------------|----------------|
| <b>\$2,280,000 *</b> | <b>_. ___ %</b> | <b>Term Bond due December 1, 2035 *</b> | <b>Price</b> | <b>_. ___ %</b> | <b>CUSIP®</b> | <b>_____ 1</b> |
| <b>\$3,870,000 *</b> | <b>_. ___ %</b> | <b>Term Bond due December 1, 2045 *</b> | <b>Price</b> | <b>_. ___ %</b> | <b>CUSIP®</b> | <b>_____ 1</b> |
| <b>\$7,975,000 *</b> | <b>_. ___ %</b> | <b>Term Bond due December 1, 2054 *</b> | <b>Price</b> | <b>_. ___ %</b> | <b>CUSIP®</b> | <b>_____ 1</b> |

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity at the prices and upon the terms set forth in the Indenture as described in this Official Statement.

Proceeds from the sale of the Bonds will be used for the purposes of: (a) paying or reimbursing costs of Public Improvements; (b) funding the Reserve Fund in the amount of the Reserve Requirement; and (c) paying costs of issuance of the Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

**This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision and should give particular attention to the section entitled "INVESTMENT CONSIDERATIONS."**

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter named below, subject to the approval of legality of the Bonds by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and the satisfaction of certain other conditions. Certain matters will be passed upon by McGeady Becher Cortese Williams P.C., Denver, Colorado, as General Counsel to the District, and by Kline Alvarado Veio, P.C., Denver, Colorado, as counsel to the Underwriter. Kutak Rock LLP is also serving as Disclosure Counsel to the District and, in such capacity, has assisted in the preparation of this Official Statement. LRB Public Finance Advisors, Inc., Salt Lake City, Utah, is serving as Municipal Advisor to the District. The Bonds are expected to be available for delivery through the facilities of DTC on or about July 16, 2025.\*

**STIFEL****This Official Statement is dated \_\_\_\_\_, 2025.**

\* Preliminary; subject to change

<sup>1</sup> The District takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

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**SLC METROPOLITAN DISTRICT NO. 3  
IN THE CITY OF AURORA  
ARAPAHOE COUNTY, COLORADO**

**Board of Directors**

Patrick Rowe, President  
Leigh Lutz, Treasurer  
Bruce O'Donnell, Assistant Secretary  
Vacant  
Vacant

**District Accountant**

CliftonLarsonAllen LLP  
Greenwood Village, Colorado

**General Counsel to the District**

McGeady Becher Cortese Williams P.C.  
Denver, Colorado

**Bond Counsel and Disclosure Counsel**

Kutak Rock LLP  
Denver, Colorado

**Counsel to Underwriter**

Kline Alvarado Veio, P.C.  
Denver, Colorado

**Underwriter**

Stifel, Nicolaus & Company, Incorporated  
Denver, Colorado

**Trustee**

BOKF, NA.  
Denver, Colorado

**Municipal Advisor**

LRB Public Finance Advisors, Inc.  
Salt Lake City, Utah

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has provided the following sentence for inclusion within this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Investors must be willing and able to conduct an independent investigation of the risks attendant to ownership of the Bonds. Neither the contents of this Official Statement nor any prior or subsequent communications from the District or any of its officers, directors, employees or agents constitute legal, tax, accounting or regulatory advice. Before purchasing, prospective investors should consult with their own legal counsel and business and tax advisors to determine the consequences of an investment in the Bonds and should make an independent evaluation of the investment.

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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Official Statement. Any representation to the contrary is unlawful.

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**NOTE: Tables marked with an (\*) indicate information to be updated pursuant to the Continuing Disclosure Agreement. See APPENDIX C attached hereto.**

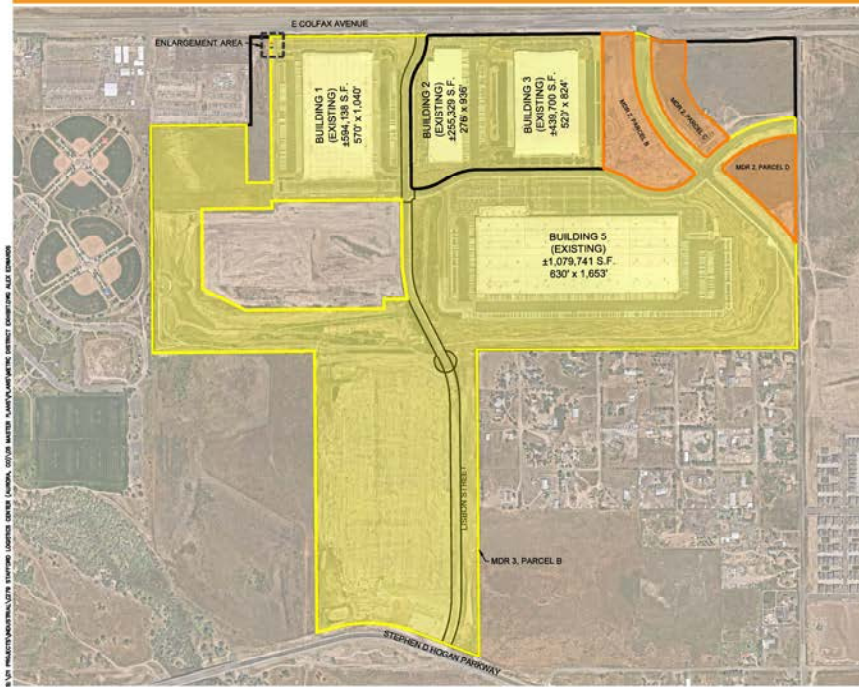
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# DISTRICT BOUNDARY MAP

STAFFORD LOGISTICS CENTER (AURORA, CO)

METRO DISTRICT EXHIBIT

2022.05.31  
SCALE 1:600



|                                       |                            |
|---------------------------------------|----------------------------|
| <span style="color: red;">■</span>    | METRO DISTRICT ONE         |
|                                       | TOTAL AREA: ±0.005 ACRES   |
|                                       | PARCEL A: ±0.005 ACRES     |
| <span style="color: orange;">■</span> | METRO DISTRICT TWO         |
|                                       | TOTAL AREA: ±23.665 ACRES  |
|                                       | PARCEL A: ±0.005 ACRES     |
|                                       | PARCEL B: ±11.125 ACRES    |
|                                       | PARCEL C: ±6.047 ACRES     |
|                                       | PARCEL D: ±6.488 ACRES     |
| <span style="color: yellow;">■</span> | METRO DISTRICT THREE       |
|                                       | TOTAL AREA: ±291.458 ACRES |
|                                       | PARCEL A: ±0.005 ACRES     |
|                                       | PARCEL B: ±291.453 ACRES   |
| <span style="color: blue;">■</span>   | METRO DISTRICT FOUR        |
|                                       | TOTAL AREA: ±0.005 ACRES   |
|                                       | PARCEL A: ±0.005 ACRES     |

ENLARGEMENT AREA SCALE: 1" = 30'



NorthPoint  
DEVELOPMENT



**REGIONAL VICINITY MAP**



**District Vicinity**

## INTRODUCTION

This Official Statement is furnished by SLC Metropolitan District No. 3 (the “District”), located in the City of Aurora (the “City”), in Arapahoe County (the “County”), Colorado (the “State”) to provide certain information concerning the offering of its \$14,125,000\* Limited Tax General Obligation Bonds, Series 2025 (the “Bonds”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Official Statement has been obtained from the District and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Official Statement, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See “INVESTMENT CONSIDERATIONS.”

Any capitalized terms used and not otherwise defined herein have the respective meanings set forth in “APPENDIX A—SELECTED DEFINITIONS” hereto, unless the context clearly indicates a contrary meaning.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

**The District .....** The District was created pursuant to a service plan approved by the City Council of the City of Aurora (“City Council”) pursuant to Resolution No. R2019-63, passed and adopted on August 5, 2019 (the “Service Plan”). Property within the District was developed as an entirely commercial/industrial development known as Stafford Logistics Center (the “SLC Development”). The District is located generally in the northeastern portion of the City. The District’s current acreage is approximately 291.397 acres. See “THE DISTRICT.” See also the preceding “DISTRICT BOUNDARY MAP” and “REGIONAL VICINITY MAP.”

The creation of the District was approved by the eligible electors of the District voting at the election held November 5, 2019 (the “Election”). Following the Election and approval of the Service Plan, the District was formally organized pursuant to an Order and Decree entered by the District Court, Arapahoe County, Colorado (the “District Court”) on November 21, 2019 and recorded with the County Clerk and Recorder on December 4, 2019 at Reception No. D9132601 (the “Organizational Order”).

The District operates in accordance with the authority of Title 32, Article 1, Colorado Revised Statutes, as amended (“C.R.S”) (the “Special District Act”), subject to the limitations of its Service Plan. The District was created for the purpose of financing and constructing street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls,

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\* Preliminary; subject to change.

park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto, within and without the boundaries of the District (collectively, the “Public Improvements”), subject to the limitations of the Service Plan. See “THE DISTRICT—Organization and Description” and “—Service Plan Authorizations and Limitations.”

**Assessed Valuation .....**

The assessed valuation of real property in Colorado on which ad valorem taxes are assessed is a percentage of the actual value (as determined by the County Assessor) of such property, and such percentage (or, assessment rate) is determined by the Colorado General Assembly. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property.*”

According to the County Assessor, the 2024 final certified assessed valuation of the property in the District is \$90,174,672. The 2024 final statutory “actual value” (as determined by the County Assessor) of the property in the District is \$323,206,698. The 2024 assessment rate (for 2025 tax collections) of the property in the District is 27.9% of the actual value of such property. For the assessment rate in other years, see “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property—Property Tax Legislation.*”

The number of mills equaling the Required Mill Levy (being the number of mills required to be imposed for payment of debt service on the Bonds pursuant to the Indenture) is subject to adjustment for changes in the method of calculating assessed valuation and other changes in law. See “—Security and Sources of Payment for the Bonds—*Required Mill Levy*” below.

Based on the 2024 certified assessed valuation of the District and the estimated principal amount of the Bonds in the amount of \$14,125,000,\* the District’s debt to assessed ratio is 15.66%\*. See “—Debt Ratios” below, “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes” and “—Ad Valorem Property Tax Data.”

**Development Within the District.....**

***Stafford Logistics Park.*** The developed portion of the property within the District has been developed by NorthPoint Development, LLC, a Missouri limited liability company (“NorthPoint”), as a light industrial warehouse park known as Stafford Logistics Center (the “SLC Development”). The vertical development within the SLC Development consists of four warehouse structures, known as Buildings 1, 2, 3 and 5, all of which were completed in approximately the second quarter of 2023. All four warehouse buildings are owned by affiliates of NorthPoint and are leased to various tenants. Buildings 1, 2, 3 and 5 total approximately

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\* Preliminary; subject to change.



2,368,909 square feet of leasable space, approximately 100% of which is leased. See “THE DISTRICT—Development Within the District.” See also the preceding “DISTRICT BOUNDARY MAP” and “REGIONAL VICINITY MAP.”

**Public Improvements.** All Public Improvements necessary to support the SLC Development have been completed by Northpoint. Northpoint will be responsible for operating and maintaining such improvements in the short term until such improvements are dedicated to the City or District No. 1 (pursuant to the MOU, as described below) for ongoing operation and maintenance. No additional development is presently planned within the SLC Development (or within any of the Districts, defined below). Future development, if any, will depend on economic factors, market forces, and demand. If additional vertical development occurs within the SLC Development (or any of the Districts), it is anticipated that Northpoint would install the requisite Public Improvements supporting such development in conjunction with the vertical construction.

In accordance with the terms of the MOU by and among the District, SLC Metropolitan District No. 1 (“District No. 1”), SLC Metropolitan District No. 2 (“District No. 2”), and SLC Metropolitan District No. 4 (“District No. 4” and, together with the District, District No. 1 and District No. 2, the “Districts”) District No. 1 will be responsible for operating and maintaining the regional detention pond and related drainage facilities; the sidewalks; and the landscaping along street edges and in medians within the SLC Development at such time as these Public Improvements have been accepted by District No. 1. District No. 1 has not yet accepted any of these Public Improvements but anticipates acceptance upon completion of District No. 1’s acceptance process. See “THE DISTRICT—Material Agreements of the District—*Memorandum of Understanding (MOU)*.”

All other completed Public Improvements have either been accepted by the City or are in the process of being accepted by the City.

|                                    |   |
|------------------------------------|---|
| <b>Purpose.....</b>                | Proceeds from the sale of the Bonds will be used for the purposes of: (a) paying or reimbursing costs of Public Improvements; (b) funding the Reserve Fund in the amount of the Reserve Requirement; and (c) paying costs of issuance of the Bonds. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.”   |
| <b>Authority for Issuance.....</b> | The Bonds are issued in full conformity with the constitution and laws of the State, including Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”) and Part 11 of the Special District Act (Title 32, Article 1, C.R.S.); pursuant to the District Election; pursuant to an authorizing resolution adopted by the District’s Board of Directors (the “Board”) prior to the issuance of the Bonds (the “Bond Resolution”); pursuant to the Indenture of Trust to be dated as of the date of issuance of the Bonds (the “Indenture”) between the District and BOKF, NA, Denver, Colorado, as trustee (the “Trustee”); and pursuant to the Election. |

At the Election, the District's eligible electors voting at such election approved indebtedness in the amount of \$1,560,000,000, in the aggregate, to finance certain categories of Public Improvements. The District's eligible electors also approved, among other things, \$156,000,000 for operations and maintenance debt; \$156,000,000 for refunding purposes; and \$156,000,000 for intergovernmental agreements constituting debt.

The Service Plan states that the total Debt that the District is permitted to issue may not exceed \$156,000,000. The Service Plan defines "Debt" as: bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy, and/or collect fee revenue.

See "THE DISTRICT—Service Plan Authorizations and Limitations." See also "DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued Debt*" and "*—Service Plan Debt Limits.*"

## **Security and Sources of**

### **Payment for the Bonds .....**

***Pledged Revenue.*** The Bonds are limited tax general obligations of the District secured by and payable from the "Pledged Revenue," consisting of the following: (a) all Property Tax Revenues (generally defined as all ad valorem property taxes derived from imposition of the Required Mill Levy); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

***Reserve Fund.*** The Bonds will also be secured by a Reserve Fund which will be fully funded in the amount of \$1,278,668\* (the "Reserve Requirement") upon issuance of the Bonds from the proceeds thereof.

***Required Mill Levy.*** Pursuant to the Indenture, the District has covenanted to levy on all of the taxable property of the District the "Required Mill Levy," generally meaning an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due in such Bond Year, and to replenish, if necessary, the Reserve Fund to the Reserve Requirement, but not in excess of 25.000 mills; provided however, that if, after January 1, 2004, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy set forth above is to be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted for any of the aforementioned changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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\* Preliminary; subject to change.

***Specific Ownership Tax Revenues.*** The portion of the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, which is collected as a result of imposition of the Required Mill Levy is also pledged to the Bonds. See “THE BONDS—Security for the Bonds—*Specific Ownership Tax Revenues*” for a description of Specific Ownership Taxes and the portion thereof pledged to the Bonds.

For more information regarding the sources of payment and security for the Bonds, see “THE BONDS—Security for the Bonds” and “DISTRICT FINANCIAL INFORMATION.

***THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE CITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT.***

**Additional Bonds.....** ***Additional Bonds.*** The Indenture imposes limitations on the issuance of Additional Bonds, as such term is defined in the Indenture. See “THE BONDS—Certain Indenture Provisions—*Additional Bonds*.”

**Interest Rates; Payment Provisions.....** The Bonds will bear interest at the rates per annum set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2025.

Payments for the principal of and interest on the Bonds will be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

**Prior Redemption.....** The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in “THE BONDS—Redemption.”

**Book-Entry-Only Registration .....** The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“DTC”), a securities depository. Beneficial ownership interests in the Bonds may be acquired through brokers and dealers who are, or who act through, participants in the DTC System (the “Participants”) in principal denominations of \$5,000. Persons for whom Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Indenture, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the

Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

Except as otherwise provided herein, the term “Owner” refers to the registered owner of any Bond, as shown by the registration books maintained by the Trustee, including the depository for the Bonds, if any, or its nominee. As used herein, “Consent Party” means the Owner of a Bond or, if such Bond is held in the name of Cede & Co., the Participant (as determined by a list provided by DTC) with respect to such Bond, or if designated in writing by a Participant, the Beneficial Owner of such Bond.

**Exchange and Transfer.....** While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

**Tax Status.....** In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS.”

**Professionals Involved in the Offering.....** Kutak Rock LLP, Denver, Colorado, is serving as Bond Counsel. Kutak Rock LLP is also serving as Disclosure Counsel to the District and, in such capacity, has assisted in the preparation of this Official Statement. Kline Alvarado Veio, P.C., Denver, Colorado, has acted as counsel to the Underwriter. McGeady Becher Cortese Williams P.C., Denver, Colorado, represents the District as its General Counsel. CliftonLarsonAllen LLP, Greenwood Village, Colorado, serves as the District’s accountant. BOKE, NA, Denver, Colorado, will act as the trustee, paying agent, and registrar for the Bonds. LRB Public Finance Advisors, Inc., Salt Lake City, Utah, serves as Municipal Advisor to the District. Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, is the underwriter for the Bonds (the “Underwriter”). See “MISCELLANEOUS—Underwriting.”

**Continuing Disclosure****Agreement.....**

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (“Rule 15c2-12”), the District has covenanted, for the benefit of the holders of the Bonds, to provide certain financial information and other operating data and notices of material events after the Bonds are issued. The form of the District’s Continuing Disclosure Agreement is attached as APPENDIX C to this Official Statement.

**Financial Statements.....**

Due to the District’s limited financial operating history to date, no audited financial information is available for inclusion herein. In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District’s financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor’s Office.

Per the request of the Underwriter, the District’s unaudited financial statements for the year ended December 31, 2024 have been included as APPENDIX F of this Official Statement. *Such unaudited financial statements are to be considered preliminary and are subject to change prior to the release of the December 31, 2024 audited financial statements.*

Pursuant to the Indenture, the District has covenanted to cause an annual audit to be performed each year notwithstanding any State law audit exemptions that may exist.

The District anticipates having its audited financial statements for the year ended December 31, 2024 available on or about July 31, 2025.

**Offering and Delivery****Information.....**

The Bonds are offered when, as, and if issued by the District and accepted by Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel, the form of which is set forth in APPENDIX D. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about July 16, 2025,\* against payment therefor.

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\* Preliminary; subject to change.

**Debt Ratios .....** The following are selected District general obligation debt ratios upon issuance and delivery of the Bonds.

|  |               |
|--|---------------|
| 2024 Certified Assessed Valuation <sup>1,2</sup> .....                                 | \$90,174,672  |
| 2024 Statutory “Actual” Valuation <sup>1,2</sup> .....                                 | \$323,206,698 |
| General Obligation Debt Outstanding Upon Issuance of the Bonds <sup>1, 2 *</sup> ..... | \$14,125,000  |
| District Debt as a Ratio of:   |               |
| 2024 Assessed Valuation <sup>1, *</sup> .....  | 15.66%        |
| 2024 Statutory “Actual” Valuation <sup>1, *</sup> .....                                | 4.37%         |
| Estimated Overlapping General Obligation Debt <sup>1</sup> .....                       | \$10,664,138  |
| Sum of District and Overlapping Debt <sup>*</sup> .....                                | \$24,789,138  |
| District and Overlapping Debt as a Ratio of:   |               |
| 2024 Assessed Valuation <sup>1, *</sup> .....  | 27.49%        |
| 2024 Statutory “Actual” Valuation <sup>1, *</sup> .....                                | 7.67%         |

<sup>1</sup> For definitions of and descriptions of the methodology used in computing assessed valuation, statutory “actual” value, estimated population, general obligation debt outstanding, and estimated overlapping general obligation debt, see “DISTRICT FINANCIAL INFORMATION” and “DEBT STRUCTURE.” All ratios have been rounded down.

<sup>2</sup> Represents the Bonds; the District has no other general obligation debt presently outstanding.

\* Preliminary; subject to change.

Sources: Arapahoe County Assessor’s Office (the “Assessor’s Office”), the District and individual overlapping entities

**Additional Information.....** ALL OF THE SUMMARIES OF THE STATUTES, INDENTURE, RESOLUTIONS, OPINIONS, CONTRACTS, AND OTHER AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries of any such documents contained herein do not purport to be complete statements thereof, and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: SLC Metropolitan District No. 3, c/o McGeedy Becher Cortese Williams P.C., 450 East 17<sup>th</sup> Avenue, Suite 400, Denver, Colorado 80203, Telephone: (303) 592-4380; or Stifel, Nicolaus & Company, Incorporated, Suite 900, 1401 Lawrence Street, Denver, Colorado 80202, Telephone: (303) 296-2300.

## INVESTMENT CONSIDERATIONS

**PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT AND SHOULD GIVE PARTICULAR CONSIDERATION TO THE FOLLOWING INVESTMENT CONSIDERATIONS IN CONNECTION WITH THE PURCHASE OF THE BONDS. THE INVESTMENT CONSIDERATIONS DESCRIBED IN THIS SECTION SET FORTH MANY OF THE POTENTIAL RISKS OF AN INVESTMENT IN THE BONDS THAT SHOULD BE CONSIDERED PRIOR TO PURCHASING THE BONDS BUT DOES NOT PROVIDE AN EXHAUSTIVE LIST OF SUCH FACTORS.**

Each prospective investor is urged to consult with its own legal, tax, and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.



## **General**

The purchase of the Bonds involves certain risks, which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the investment considerations described below, which, among other circumstances and events, could adversely affect the payment of debt service on the Bonds when due, and such effect may be material.

## **Limited Tax Obligations; No Mortgage**

**Limited Tax Obligations.** The primary source of District revenue pledged for payment of the debt service on the Bonds is revenue generated from ad valorem taxes imposed against all taxable property of the District. Under the Indenture, the District is to impose ad valorem property taxes in an annual amount equal to the Required Mill Levy of 25 mills (subject to adjustment for changes in law). In no event may holders of the Bonds require the District to raise the Required Mill Levy imposed for payment of the Bonds above the maximum mill levy of 25 mills (subject to adjustment for changes in law). Although the Service Plan authorizes the District to impose a different maximum mill levy, the District has covenanted in the Indenture to impose a debt service mill levy of only 25 mills (subject to adjustment) for payment of the Bonds.

See “THE BONDS—Security for the Bonds—*Property Tax Revenues—Board Determination of Adjusted Mill Levy.*” See also “THE DISTRICT—Service Plan Authorizations and Limitations.”

**No Payment Default.** As a result of the limitations of the Required Mill Levy and the resultant limitation of the Pledged Revenue, the District’s failure to pay the principal and interest on the Bonds when due does not, of itself, constitute an Event of Default under the Indenture.

**Limited Recourse.** In the event that the revenue derived from the Required Mill Levy and the other components of the Pledged Revenue is insufficient to pay the scheduled principal of and/or interest on the Bonds when due, the unpaid principal will continue to bear interest, until the total repayment obligation of the District for the Bonds equals the amount permitted by law. During this period of accrual, so long as the District is imposing the applicable Required Mill Levy and remitting the Pledged Revenue to the Trustee as required under the Indenture, the District will not be in default under the Indenture and the Owners will have no recourse against the District to require such payments (such recourse being limited to requiring the District to continue to impose the Required Mill Levy and remit the revenue derived from such levy to the Trustee). See “THE BONDS—Certain Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default.*”

**No Mortgage.** Payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any property within the District or assets of the District.

## **No Acceleration**

The Indenture provides that acceleration of the Bonds is not an available remedy for any Event of Default under the Indenture or for any other reason. See “THE BONDS—Certain Indenture Provisions—*Events of Default*” and “—*Remedies on Occurrence of Event of Default.*”

## **Additional Bonds**

The District may issue Additional Bonds (as such term is defined in the Indenture, see APPENDIX A), without the consent of the Consent Parties of the Bonds, subject to the satisfaction of certain conditions set forth in the Indenture, as described in “THE BONDS—Certain Indenture Provisions—*Additional Bonds*.” The District’s issuance of Additional Bonds is also subject to the limitations of the District’s Service Plan and electoral authorizations. The issuance of Additional Bonds could potentially dilute the security available for the Bonds.

## **Enforceability of Bondholders’ Remedies Upon Default**

The remedies available to the owners of the Bonds upon a default are in many respects dependent upon judicial action, which could subject the owners of the Bonds to judicial discretion and interpretation of their rights under existing constitutional law, statutory law, and judicial decisions, including specifically the federal bankruptcy code (the “Bankruptcy Code”). Consequently, any enforcement proceedings may entail risks of delay, and/or limitation or modification of their rights as otherwise provided under the Indenture and the Bonds. However, in addition to other legal requirements in the Federal and State laws pertaining to municipal bankruptcy, under State law, the District can seek protection from its creditors under the Bankruptcy Code only if the District can demonstrate that, in order to meet its financial obligations as they come due, the District would be required to certify a property tax mill levy of 100 mills or more. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which may limit the specific enforcement under State law of certain remedies, including, but not limited to, specific performance; to the exercise by the United States of America of the powers delegated to it by the federal constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies, in the interest of serving an important public purpose.

## **Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land**

The owners of the Bonds are dependent upon the assessed value of property within the District consistently maintaining an adequate tax base from which ad valorem tax revenues derived from the District’s imposition of the Required Mill Levy are collected for the payment of debt service on the Bonds. While the assessed valuation of the District is significant at this time, there is no assurance that such assessed value will not decrease over time, and such decrease could potentially be material.

The assessed value of property within the District is determined by multiplying the “actual value” of the property by an assessment rate, and the “actual value” of the property is determined by the County Assessor, all as more particularly described under “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*” and “—*Property Tax Legislation*.”

Assessed valuations may be affected by a number of factors beyond the control of the District. For example, property owners are allowed each year by State law to challenge the valuations of their property, and no assurance can be given that owners of property in the District will not do so. Should the actions of property owners result in lower assessed valuations of property in the District, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of Buildings 1, 2, 3 and 5 may be reduced if market prices decline due to economic or other factors, and such decreases could be significant.

No assurance is given that any particular methodology presently used by the County Assessor to determine the actual value of property will continue to be used in the future. Any change in the methodology by which the actual value of property is determined could adversely affect the assessed value of property in the District and the property taxes that may be generated thereby.

Changes have occurred and may occur in the future in the method of calculating assessed valuation in the State, including changes in the residential assessment ratio and the actual valuation of property, or in the amount of property tax revenue that may be retained by local governments. For a discussion of changes to the method of calculating the assessed valuation of property in the State, the imposition of property tax limit on revenues of local governments, and potential impacts on the revenues of the District, see “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*.” No assurance can be given that recent or future legislation and/or ballot initiatives approved by the State’s voters will not further affect the assessment ratios, calculation of assessed valuation of property in the District, or the amount of property tax revenues that can be retained by the District.

While, as described herein, the Required Mill Levy includes certain adjustment language that is intended to require the District to increase the Required Mill Levy if necessary to offset the loss of tax revenue which could otherwise occur due to certain changes in law, it is possible that this language will not account for every conceivable change of law which could occur. The District has concluded that the Service Plan permits the District to adjust the Required Mill Levy for the changes to assessment rates and actual values described herein. However, the foregoing could change if recent legislative changes are subject to judicial interpretation and there is no assurance that future legislation and/or initiatives will not result in changes that cannot be offset by the District’s adjustment of the Required Mill Levy. See “THE BONDS—Security for the Bonds.”

## **Foreclosures**

The District’s ability to collect property tax revenue for timely payment of the Bonds depends, among other things, upon the maintenance of an adequate tax base from which the District can collect sufficient property tax revenue from the imposition of the Required Mill Levy. In the State, the foreclosure process begins when the lender informs the borrower of a default in payment. At least 30 days after the borrower is notified of such default and at least 30 days before filing a Notice of Election and Demand (“NED”), the lender must send the borrower a notice containing, among other things, information related to the Colorado Foreclosure Hotline, which provides mortgage modification filing assistance and counseling at no charge. Following a review of the documents by the public trustee of the county, the NED must be recorded with the county clerk and recorder no later than 10 days following the receipt of such notice. Once the NED is recorded, the property is officially in foreclosure. Such filing can be “cured” or “withdrawn” before the property in foreclosure is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. Currently, the period between the recording date of the NED and the foreclosure sale at auction in the State is not less than 110 days and not more than 125 days by law, but in some cases, this period may actually last much longer.

Property owned by a lending institution as a result of foreclosure is typically resold in the market at a depressed price, resulting in a decrease in assessed valuation of the foreclosed property. In addition, a foreclosure of a particular property within the District may have an immediate and/or long-term effect of depressing market values of other properties in the District. See also “APPENDIX B—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity.”

## **Enforcement of Tax Collection by County**

The duty to pay property taxes does not constitute a personal obligation of the property owners within the District. Rather, the obligation to pay property taxes is tied to the specific properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties for which taxes are unpaid. To enforce property tax liens, the County Treasurer is obligated to cause the sale of tax liens upon the property that is subject to the delinquent taxes, as provided by law, and the revenue derived from such sales, if any, is applied to the delinquent taxes. The County Treasurer has the power to foreclose on and cause the sale of the property that is subject to the delinquent tax, after the period allowed for the property owner to redeem such taxes, as provided by law. Such redemption period is currently three years, during which a property owner may pay all taxes due and prevent such foreclosure. The tax foreclosure process can be a time-consuming and expensive and does not necessarily result in recovery of all amounts due and unpaid.

In addition, the ability of the County Treasurer to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor's rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold in a County Treasurer's tax sale only if the bankruptcy court approves such sale. There is no assurance that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment.

Finally, the collection of property taxes is dependent upon the property subject to such taxes having sufficient fair market value to support the taxes which are imposed. No assurance can be given as to the future market values of property in the District. See “—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land” above and “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes.”

## **Dependence on Leases and Tenants**

The SLC Development consists of four buildings leased to a total of eight tenants, and each of the eight leases generally obligate the relevant tenant to pay its pro rata share of the ad valorem property taxes allocable to its leased space, together with personal property taxes, as may be applicable. The primary revenue source on which the District is dependent for timely payment of the Bonds is property taxes, and the term of the Bonds is 29 years. Two of the eight leases are for 10 and 15 years, respectively, five of the leases are for just over 5 years, and one lease is for approximately 3 years. Although each lease contains a renewal option, the details of the renewal terms are not available and there is no assurance that all eight tenants, or any of them, will renew their respective leases for additional terms, and if such renewals do occur, there is no guarantee that such renewals will be for a period extending through the entire term of the Bonds. If during the term of the Bonds the existing tenants do not renew their leases and new leases with new tenants are not successfully obtained for sufficient periods, the payment of property taxes will be concentrated in the owners of the four buildings, rather than spread across multiple tenants. See “—Taxpayer Concentration” below.

## **Taxpayer Concentration**

As of December 31, 2024, entities related to Northpoint, consisting of NP Stafford II, LLC; NP Stafford I Building 1, LLC; NP Stafford IV Building 3, LLC; NP Stafford IV Building 2, LLC; NP Stafford III, LLC; and NP Stafford I, LLC (collectively, the “Developer Affiliates”), own taxable property within the District representing 84.06% of the assessed valuation of the taxable property of the District. The primary source of revenue expected for repayment of the Bonds is ad valorem property tax revenue and, as of the date of this Official Statement, the obligation to pay property taxes is concentrated in the Developer Affiliates, to the extent such obligation is not passed along to tenants pursuant to their leases. Based on the

structure of the existing (and planned, if any) development within the District, is it expected that the Developer Affiliates will continue to own a majority of the taxable property within the District, and this taxpayer concentration is not expected to change in the near future, or at all.

There has been no independent investigation of, and no representation is made in this Official Statement regarding the financial soundness of the Developer Affiliates. There is no assurance that the Developer Affiliates have and will have in the future the financial resources with which to pay the entirety of the taxes due on property within the District, or whether such payment, if made, will be timely.

The generation of Pledged Revenue sufficient to pay the Bonds will be dependent upon the Developer Affiliates for timely payment of property taxes. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*TABLE VII 2024 Largest Taxpayers in the District.*”

### **Potential Transfers to Tax-Exempt Users**

Property used for tax-exempt purposes is not subject to ad valorem taxation by the District. It is possible that property within the District that currently generates property taxes pledged to the payment of the Bonds could be transferred to one or more tax-exempt users. For example, churches and charitable non-profit organizations typically qualify for an exemption from property taxation. Although nothing of that nature is currently within the District and Northpoint is not currently aware of any such pending transfer(s), no assurance can be provided that a property owner will not transfer such property to a tax-exempt user in the future. There is no prohibition on the sale of property to tax-exempt users, and there are no covenants imposing payments in lieu of taxes currently or planned to be recorded against property in the District. In addition, it is possible that some or all of the property in the District could be condemned for public use, in which case it may no longer be subject to taxation by the District. If any of the foregoing events occur, property taxes available to pay the Bonds could be reduced, and such reduction could be significant.

### **Legal Constraints on District Operations**

Various State laws and constitutional provisions govern the assessment and collection of ad valorem property taxes and the issuance of bonds and impose limitations on revenues and spending of the State and local governments, including the District, and limit rates, fees and charges imposed by such entities. State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the District.

### **Risk of Internal Revenue Service Audit**

The Internal Revenue Service (the “Service”) has a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of Bond Counsel that interest on the Bonds is tax-exempt for federal income tax purposes, or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Indenture does not provide for any adjustment to the interest rate borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the District as the

taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the District, the Underwriter, Underwriter's Counsel, Bond Counsel, or General Counsel is obligated to pay or reimburse an owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of, the Bonds. See also "TAX MATTERS."

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the Colorado General Assembly that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Bonds, adversely affect the market price or marketability of the Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Bonds. Purchasers of the Bonds should consult their tax advisors regarding any potential proposed or pending legislation, regulatory initiatives or litigation.

In addition, there are certain tax-related risks with respect to the Bonds. See "—Risk of Internal Revenue Service Audit" above.

### **Potential Environmental Matters**

***Wildfire; Disaster Risk.*** In recent years, the State has experienced numerous significant wildfires. According to the Rocky Mountain Area Coordination Center, in 2020 (latest data available), more than 625,000 acres were burned by wildfires throughout the State. According to the Colorado Department of Public Safety, the three largest fires (measured by acreage) in State history occurred in 2020. Recent destructive fires include the Black Forest Fire in El Paso County in 2013, in which approximately 14,000 acres were burned and nearly 500 homes were destroyed. On December 30, 2021, the Marshall Fire burned approximately 6,000 acres and destroyed over 1,000 homes and businesses, making it the most destructive fire in State history. The Marshall Fire was located in a suburban area centered in Superior, Colorado, which is located approximately 7 miles east of Boulder, Colorado, and about 20 miles west of Denver.

According to the Colorado State Forest Service's Wildfire Risk Public Viewer web site accessed on June 20, 2025, the District is located in an area with low to moderate levels of fire risk within the scale used by such site. According to the District, there is no specific fire mitigation that is required to occur within the District.

No assurance can be given as to whether any future wildfire or other disaster will impact any portion of the District. The occurrence of wildfires in or adjacent to the District could have an adverse effect on, among other things, the availability of property insurance. In the event a fire or other natural or man-made disaster destroys any one or more of Buildings 1, 2, 3 or 5 within the District, the actual value of the property in the District would decrease (which would cause a reduction in the assessed valuation of such property on which taxes are assessed), resulting in a reduction of the Pledged Revenue available for payment of the Bonds, and such reduction in revenue could be material. There can be no assurance that a casualty loss will



be covered by any insurance of property owners, that any insurance company will fulfill its obligation to provide insurance proceeds, or that any insurance proceeds will be sufficient to rebuild any damaged property. There is no assurance that property owners will rebuild damaged or destroyed properties or, if they do, the timeframe in which they will rebuild.

***Climate Change.*** Climate change, including change caused by human activities, may have material adverse effects on the District. As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as drought, wildfires, floods and heat waves. The future fiscal impact of climate change on the District is difficult to predict, but it could be significant, and it could have an adverse effect on the Pledged Revenue.

***Drought.*** From time to time, the State experiences droughts. According to the U.S. Drought Monitor web site accessed on June 20, 2025, the County is experiencing no drought conditions. There can be no assurance that drought conditions will not appear in the County in the future. The appearance and persistence of drought conditions could materially adversely the receipt of Pledged Revenue.

### **Cybersecurity**

The District is aware of the threat of cyberattacks and maintains cyber insurance coverage. The District relies on computer systems and technologies to conduct many of its operations. Despite security measures, the District, like other public and private entities, may be vulnerable to cyber-attacks by third parties. Any such attack could compromise systems and the information therein, resulting in a disruption in the operations of the District. At its June 18, 2025 meeting, the Board of the District approved an increase in the District's crime insurance coverage (which includes cyber security coverage) to \$1,000,000, and the District is in the process of implementing such additional coverage. There is no assurance, however, that such increased insurance coverage would be sufficient to address any potential cyber-attack. See "DISTRICT FINANCIAL INFORMATION—Risk Management."

## **THE BONDS**

### **Description**

The Bonds will be issued in the principal amounts, will be dated and will mature as indicated on the cover page of this Official Statement. For a complete statement of the details and conditions of the Bond issue, reference is made to the Indenture, a copy of which is available from the Underwriter prior to delivery of the Bonds. See "INTRODUCTION—Additional Information."

### **Sources of Payment**

***Pledged Revenue.*** The Bonds are limited tax general obligations of the District secured by and payable from the "Pledged Revenue," consisting of the following: (a) all Property Tax Revenues (generally defined as all moneys derived from imposition by the District of the Required Mill Levy); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

**Reserve Fund.** The Bonds will be secured by the Reserve Fund which will be fully funded in the amount of the Reserve Requirement upon issuance of the Bonds from the proceeds thereof.

The Service Plan requires that the following statement be included in this Official Statement: By acceptance of a Bond, the Owner of such Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Bond contained therein, in the resolution of the District authorizing the issuance of the Bonds, and in the Service Plan for creation of the District.

See “—Security for the Bonds” below. See also “APPENDIX A—SELECTED DEFINITIONS” for definitions of the capitalized terms used above and otherwise throughout this Official Statement.

### **Authorized Denominations of the Bonds**

The Bonds are being issued in “Authorized Denominations,” defined in the Indenture to mean the amount of \$5,000.

### **Payment of Principal and Interest**

The Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable on June 1 and December 1 each year (each, an “Interest Payment Date”), commencing December 1, 2025.

To the extent principal of any Bond is not paid on or prior to the maturity date of such Bond, such principal is to remain Outstanding until paid and shall continue to bear interest at the rate then borne by the Bond; provided however, that notwithstanding anything in the Indenture to the contrary, the District is not obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds are to be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The principal of and premium, if any, on this Bond are payable in lawful money of the United States of America to the Owner of this Bond upon maturity or prior redemption and presentation at the designated office of the Trustee. The interest on this Bond is payable to the person in whose name this Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date; provided that any such interest not so timely paid or duly provided for are to cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and are to be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date is to be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date is to be given to the Owners of the Bonds not less than ten (10) days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice is to state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Payments for the principal of and interest on the Bonds are to be made as described in “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM.”

## Redemption

**Optional Redemption.** The Bonds are subject to redemption prior to maturity, at the option of the District, at the time or times and upon the price or prices to be set forth in the final Official Statement.

**Mandatory Sinking Fund Redemption.** The Bonds maturing December 1, 2035 \* also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

| <b>Year<br/>of Redemption *</b> | <b>Redemption<br/>Amount *</b> |
|---------------------------------|--------------------------------|
| 2025                            | \$550,000                      |
| 2026                            | 110,000                        |
| 2027                            | 115,000                        |
| 2028                            | 140,000                        |
| 2029                            | 140,000                        |
| 2030                            | 165,000                        |
| 2031                            | 175,000                        |
| 2032                            | 200,000                        |
| 2033                            | 205,000                        |
| 2034                            | 235,000                        |
| 2035 <sup>1</sup>               | 245,000                        |

<sup>1</sup> Final maturity, not a sinking fund redemption.

**Mandatory Sinking Fund Redemption.** The Bonds maturing December 1, 2045 \* also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

| <b>Year<br/>of Redemption *</b> | <b>Redemption<br/>Amount *</b> |
|---------------------------------|--------------------------------|
| 2036                            | \$275,000                      |
| 2037                            | 285,000                        |
| 2038                            | 320,000                        |
| 2039                            | 335,000                        |
| 2040                            | 370,000                        |
| 2041                            | 390,000                        |
| 2042                            | 430,000                        |
| 2043                            | 450,000                        |
| 2044                            | 495,000                        |
| 2045 <sup>1</sup>               | 520,000                        |

<sup>1</sup> Final maturity, not a sinking fund redemption.

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\* Preliminary; subject to change.

***Mandatory Sinking Fund Redemption.*** The Bonds maturing December 1, 2054 \* also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

| <b>Year<br/>of Redemption *</b> | <b>Redemption<br/>Amount *</b> |
|---------------------------------|--------------------------------|
| 2046                            | \$ 565,000                     |
| 2047                            | 595,000                        |
| 2048                            | 650,000                        |
| 2049                            | 680,000                        |
| 2050                            | 740,000                        |
| 2051                            | 780,000                        |
| 2052                            | 845,000                        |
| 2053                            | 885,000                        |
| 2054 <sup>1</sup>               | 2,235,000                      |

<sup>1</sup> Final maturity, not a sinking fund redemption.

With respect to each maturity of the Bonds subject to mandatory sinking fund redemption, on or before forty-five (45) days prior to each sinking fund installment date for such maturity as set forth above, the Trustee is to select for redemption, by lot in such manner as the Trustee may determine, from the Outstanding Bonds of that maturity, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date and maturity may be reduced by the principal amount of any Bonds of that maturity which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions, if any, are to be applied in such year or years as may be determined by the District.

***Redemption Procedure and Notice.*** If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee determines. The Bonds are to be redeemed only in integral multiples of \$5,000. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Bond are to be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$5,000. In the event a portion of any Bond is redeemed, the Trustee is to, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

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

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\* Preliminary; subject to change.

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

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

## **Security for the Bonds**

***Property Tax Revenues.*** The Indenture defines “Property Tax Revenues” to mean all ad valorem property tax revenue derived from imposition by the District of the Required Mill Levy, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

The definition of the Required Mill Levy is set forth below. The Bonds are not secured by property lying within the District, but rather by, among other things, the District’s obligation to annually determine, fix and certify a rate of levy, not to exceed the Required Mill Levy, for ad valorem property taxes to the Board of County Commissioners in an amount sufficient to pay, along with other legally available revenues, the principal of and interest on the Bonds. The Indenture provides that in the event any ad valorem taxes are not paid when due, the District is to diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed. See “—*Covenant to Impose the Required Mill Levy*” below and “INVESTMENT CONSIDERATIONS—Enforcement of Tax Collection by County.”

***Definition of Required Mill Levy.*** The Indenture defines “Required Mill Levy” to mean:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due in such Bond Year, and to replenish, if necessary, the Reserve Fund to the Reserve Requirement, but not in excess of 25.000 mills; provided however, that if, after January 1, 2004, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy set forth above in this paragraph (a) is to be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by such mill levy, as adjusted for any of the aforementioned changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Required Mill Levy is to be reduced to the point that such maximum tax increase is not exceeded.

*Board Determination of Adjusted Mill Levy.* Pursuant to the mill levy adjustment language in paragraph (a) of the definition of Required Mill Levy set forth above, the District’s accountant is to annually calculate the number of mills equal to the Required Mill levy, as so adjusted, and the Board is to affirm and ratify such calculation. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—Assessment of Property” for an explanation of certain recent changes in law applicable to property taxes. In particular, see the table titled “—Current Assessment Ratios” under the foregoing caption for a summary of the various assessment ratios for different categories of property for the applicable years stated.

*Covenant To Impose the Required Mill Levy.* For the purposes of paying the principal of, premium if any, and interest on the Bonds, the Reserve Fund to the Reserve Requirement, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2025 through 2053,\* inclusive (for tax collection in years 2026 through 2054,\* inclusive), and in each year thereafter in which the Bonds remain Outstanding, in the amount of the Required Mill Levy; provided that nothing in the Indenture is to be construed to require the District to levy an ad valorem property tax for the foregoing purposes which is in excess of the Required Mill Levy.

The Indenture further provides that it is to be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Indenture with reference to the levying and collection of taxes; and the Board is to levy, certify, and collect said taxes in the manner provided by law for the purposes described above.

***Specific Ownership Tax Revenues.*** “Specific Ownership Tax Revenues” is defined in the Indenture to mean the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of imposition by the District of the Required Mill Levy. Pursuant to Section 42-3-107, C.R.S., specific ownership tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity’s ad valorem taxes represents of the cumulative amount of ad valorem taxes levied county-wide. All motor vehicles in the State—which includes trucks, cars, trailers, and certain special mobile machinery (including self-propelled construction equipment)—are divided into classes, and specific ownership taxes are imposed based on the particular class of the motor vehicle. For example, specific ownership tax is currently imposed on passenger vehicles at a graduated rate which varies from 2.1% of taxable value in the first year of ownership to \$3 per year in the tenth year of ownership and thereafter. Changes in State law pursuant to which the specific ownership tax is collected and distributed are not within the control of the District and could result in a decrease in the present specific ownership tax rates and, as a result, the amount of Specific Ownership Tax Revenues received by the District and payable to the Trustee in accordance with the Indenture.

Only the portion of the specific ownership tax that is collected as a result of the imposition of the Required Mill Levy is pledged to the payment of the Bonds. The portion of the specific ownership tax that is collected as the result of the mill levy imposed by the District for operations and maintenance is anticipated to be applied to operational costs of the District and is not pledged to the Bonds. See “DISTRICT FINANCIAL INFORMATION—Specific Ownership Taxes.”

## **Certain Indenture Provisions**

The following is a description of certain provisions of the Indenture and is subject in all respects to the more specific provisions of the Indenture. See “APPENDIX A—SELECTED DEFINITIONS” for definitions of certain capitalized terms used below and elsewhere in this Official Statement.

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\* Preliminary; subject to change



***Creation of Funds and Accounts.*** Under the Indenture, there are created the following funds and accounts, which are to be established, held and maintained by the Trustee in accordance with the provisions of the Indenture:

- (a) the Revenue Fund;
- (b) the Project Fund;
- (c) the Bond Fund;
- (d) the Reserve Fund; and
- (e) the Costs of Issuance Fund.

***Revenue Fund.*** The Revenue Fund is to be established, held and maintained by the Trustee in accordance with the provisions of the Indenture. Except for Pledged Revenue described in clause (c) of the definition thereof in APPENDIX A hereof, which the Trustee shall credit directly to the Bond Fund, the Trustee shall credit all Pledged Revenue to the Revenue Fund promptly upon the receipt thereof.

***Transfer of Pledged Revenue to Trustee.*** The Indenture provides that the District is to transfer or cause to be transferred all amounts comprising Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, but in no event later than the fifteenth (15th) day of the calendar month immediately succeeding the calendar month in which such Pledged Revenue is received by the District. **IN NO EVENT IS THE DISTRICT PERMITTED TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE OR TO APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS SET FORTH IN THE INDENTURE.**

Except for Pledged Revenue described in clause (c) of the definition thereof in the Indenture (*i.e.*, legally available moneys of the District transferred to the Trustee for application as Pledged Revenue), which the Trustee is to credit directly to the Bond Fund, the Trustee shall credit all Pledged Revenue to the Revenue Fund promptly upon the receipt thereof.

***Application of Pledged Revenue; Flow of Funds.*** In each Bond Year, the Trustee is to apply the Pledged Revenue in the Revenue Fund in the order of priority set forth in clauses FIRST through SIXTH below and, for purposes of such application: (i) no Pledged Revenue is to flow to a lower priority until all of the higher priorities have been fully funded; (ii) when credits or disbursements to more than one fund, account, or purpose are required at any single priority level, such credits and/or disbursements are to rank *pari passu* with each other; and (iii) when credits or disbursements are required to go to funds or accounts which are not held by the Trustee under the Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits and/or disbursements are to be made; provided, however, that if the Trustee serves as the trustee to whom the disbursements are to be made, the Trustee is to make such disbursements without the need for direction from the District.

FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable;

- SECOND: To the credit of the Bond Fund, the amount necessary to pay the principal of and interest on the Bonds due and coming due in the then current Bond Year as more particularly described under the caption “— *Bond Fund*” below; and to the credit of or disbursement to any Senior Obligation Bond Fund established for the current payment of the principal of and interest on any other Senior Bonds, the amounts required for the then current Bond Year by the Senior Bond Documents pursuant to which such other Senior Bonds are issued.
- THIRD: To the credit of the Reserve Fund, the amount, if any, necessary to cause the amount therein to equal the Reserve Requirement; and to the credit of or disbursement to any Senior Bond Reserve Fund established in connection with any other Senior Bonds (including Permitted Refunding Bonds), the amount necessary, if any, to fund or replenish such Senior Bond Reserve Fund to the amount required by the Senior Bond Documents pursuant to which such other Senior Bonds are issued.
- FOURTH: To the credit of or disbursement to any Senior Bond Surplus Fund established in connection with any other Senior Bonds (including Permitted Refunding Bonds), the amount necessary, if any, to fund or replenish such Senior Bond Surplus Fund to the amount required by the Senior Bond Documents pursuant to which such other Senior Bonds are issued.
- FIFTH: To the Subordinate Bond Trustee for any Subordinate Bonds then outstanding, all amounts remaining in the then current Bond Year after the payments and accumulations set forth in clauses FIRST through FOURTH above for application in the manner set forth in the applicable Subordinate Bond Documents.
- SIXTH: To the District, for credit to any other fund or account as may be designated by the District in writing to the Trustee, to be used for any lawful purpose, any Pledged Revenue remaining in the then current Bond Year after the payments and accumulations set forth in clauses FIRST through FIFTH above (which revenues, upon disbursement to or at the direction of the District in accordance with this clause SIXTH, are to be released from the lien of the Indenture and thereafter no longer constitute “Pledged Revenue” thereunder).

*Deemed Order of Application of Pledged Revenue.* In the event that any Pledged Revenue is available to be disbursed in accordance with clause SIXTH above, the District will, in making its determination as to the application of such amounts, take into account: (i) the restrictions that State law places on the use of any moneys representing ad valorem property tax revenue derived from the imposition of a debt service mill levy, and (ii) any then-existing pledge or encumbrance on such revenues. For purposes of determining the nature of the Pledged Revenue available for disbursement pursuant to clause SIXTH above, the Pledged Revenue applied in FIRST through FIFTH above are to be deemed to be funded, first, from Property Tax Revenues, and second, from Specific Ownership Tax Revenues.

**Senior Priority.** The District covenants in the Indenture that all property tax revenue collected by the District from a debt service mill levy, or so much thereof as is needed, is to first, be designated as Property Tax Revenues in any Bond Year to pay annual debt service on the Bonds and any other Senior Bonds and to fund such funds and accounts as are required in accordance with the terms of the Indenture and the Senior Bond Documents pursuant to which such other Senior Bonds are issued, and only after the funding of such annual debt service and fund and account accumulations required in such Bond Year can property tax revenue be applied to pay Subordinate Bonds, if any.

**Project Fund.** The Project Fund is to be maintained by the Trustee in accordance with the terms of the Indenture. Upon issuance of the Bonds, moneys are to be credited to the Project Fund as provided in the Indenture.

**Draws from Project Fund.** So long as no Event of Default has occurred and is continuing, amounts in the Project Fund are to be disbursed by the Trustee to the District in accordance with requisitions submitted to the Trustee in substantially the form set forth in the Indenture, signed by (i) the District Representative or the President of the District and (ii) the District Accountant, certifying that all amounts drawn will be applied to the payment of Project Costs (each, a "Project Fund Requisition"). The Trustee may rely conclusively on any such Project Fund Requisition as to the information and certifications contained therein and is not required to make any independent investigation in connection therewith. The execution of any Project Fund Requisition by the District Representative or the President of the District and the District Accountant constitutes, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

**Events of Default.** Upon the occurrence and continuance of an Event of Default, the Trustee will cease disbursing moneys from the Project Fund, and instead will apply such moneys in the manner provided by the provisions of the Indenture addressing such application following an Event of Default.

**Disposition of Unused Moneys; Termination of Project Fund.** Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, or that the funds in the Project Fund exceed the amount necessary to pay all Project Costs which the District has determined to pay, any balance remaining in the Project Fund is to be credited to the Bond Fund. The Project Fund terminates at such time as no further moneys remain therein.

**Bond Fund.** Subject to the receipt of sufficient Pledged Revenue, there is to be credited to the Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Bond Fund (but *not* including moneys deposited thereto from other funds pursuant to the terms of the Indenture), will be sufficient to pay the principal of and interest on the Bonds which has or will become due on the Scheduled Payment Dates occurring in the Bond Year in which the credit is made.

Moneys in the Bond Fund (*including* moneys transferred thereto from other funds pursuant to the terms of the Indenture) are to be used by the Trustee solely to pay the principal of and interest on the Bonds (and premium, if due in connection with an optional redemption of Bonds being made pursuant to the provisions of the Indenture), in the following order of priority:

FIRST, to the payment of current interest due in connection with the Bonds;

SECOND, to the payment of accrued but unpaid interest on the Bonds; and

THIRD, to the extent of any moneys remaining after the payment of all interest due pursuant to clauses FIRST through SECOND above:

(i) to the payment of the principal of the Bonds then due and owing on the applicable Scheduled Payment Date (which Scheduled Payment Date may constitute a maturity date); or

(ii) if the Bonds are being optionally redeemed, in whole or in part, pursuant to the applicable provisions of the Indenture, to the payment of the principal (and premium, if any) of the Bonds so redeemed on the applicable redemption date.

In the event that available moneys in the Bond Fund (*including* any moneys transferred thereto from other funds pursuant to the terms of the Indenture) are insufficient for the payment of the principal of and/or the interest due on the Bonds on any Scheduled Payment Date, the Trustee is to apply all available moneys on such Scheduled Payment Date in the manner and order of priority set forth below:

FIRST, to the payment of current interest due in connection with the Bonds, in proportion to the amount of the current interest then due on each Bond;

SECOND, to the payment of accrued but unpaid interest on the Bonds, in proportion to the amount of accrued but unpaid interest then due on each Bond; and

THIRD, the Trustee is to apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts, such payments to be in increments of \$5,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be paid pursuant to such partial payment are to be selected by lot from the Bonds the principal of which is due and owing on the Scheduled Payment Date.

Moneys credited to the Bond Fund may be invested or deposited as provided in the Indenture, and the earnings thereon are to be treated as provided in in the Indenture.

**Reserve Fund.** The Reserve Fund is to be established, held and maintained by the Trustee in accordance with the provisions of the Indenture.

The Reserve Fund is to be fully funded upon issuance of the Bonds from the proceeds thereof in the amount of the Reserve Requirement. Thereafter, subject to the receipt of sufficient Pledged Revenue, for so long as any Bond is Outstanding under the Indenture, the Reserve Fund is to be maintained in the amount of the Reserve Requirement.

Subject to the provisions of the Indenture, moneys in the Reserve Fund are to be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of and/or interest on the Bonds when due on any Scheduled Payment Date, and the Reserve Fund is thereby pledged to the payment of the Bonds. In the event the amounts credited to the Bond Fund are insufficient to pay the principal of and/or interest on the Bonds on any Scheduled Payment Date, the Trustee is to transfer from the Reserve Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund, will be sufficient to make such payments on the applicable Scheduled Payment Date. In the event that moneys in the Bond Fund and the Reserve Fund are together insufficient to make such payments when due on any Scheduled Payment Date, the Trustee will nonetheless transfer all moneys in the Reserve Fund to the Bond Fund for the purpose of making partial payments as provided in the Indenture and described above under the caption “—*Bond Fund*.”

If at any time the Reserve Fund is drawn upon or valued so that the amount of the Reserve Fund is less than the Reserve Requirement, then the Trustee is to apply Pledged Revenue to the credit of the Reserve Fund in amounts sufficient to bring the amount credited to the Reserve Fund to the Reserve Requirement. Such credits are to be made at the earliest practicable time, but in accordance with and subject to the limitations of the Indenture as described above under clause THIRD of the caption “—*Application of Pledged Revenue; Flow of Funds.*” Nothing in the Indenture is to be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding the Reserve Fund in excess of the Required Mill Levy.

The amount credited to the Reserve Fund is never to exceed the amount of the Reserve Requirement. In the event the amount in the Reserve Fund is greater than the amount of the Reserve Requirement, the Trustee is to transfer to the Bond Fund the amount necessary such that the amount in the Reserve Fund does not exceed the Reserve Requirement.

Investments credited to the Reserve Fund are to be valued on the basis of their current market value, as reasonably determined by the District, which value to be determined at least annually, and any deficiency resulting from such evaluation to be replenished as provided in the Indenture.

***Costs of Issuance Fund.*** The Costs of Issuance Fund is to be maintained by the Trustee. All moneys on deposit in the Costs of Issuance Fund are to be applied by the Trustee at the direction of the District in accordance with the closing memorandum prepared by the Underwriter, which summarizes the approved costs of issuance. The Trustee may rely conclusively on any such direction and is not to be required to make any independent investigation in connection therewith. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Bonds are to be transferred by the Trustee into the Project Fund.

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

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

(b) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District is to use its reasonable efforts to have such audit report completed no later than September 30 of the calendar year immediately succeeding the calendar year which is the subject of such audit. The foregoing covenant is to apply notwithstanding any state law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and audit will be filed and recorded in the places, time, and manner provided by law.

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

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

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

(f) In the event the Pledged Revenue and other moneys available under the Indenture for payment of the Bonds is insufficient or is anticipated to be insufficient to pay the principal of and interest on the Bonds when due, the District is to use its reasonable efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such insufficiency.

(g) In the event that any Pledged Revenue is released to the District as provided in clause SIXTH under the caption “—*Application of Pledged Revenue; Flow of Funds*” above, the District will, in making its determination as to which obligations will be paid with such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue.

***Additional Bonds.*** After issuance of the Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Indenture. Nothing in the Indenture is to affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds thereunder; provided that notwithstanding the foregoing or anything therein to the contrary, the District is not to create, incur, assume, or suffer to exist any liens or encumbrances upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof superior to the lien thereon of the Bonds.

***Permitted Refunding Bonds.*** The District may issue Additional Bonds as Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion. See APPENDIX A hereto for the definition of Permitted Bonds.

***Senior Bonds.*** The District may issue Additional Bonds as Senior Bonds if such issuance is consented to by the Consent Parties with respect to 51% in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue additional Senior Bonds if each of the following conditions are met as of the date of issuance of such additional Senior Bonds:

(a) no Event of Default has occurred and is then continuing, and no amounts of principal or interest on the Bonds or any other Senior Bonds then outstanding are due but unpaid;

(b) upon issuance of the additional Senior Bonds, the Debt to Assessed Ratio of the District will be 50% or less; and

(c) upon issuance of the additional Senior Bonds, the Debt Service Coverage Ratio will be 1.40x or greater.

The Indenture defines “Debt Service Coverage Ratio” as the ratio derived by dividing: (a) the ad valorem property tax revenue that would be generated by imposition of the maximum Required Mill Levy against the most recent Assessed Valuation of the District, by (b) Maximum Annual Debt Service.

See “APPENDIX A—SELECTED DEFINITIONS” for the definition of “Maximum Annual Debt Service” and other defined terms pertinent to the Debt Service Coverage Ratio.

*Subordinate Bonds.* The District may issue additional Subordinate Bonds without the consent of or notice to any Consent Party if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

(a) The maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than the number of mills equal to the maximum Required Mill Levy as set forth in the Indenture, less the number of mills required to be imposed in connection with the Bonds and any other Senior Bonds then outstanding, and such mill levy for the payment of the Subordinate Bonds may be subject to the same adjustments as those set forth in the definition of Required Mill Levy. See “—Security for the Bonds—*Property Tax Revenues*” above.

(b) The Subordinate Bonds are payable as to both principal and interest not more than once annually, on a date in any calendar year which is after the final due date in that calendar year on the Bonds and any other Senior Bonds.

A written certificate by the President or Treasurer of the District that the conditions set forth in the Indenture are met is to conclusively determine the right of the District to authorize, issue, sell, and deliver Additional Bonds in accordance with the Indenture.

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

(a) The District fails or refuses to impose the Required Mill Levy, enforce collection of the tax revenue derived therefrom, or to apply the Pledged Revenue as required by the Indenture;

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

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

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THIS ARTICLE VIII. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS OF THE INDENTURE WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE BONDS. IN NO EVENT SHALL ANY PROVISION OF THE INDENTURE BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due does not, of itself, constitute an Event of Default under the Indenture.

***Remedies on Occurrence of Event of Default.*** Upon the occurrence and continuance of an Event of Default, the Trustee is to have the following rights and remedies which may be pursued:

*Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Indenture to, the Trustee.

*Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Bonds, the Bond Resolution, the Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

*Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Indenture or any rights, powers, or remedies of the Trustee under the Indenture, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

If an Event of Default under the Indenture of the nature described in clause (a) under the caption “—*Events of Default*” above has occurred, and if requested by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee will be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by Counsel, deems most expedient in the interests of the Owners, subject to the provisions of the Indenture described under the caption “—*Majority of Consent Parties May Control Proceedings*” below; provided that the Trustee at its option is to be indemnified as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, acceleration of the Bonds is not to be an available remedy for an Event of Default.

*Majority of Consent Parties May Control Proceedings.* The Consent Parties of 51% in aggregate principal amount of the Bonds then Outstanding will have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver, and any other proceedings thereunder; provided that such direction may not be otherwise than in accordance with the provisions of the Indenture; and provided further that at its option the Trustee shall be indemnified as provided in the Indenture.

*Rights and Remedies of Owners.* No Owner of any Bond is to have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has



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

*Waivers of Events of Default.* The Trustee may in its discretion waive any Event of Default under the Indenture and its consequences, and is to do so upon the written request of the Consent Parties with respect to not less than 51% in aggregate principal amount of the Bonds then Outstanding; provided however, that there is not to be waived, without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding, an Event of Default of the nature described in clause (a) under the caption “— *Events of Default*” above. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default is to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners are to be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

*Supplemental Indentures Not Requiring Consent.* Subject to the provisions of the Indenture, the District and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental thereto, which supplemental indentures are to thereafter form a part thereof, for any one or more of the following purposes: (a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds; (b) to subject additional revenues, properties, or collateral to the Indenture; (c) to grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (d) to qualify the Indenture under the Trust Indenture Act of 1939.

*Supplemental Indentures Requiring Consent.* Except for supplemental indentures delivered pursuant to the Indenture as described above in “—*Supplemental Indentures Not Requiring Consent*,” and subject to the other provisions of the Indenture, the Consent Parties with respect to not less than 51% (or for modifications of provisions of the Indenture which require the consent of a percentage of Owners or Consent Parties higher than 51%, such higher percentage) in aggregate principal amount of the Bonds then Outstanding have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such amendments to the Indenture or indentures supplemental thereto as are to be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing in the Indenture contained is to permit, or be construed as permitting: (i) a change in the terms of

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

### ***Discharge of Lien.***

*Discharge of the Lien of the Indenture.* If the District pays or causes to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium if any, and interest to become due on the Bonds at the times and in the manner stipulated in the Indenture, and if the District keeps, performs, and observes all and singular the covenants and promises in the Bonds and in the Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by the Indenture to be paid have been paid, then the presents of the Indenture and the estate and rights thereby granted are to cease, terminate, and be void, and thereupon the Trustee is to cancel and discharge the lien of the Indenture, and execute and deliver to the District such instruments in writing as is requisite to satisfy the lien thereof, and assign and deliver to the District any property at the time subject to the lien of the Indenture which may then be in its possession, and deliver any amounts required to be paid to the District under the Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

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

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

Prior to the investment or reinvestment of such moneys or such Federal Securities as described above, the Trustee is to receive and may rely upon: (a) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Tax Code, that such investment or reinvestment does not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds; and (b) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium, if any, and interest on the Bonds when due.

The release of the obligations of the District under the Indenture are to be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it under the Indenture and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust thereby created, the exercise of its powers, and the performance of its duties under the Indenture.

*Continuing Role As Bond Registrar and Paying Agent.* Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of the Indenture as described above, the Trustee is to continue to fulfill its obligations under the Indenture until the date on which the Bonds have been fully paid.

## USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

### Application of Bond Proceeds

**General.** Proceeds from the sale of the Bonds will be used for the purposes of: (a) paying or reimbursing costs of Public Improvements; (b) funding the Reserve Fund in the amount of the Reserve Requirement; and (c) paying costs of issuance of the Bonds.

**Estimated Sources and Uses of Funds.** The estimated uses of the proceeds of the Bonds are as follows:

Sources:

|   |  |
|---|--|
| Bonds Par Amount .....                      |  |
| Net Original Issue [Discount/Premium] ..... |  |
| Total.....                                  |  |

Uses:

|   |  |
|---|--|
| Deposit to Project Fund .....   |  |
| Deposit to Reserve Fund.....  |  |
| Costs of issuance, including underwriting discount, <sup>2</sup> and<br>contingency ..... |  |
| Total.....  |  |

<sup>1</sup> See "MISCELLANEOUS—Underwriting."  
Source: The Underwriter

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## Debt Service Requirements

Set forth in the following table are the debt service requirements for the Bonds.

**TABLE I**  
**Debt Service Requirements**<sup>1, \*</sup>

| <b>Year</b> | <b>Principal</b>    | <b>Interest</b> | <b>Annual Total</b> |
|-------------|---------------------|-----------------|---------------------|
| 2025        | \$ 550,000          |                 |                     |
| 2026        | 110,000             |                 |                     |
| 2027        | 115,000             |                 |                     |
| 2028        | 140,000             |                 |                     |
| 2029        | 140,000             |                 |                     |
| 2030        | 165,000             |                 |                     |
| 2031        | 175,000             |                 |                     |
| 2032        | 200,000             |                 |                     |
| 2033        | 205,000             |                 |                     |
| 2034        | 235,000             |                 |                     |
| 2035        | 245,000             |                 |                     |
| 2036        | 275,000             |                 |                     |
| 2037        | 285,000             |                 |                     |
| 2038        | 320,000             |                 |                     |
| 2039        | 335,000             |                 |                     |
| 2040        | 370,000             |                 |                     |
| 2041        | 390,000             |                 |                     |
| 2042        | 430,000             |                 |                     |
| 2043        | 450,000             |                 |                     |
| 2044        | 495,000             |                 |                     |
| 2045        | 520,000             |                 |                     |
| 2046        | 565,000             |                 |                     |
| 2047        | 595,000             |                 |                     |
| 2048        | 650,000             |                 |                     |
| 2049        | 680,000             |                 |                     |
| 2050        | 740,000             |                 |                     |
| 2051        | 780,000             |                 |                     |
| 2052        | 845,000             |                 |                     |
| 2053        | 885,000             |                 |                     |
| 2054        | <u>2,235,000</u>    |                 |                     |
| Total       | <u>\$14,125,000</u> |                 |                     |

<sup>1</sup> Assumes no optional redemptions prior to maturity. Figures have been rounded and columns may not total.

\* Preliminary; subject to change.

Source: The Underwriter

## Estimated Debt Service Coverage

Shown in the table below are the estimated property tax projections based on an assumed 2% biennial increase in the “actual value” (as determined by the County Assessor) of property within the District, as reflected in the assessed valuations set forth in the table below, which projections have been prepared by the Underwriter. The assessed valuation of real property in Colorado on which ad valorem taxes are assessed is a percentage of the actual value of such property, and such percentage (or, assessment rate) is determined by the Colorado General Assembly. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property—Property Tax Legislation.*”

Only the current development and associated assessed valuation is shown below. *No* future development is assumed. The estimated debt service coverage and number of mills shown as the Required Mill Levy in the years set forth below is also based on preliminary estimates of Bond par, interest rates, and maturities, and is subject to change. There is no guarantee or assurance that the estimated projected increases in the actual value of property within the District will occur as shown in the table below.

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**TABLE II**  
**Estimated Debt Service Coverage Table \***

| Collection Year | Estimated Assessed Valuation <sup>1</sup> | Property Tax at 25 Mills <sup>2, 3, 4</sup> | Series 2025 Debt Service |                     |                      | Total               | Coverage | Estimated Required Mill Levy <sup>3, 4</sup> |
|-----------------|---|---|--------------------------|---------------------|----------------------|---------------------|----------|--|
|                 |   |   | Principal                | Interest            | Reserve Fund         |                     |          |  |
| 2025            | \$ 90,174,669                             | \$2,432,451                                 | \$ 550,000               | \$ 292,945          |                      | \$ 842,945          | 2.89     | 9.07   |
| 2026            | 89,011,125                                | 2,481,180                                   | 110,000                  | 747,944             |                      | 857,944             | 2.89     | 9.35   |
| 2027            | 85,714,416                                | 2,481,180                                   | 115,000                  | 742,444             |                      | 857,444             | 2.89     | 9.70   |
| 2028            | 84,066,062                                | 2,530,884                                   | 140,000                  | 736,694             |                      | 876,694             | 2.89     | 10.12  |
| 2029            | 84,066,062                                | 2,530,884                                   | 140,000                  | 729,694             |                      | 869,694             | 2.91     | 10.04  |
| 2030            | 85,747,383                                | 2,581,582                                   | 165,000                  | 722,694             |                      | 887,694             | 2.91     | 10.04  |
| 2031            | 85,747,383                                | 2,581,582                                   | 175,000                  | 714,444             |                      | 889,444             | 2.90     | 10.06  |
| 2032            | 87,462,331                                | 2,633,293                                   | 200,000                  | 705,694             |                      | 905,694             | 2.91     | 10.04  |
| 2033            | 87,462,331                                | 2,633,293                                   | 205,000                  | 695,694             |                      | 900,694             | 2.92     | 9.99   |
| 2034            | 89,211,578                                | 2,686,039                                   | 235,000                  | 685,444             |                      | 920,444             | 2.92     | 10.01  |
| 2035            | 89,211,578                                | 2,686,039                                   | 245,000                  | 673,694             |                      | 918,694             | 2.92     | 9.99   |
| 2036            | 90,995,809                                | 2,739,840                                   | 275,000                  | 661,444             |                      | 936,444             | 2.93     | 9.98   |
| 2037            | 90,995,809                                | 2,739,840                                   | 285,000                  | 646,319             |                      | 931,319             | 2.94     | 9.93   |
| 2038            | 92,815,725                                | 2,794,717                                   | 320,000                  | 630,644             |                      | 950,644             | 2.94     | 9.94   |
| 2039            | 92,815,725                                | 2,794,717                                   | 335,000                  | 613,044             |                      | 948,044             | 2.95     | 9.91   |
| 2040            | 94,672,040                                | 2,850,691                                   | 370,000                  | 594,619             |                      | 964,619             | 2.96     | 9.88   |
| 2041            | 94,672,040                                | 2,850,691                                   | 390,000                  | 574,269             |                      | 964,269             | 2.96     | 9.88   |
| 2042            | 96,565,481                                | 2,907,785                                   | 430,000                  | 552,819             |                      | 982,819             | 2.96     | 9.87   |
| 2043            | 96,565,481                                | 2,907,785                                   | 450,000                  | 529,169             |                      | 979,169             | 2.97     | 9.84   |
| 2044            | 98,496,790                                | 2,966,021                                   | 495,000                  | 504,419             |                      | 999,419             | 2.97     | 9.84   |
| 2045            | 98,496,790                                | 2,966,021                                   | 520,000                  | 477,194             |                      | 997,194             | 2.97     | 9.82   |
| 2046            | 100,466,726                               | 3,025,421                                   | 565,000                  | 448,594             |                      | 1,013,594           | 2.98     | 9.79   |
| 2047            | 100,466,726                               | 3,025,421                                   | 595,000                  | 416,813             |                      | 1,011,813           | 2.99     | 9.77   |
| 2048            | 102,476,061                               | 3,086,009                                   | 650,000                  | 383,344             |                      | 1,033,344           | 2.99     | 9.78   |
| 2049            | 102,476,061                               | 3,086,009                                   | 680,000                  | 346,781             |                      | 1,026,781           | 3.01     | 9.72   |
| 2050            | 104,525,582                               | 3,147,810                                   | 740,000                  | 308,531             |                      | 1,048,531           | 3.00     | 9.73   |
| 2051            | 104,525,582                               | 3,147,810                                   | 780,000                  | 266,906             |                      | 1,046,906           | 3.01     | 9.72   |
| 2052            | 106,616,094                               | 3,210,846                                   | 845,000                  | 223,031             |                      | 1,068,031           | 3.01     | 9.72   |
| 2053            | 106,616,094                               | 3,210,846                                   | 885,000                  | 175,500             |                      | 1,060,500           | 3.03     | 9.65   |
| 2054            | 108,748,415                               | 3,275,143                                   | <u>2,235,000</u>         | <u>125,719</u>      | <u>\$(1,278,668)</u> | <u>1,082,051</u>    | 3.03     | 9.65   |
|                 |   |   | <u>\$14,125,000</u>      | <u>\$15,926,539</u> |                      | <u>\$28,772,871</u> |          |  |

<sup>1</sup> Assumes 2% biennial growth in the “actual value” (as determined by the County Assessor) of the property in the District, as reflected in the assessed valuations in this column. The assessed valuations shown are for the related tax collection year, which is the year immediately succeeding the assessment year. The assessed valuations are shown at the current assumed assessment rates of 27.9% for 2024 (collection year 2025); 27% for 2025 (collection year 2026); 26% for 2026 (collection year 2027); and 25% for assessment years 2027 (collection year 2028) and thereafter. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—Assessment of Property—Property Tax Legislation.”

<sup>2</sup> The maximum amount of property taxes that could be levied and collected, based on the provisions of the Required Mill Levy set forth in the Indenture, is shown for illustrative purposes. The District intends to only levy what is required to make the debt service payments. See “THE BONDS—Security for the Bonds—Property Tax Revenues.”

<sup>3</sup> Assumes an annual County Treasurer fee of 1.5% and estimates specific ownership tax receipts at 6% of property tax collections.

<sup>4</sup> Adjusted for changes in law occurring after January 1, 2004 with respect to the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement. See “THE BONDS—Security for the Bonds—Property Tax Revenues—Definition of Required Mill Levy.”

\* Preliminary; subject to change.

Source: The Underwriter

## THE DISTRICT

### Organization and Description

The District is a quasi-municipal corporation and political subdivision of the State created pursuant to the Special District Act. The District operates in accordance with the Special District Act, subject to the limitations of its Service Plan and the Election. The Service Plan provides that the District is authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment and financing of the Public Improvements. Following completion and expiration of the applicable warranty periods, the District is to dedicate the completed Public Improvements to the City or other appropriate jurisdiction for ongoing ownership, operations, and maintenance. The District is authorized under the Service Plan to provide ongoing operations and maintenance services with respect to any Public Improvements not so dedicated; however, the Service Plan specifically prohibits the District from providing fire protection facilities or services; television relay and translation facilities and services (other than for the installation of conduit as part of a street construction project); and golf course facilities.

The creation of the District was approved by the eligible electors of the District voting at the election held on November 5, 2019 (as previously defined, the “Election”). Following the Election and approval of the Service Plan, the District was formally created pursuant to the Order and Decree entered by the District Court on November 21, 2019 and recorded with the County Clerk and Recorder on December 4, 2019 at Reception No. D9132601.

### **Assessed Valuation**

The assessed valuation of real property in Colorado on which ad valorem taxes are assessed is a percentage of the actual value (as determined by the County Assessor) of such property, and such percentage (or, assessment rate) is determined by the Colorado General Assembly. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*.”

According to the County Assessor, the 2024 final certified assessed valuation of the property in the District is \$90,174,672. The 2024 final statutory “actual value” (as determined by the County Assessor) of the property in the District is \$323,206,698. The 2024 assessment rate (for the 2025 tax collection year) of the property in the District is 27.9% of the actual value of such property. For assessment rates in other years, see “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property—Property Tax Legislation*.”

### **District Powers**

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act. The powers of the District are, however, limited both by the provisions of its Service Plan and its electoral authorization. See “—Service Plan Authorizations and Limitations” below.

Generally, pursuant to the Special District Act, the District has the power to have a perpetual existence; to have and use a corporate seal; to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business and affairs of the District and all construction, installation, operation, and maintenance of improvements; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District; to furnish services and facilities within and without the boundaries of the District and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the District and to accept gifts and conveyances made to the District; to adopt, amend and enforce bylaws and rules and regulations not in conflict with the Constitution of the State for carrying on the business, objects, and affairs of the Board; to enter into contracts with public utilities, cooperative electric associations, and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices on streets and highways; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the District. As permitted by the Service Plan, the District also has the power to provide covenant enforcement and safety services.

The District also has the power, subject to constitutional, statutory, and Service Plan limitations, to certify a levy for the collection of ad valorem taxes against all taxable property of the District. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes.”

***Inclusion and Exclusion of Property.*** Subject to compliance with statutory procedures and the Service Plan, if applicable, the Board may order the inclusion or exclusion of real property to or from the District, as the case may be, thereby modifying the boundaries of the District. Such included or excluded property becomes or remains obligated to the same extent as all other property within the District for the payment of then-outstanding District indebtedness and subsequent refundings thereof. Boundary changes resulting from property included into or excluded from the District prior to the first day of May of each year are reflected in the District's assessed valuation and are subject to the ad valorem property tax levy of the District for that assessment year. With a certain statutory exception, inclusions or exclusions that occur after May 1 are considered in the following assessment year.

Upon its organization, the District encompassed approximately 0.005 acres (approximately 200 square feet). Following an order of inclusion in 2021 of a 106.199-acre parcel; an order of inclusion in 2023 of 171.993 acres in total (comprised of (i) a parcel of 76.030 acres, minus 3 director parcels of 0.005 acres each, totaling 76.015 acres with respect to such parcel; (ii) a parcel of 25.660 acres; and (iii) a parcel of 70.318 acres); and an order of inclusion in 2024 of a 13.20-acre parcel, the District currently encompasses 291.397 acres. No additional inclusions or exclusions are pending or anticipated at this time.

### **Service Plan Authorizations and Limitations**

***Service Plan Debt Limit.*** The Service Plan defines "Debt" as bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy, and or collect fee revenue. The Service Plan limits the amount of Debt that the District may issue to a maximum amount of \$156,000,000 (as previously defined, the "Service Plan Debt Limit"). In addition to the limitations of the Service Plan, the District may only issue indebtedness in accordance with the voted authorization obtained pursuant to the Election. According to the District, after issuance of the Bonds, the Bonds will constitute the District's only Debt (within the meaning of the Service Plan).

***Maximum Debt Mill Levy; Adjustments for Changes in Law.*** The Service Plan also imposes a limit on the number of mills that can be imposed by the District on taxable property within the District for the payment of Debt. Specifically, the Service Plan provides that if the total amount of Debt of the District exceeds fifty percent (50%) of the District's assessed valuation, the maximum debt service mill levy that the District may impose for payment of such portion of Debt is 50.000 mills; provided, however, that if, after January 1, 2004, there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for any of the aforementioned changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes (as so adjusted from time to time, the "Maximum Debt Mill Levy"). For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation is deemed to be a change in the method of calculating assessed valuation. The number of mills which equal the Maximum Debt Mill Levy is intended to adjust from time to time upon the occurrence of the changes described above.

Notwithstanding the Maximum Debt Mill Levy allowed under its Service Plan, the Board of the District has determined that the Bonds shall be paid from a maximum mill levy of 10 mills, subject to adjustment for changes in law. See "THE BONDS—Security for the Bonds—*Property Tax Revenues.*"

***No Maximum Debt Mill Levy Imposition Term.*** With respect to non-residential property, such as the property within the District, the Service Plan does not provide for a maximum debt mill levy imposition term.



**Fees.** The District may impose and collect fees as a source of revenue for repayment of debt, capital costs, and/or for operations and maintenance; provided that no fee related to the funding of costs of a capital nature is to be authorized to be imposed upon or collected from taxable property owned or occupied by an end user of property within the District. Notwithstanding any of the foregoing, the restrictions of fee imposition does not apply to any fee imposed upon or collected from taxable property for the purpose of funding operation and maintenance costs of the District. The District currently does not impose any fees and the current Board has not expressed any intent to impose any fees. A future Board is not precluded from imposing fees based upon the current Board's intent to not do so.

**Operations Mill Levy.** The Service Plan does not establish any limitations on the number of mills that the District may impose for payment of its administrative duties as required by statute, and operation and maintenance services, if any.

**Aurora Regional Improvements; ARI Mill Levy.** Pursuant to the Service Plan, the District is required to impose an ARI Mill Levy (defined below) for the purpose of assisting in the funding of regional improvements (generally intended to encompass street and transportation related improvements of a regional nature), and for related overhead and administration costs (as more particularly defined in the Service Plan, "Regional Improvements").

Because property within the District is being developed solely for commercial uses (*i.e.*, industrial uses), the "ARI Mill Levy" is defined in the Service Plan as the mill levy imposed for payment of the costs of the planning, design, permitting, construction, acquisition and financing of the improvements described in the master plan (the "ARI Master Plan") adopted by an Aurora Regional Improvement Authority (an "ARI Authority") established by an ARI Authority Establishment Agreement (generally defined in the Service Plan as an intergovernmental agreement among the City, the District and at least three other Title 32 districts), which is equal to:

(i) one (1) mill for collection beginning for each district in the first year of collection of a debt service mill levy by such district and continuing in each year thereafter through the twentieth (20<sup>th</sup>) year;

(ii) one and one-half (1.5) mills from the twenty-first (21<sup>st</sup>) year after the first year of collection of a debt service mill levy through the date of repayment of debt incurred for Public Improvements, other than Regional Improvements; and

(iii) for five (5) years thereafter, the mill levy is to be the lesser of twenty (20) mills or a mill levy equal to the average debt service mill levy imposed by such district in the ten (10) years prior to the date of repayment of debt issued for Public Improvements, other than Regional Improvements; provided that the foregoing term may be extended by intergovernmental agreement between the City and the District (none is currently executed or anticipated).

The District is expected to levy its first ARI Mill Levy of one (1) mill in 2025 (for collection in 2026), when the District is expected to impose its first debt service mill levy in connection with the Bonds. The ARI Mill Levy may, at the discretion of the Board of the District, be adjusted for changes occurring on or after January 1, 2004 in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement.

The District entered into an ARI Authority Establishment Agreement on August 22, 2006 (as amended in 2007, 2008, 2009, 2013, 2019, 2020 and 2022) with multiple other metropolitan districts (together with the District, collectively, the “ARI Districts”), setting forth each ARI Districts’ respective share of Regional Improvements to be provided in each ARI Districts’ service area, as more particularly described therein. The revenue from the ARI Mill Levy is to be conveyed to the ARI Authority for the planning, designing, constructing, installing, acquiring, relocating, redeveloping or financing of the Regional Improvements in the ARI Master Plan and for the operations of such ARI Authority.

The District will cease to be obligated to impose, collect and convey to the City the revenue from the ARI Mill Levy at such time as the area within the District’s boundaries is included within a different district organized under the Special District Act, or a General Improvement District organized under Section 31-25-601, *et seq.*, C.R.S., or a Business Improvement District organized under Section 31-25-1201, *et seq.*, C.R.S., which other district has been organized to fund a part or all of the Regional Improvements.

The District has the authority to issue Debt for the Regional Improvements, in an amount not to exceed \$52,000,000, pursuant to agreements as described in the Service Plan. ***Revenues generated from the ARI Mill Levy are not available for or pledged to the payment of the Bonds.***

***Modification of Service Plan.*** The limitations of the Service Plan may be modified or amended only with the approval of the City and as otherwise provided in the Special District Act. See “DEBT STRUCTURE—General Obligation Debt—*Elections*” and “—*Service Plan Debt Limits.*”

***Dissolution of the District.*** The Special District Act allows a special district board of directors to file a dissolution petition with a district court. The district court must approve the petition if the special district’s plan for dissolution meets certain requirements, generally regarding the continued provision of services to occupants and the payment of outstanding debt. Dissolution may also be approved by the special district’s voters unless the special district lies wholly within the corporate limits of a municipality, the special district has no financial obligations or outstanding bonds, and if the special district board of directors and the governing body of the municipality consent to the dissolution. ***If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness.*** Pursuant to the Service Plan, upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file a petition in the appropriate District Court for dissolution, pursuant to the applicable State statutes.

## **Governing Board**

The District is governed by a board of directors (previously defined as the “Board”) which, pursuant to State law, are to consist of a minimum of five board members and a maximum of seven members. The members must be eligible electors of the applicable district as defined by State law and are elected to alternating four-year terms of office at successive biennial elections in odd years. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the Election, the eligible voters of the District voted to waive the statutory term limits, and therefore the District’s directors are not subject to such limitations.

The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Board when a quorum is present. Current directors may receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the District as employees of the District. Currently, members of the Board have each elected to forego compensation for attending Board meetings. The present directors, their positions on the Board, principal occupations, and terms are as follows:

### **Board of Directors**

| <b>Name</b>                  | <b>Office</b>       | <b>Occupation</b>                          | <b>Years of Service</b> | <b>Term Expires (May)</b> |
|------------------------------|---------------------|--|-------------------------|---------------------------|
| Patrick Rowe                 | President           | Public Finance and Real Estate Development | 5                       | 2029                      |
| Leigh Lutz <sup>1</sup>      | Treasurer           | Retired Trust Officer                      | -- <sup>1</sup>         | 2029                      |
| Bruce O'Donnell <sup>1</sup> | Assistant Secretary | Real Estate Development Advisor            | -- <sup>1</sup>         | 2029                      |
| Vacant                       |                     |  |                         | 2027                      |
| Vacant                       |                     |  |                         | 2027                      |

<sup>1</sup> Directors O'Donnell and Lutz were elected to the Board at the election held on May 6, 2025.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, is to be entered into between the District and a Board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such Board member or owner submits the lowest responsible and responsive bid. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, none of the Board members have actual or potential conflicts of interest or actual or potential personal, financial, private, or other interests relating to the issuance or delivery of the Bonds or the expenditure of proceeds thereof.

### **Administration**

The Board is responsible for the overall management and administration of the affairs of the District. The District has no employees. The District is represented by McGeady Becher Cortese Williams P.C., Denver, Colorado, as General Counsel, and such firm also acts as the District Manager. CliftonLarsonAllen LLP, Denver, Colorado, serves as the District's accountant. The District intends to engage Wipfli LLP, Denver, Colorado, as auditor commencing with the fiscal year ended December 31, 2024.

### **Material Agreements of the District**

The District is authorized to cooperate or contract with other entities, including other governmental entities, to provide any function, service or facility lawfully authorized to each, including among others, the sharing of costs, so long as such cooperation or contract is authorized by the body having the power to so approve. Except for the agreements described below, the District's General Counsel is not aware of any other agreements that materially affect the District's financial status or operations. Copies of the agreements described below are available from the District as provided in "INTRODUCTION—Additional Information."

***Memorandum of Understanding (MOU).*** The District, SLC Metropolitan District No. 1 (“District No. 1”), SLC Metropolitan District No. 2 (“District No. 2”), and SLC Metropolitan District No. 4 (“District No. 4” and, together with the District, District No. 1 and District No. 2, the “Districts”) entered into a Memorandum of Understanding on December 11, 2019, which was amended on April 12, 2021 pursuant to a First Amendment to Memorandum of Understanding by and among the Districts (as so amended, the “MOU”).

Pursuant to the MOU, District No. 1 agreed to act as the “Coordinating District” and provide for the overall administration of the Districts, and the District and District Nos. 2 and 4 (collectively, the “Taxing Districts”) agreed to reimburse District No. 1 for certain costs, based on an allocable basis, until such time as the Districts agree to the terms of a Facilities Funding Construction and Operations Agreement or similar agreement (“FFCOA”) that will take the place of the MOU. Until such time as the Districts enter into a FFCOA, the MOU is the instrument currently in place governing the Districts’ various responsibilities and the coordination thereof among the Districts.

Under the MOU, District No. 1, as the Coordinating District, has the responsibility to provide administrative and overhead services to all of the Districts and to pay the costs of providing such services. District No. 1 also has the responsibility of providing for the financing, planning, design, engineering, testing, construction, completion, and acquisition of capital improvements for all of the Districts. The District, District No. 2 and District No. 4 have agreed to reimburse District No. 1 according to each such District’s pro rata share of the amounts incurred by such District for the foregoing purposes. In reliance on the agreement of the District, District No. 2 and District No. 4 to reimburse District No. 1 for such purposes, District No. 1 has entered into the Facilities Funding Agreement with the Developer and the Operations Funding Agreement with the Developer, each as described below.

***Facilities Funding and Acquisition Agreement.*** SLC Metropolitan District No. 1 (as previously defined, “District No. 1”) and NP Stafford I, LLC, a Delaware limited liability company (as previously defined, the “Developer”) have entered into a Facilities Funding and Acquisition Agreement dated December 11, 2019 (the “Facilities Funding Agreement”). Pursuant to the MOU (see “—*Memorandum of Understanding (MOU)*” above), District No. 1 has agreed to provide for the construction and/or acquisition of certain water, sanitation (including storm drainage), street, safety protection, park and recreation, transportation, fire protection, television relay and translation, and mosquito control improvements and facilities (the “Improvements”), and the Developer and District No. 1 have expended and expect to expend funds related to the design, testing, engineering, and construction of the Improvements (the “Construction Related Expenses”).

Both the Developer and District No. 1 acknowledge that District No. 1 lacks sufficient funds to design, construct, and complete the Improvements and incur Construction Related Expenses in connection therewith. Under the Facilities Funding Agreement, the Developer has agreed to advance funds to District No. 1 to pay Construction Related Expenses incurred by District No. 1 in an amount of up to \$156,000,000, and such advances are to be made by the Developer to District No. 1 on a periodic basis as needed for fiscal years 2019-2024.

Alternatively, to the extent the Developer constructs Improvements and incurs the related Construction Related Expenses, the Developer may request that District No. 1 acquire such Improvements, and District No. 1 agrees to do so, subject to the terms and conditions of the Facilities Funding Agreement. The Facilities Funding Agreement requires, among other things, that prior to District No. 1 acquiring Improvements from the Developer, District No. 1 is to obtain a certification of an independent engineer that the Construction Related Expenses are reasonable and comparable for similar projects, and must also obtain verification from District No. 1’s accountant that the Construction Related Expenses qualify as reimbursable by District No. 1 (the “Verified Costs”). Upon satisfaction of the conditions set forth in the

Facilities Funding Agreement (which include, among other things, review by District No. 1's accountant and engineer of as-built drawings for the Improvements, lien waivers from contractors, assignments and warranties, and evidence of payment by the Developer), District No. 1 will acquire the applicable Improvements from the Developer, and the Developer will execute a Bill of Sale conveying the Improvements to District No. 1.

District No. 1 agrees that it is its intention to repay the amounts the Developer has advanced or directly paid pursuant to the Operations Funding Agreement, to the extent District No. 1 has funds available for such purpose (after payment of its annual debt service obligations and annual operations, maintenance administrative expenses), but such repayment is subject to annual budget and appropriation.

Amounts due to the Developer under the Facilities Funding Agreement will accrue simple interest at the rate of 7.00% per annum, as more particularly described therein.

As a result of the relationship among the Districts established by the MOU, the District, in its capacity as a Taxing District, may issue bonds or other obligations to provide funds for the purpose of providing funds to District No. 1 so that District No. 1 may pay amounts due to the Developer under the Facilities Funding Agreement. A portion of the proceeds of the Bonds are anticipated to be transferred by the District to District No. 1 for such purpose.

The Facilities Funding Agreement provides that no payment is required of District No. 1 thereunder unless and until District No. 1 issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the amounts due thereunder, and District No. 1 agrees to exercise reasonable efforts to issue bonds to reimburse the Developer. District No. 1 agrees that it is its intention to repay amounts to the Developer under the Facilities Funding Agreement, but such repayment is subject to annual budget and appropriation, and such agreement does not constitute a debt or indebtedness of District No. 1.

As of June 18, 2025, the amount due and owing by District No. 1 to the Developer under the Facilities Funding Agreement is \$27,371,264.09, comprised of \$27,226,089.68 in principal and \$145,174.41 in accrued interest thereon. Bond proceeds in the approximate of \$12,069,410.45\* are anticipated to be applied to reduce such amounts. District No. 1 has agreed to use all proceeds of the Bonds paid to District No. 1 by the District to reimburse the Developer for amount owed under the Facilities Funding Agreement.

***Operation Funding Agreement.*** District No. 1 and the Developer have also entered into the 2019-2020 Operation Funding Agreement dated December 4, 2019 (the "Operation Funding Agreement") pursuant to which the Developer agreed to advance funds to District No. 1 for the payment of operations, maintenance and administrative expenses on a periodic basis as needed for the fiscal years 2019 and 2020, up to a maximum amount of \$100,000. Simple interest accrues on such Developer advances at the per annum rate of 8.0%.

District No. 1 agreed that it is its intention to repay the amounts the Developer has advanced or directly paid pursuant to the Operation Funding Agreement, to the extent District No. 1 has funds available for such purpose (after payment of its annual debt service obligations and annual operations, maintenance and administrative expenses), but such repayment is subject to annual budget and appropriation, and such agreement does not constitute a debt or indebtedness of the District.

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\* Preliminary; subject to change

There are no amounts due and owing by District No. 1 to the Developer under the Operation Funding Agreement.

**City IGA.** The District and the City entered into an Intergovernmental Agreement dated as of December 11, 2019 (the “City IGA”) which, among other things, restates provisions of the Service Plan regarding the limitations on the District’s exercise of powers. The City IGA generally functions as a contractual obligation of the District to abide by the limitations imposed on it by the City in the Service Plan.

**ARI Authority Establishment Agreement.** The District and the ARI Districts entered into the ARI Authority Establishment Agreement on August 22, 2006, setting forth the provisions pursuant to which each ARI District is to provide, plan for, acquire, construct, install, relocate and/or redevelop Regional Improvements in each ARI Districts’ service area, as more particularly described therein. See “—Service Plan Authorizations and Limitations—*Aurora Regional Improvements*; *ARI Mill Levy*” above.

### **Development Within the District**

The property within the District was developed by NorthPoint Development, LLC, a Missouri limited liability company (as previously defined, “NorthPoint”) as a commercial and industrial development known as Stafford Logistics Center (the “SLC Development”). The SLC Development is located generally in the northeastern portion of the City. The vertical development within the SLC Development consists of four warehouse structures, known as Buildings 1, 2, 3 and 5, all of which were completed in approximately the second quarter of 2023. Available leasing information for Buildings 1, 2, 3 and 5 is set forth in the table below. Such information has been provided by Northpoint.

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**TABLE III**  
**SLC Development Leasing Information**<sup>1, \*</sup>

| <b>Building No.</b> | <b>Square Feet</b>      | <b>Current Tenant</b>           | <b>Lease Term</b> | <b>Lease Commenced</b> | <b>Renewal Option</b> | <b>Current Occupancy Rate</b> |
|---------------------|-------------------------|---------------------------------|-------------------|------------------------|-----------------------|-------------------------------|
| 1                   | <u>594,138</u>          | Alan Richey, Inc.               | 63 months         | 2021                   | Yes                   |                               |
| <b>Subtotal 1</b>   | <b><u>594,138</u></b>   |                                 |                   |                        |                       | <b>100%</b>                   |
| 2                   | 110,777                 | Lanter Delivery Systems, LLC;   | 61 months         | 2023                   | Yes                   |                               |
|                     | 42,717                  | Inter-Global Exhibitions, Inc.; | 62 months         | 2025                   | Yes                   |                               |
|                     | 44,043                  | Car Manufacturer;               | 62 months         | 2023                   | Yes                   |                               |
|                     | <u>57,793</u>           | Xpress Global Systems, LLC      | 63 months         | 2023                   | Yes                   |                               |
| <b>Subtotal 2</b>   | <b><u>255,330</u></b>   |                                 |                   |                        |                       | <b>100%</b>                   |
| 3                   | 219,629                 | ID Logistics Warehousing, LLC   | 38 months         | 2024                   | Yes                   |                               |
|                     | <u>220,071</u>          | Sonepar Mountain Holdings, LLC  | 126 months        | 2024                   | Yes                   |                               |
| <b>Subtotal 3</b>   | <b><u>439,700</u></b>   |                                 |                   |                        |                       | <b>100%</b>                   |
| 5                   | <u>1,079,741</u>        | Product Distributor             | 180 months        | 2021                   | Yes                   |                               |
| <b>Subtotal 5</b>   | <b><u>1,079,741</u></b> |                                 |                   |                        |                       | <b>100%</b>                   |
| <b>Total</b>        | <b><u>2,368,909</u></b> |                                 |                   |                        |                       | <b><u>100%</u></b>            |

<sup>\*</sup>All figures in this table are approximate as of June 1, 2025, including current occupancy rates and lease terms. See “INVESTMENT CONSIDERATIONS—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors,” “—Dependence on Leases and Tenants,” and “—Taxpayer Concentration.”  
Source: NorthPoint

**Public Improvements.** All Public Improvements necessary to support the SLC Development have been completed by Northpoint. Northpoint will be responsible for operating and maintaining such improvements in the short term until such improvements are dedicated to the City or District No. 1 (pursuant to the MOU, as described below) for ongoing operation and maintenance. No additional development is presently planned within the SLC Development (or within any of the Districts, defined below). Future development, if any, will depend on economic factors, market forces, and demand. If additional vertical development occurs within the SLC Development (or any of the Districts), it is anticipated that Northpoint would install the requisite Public Improvements supporting such development in conjunction with the vertical construction

In accordance with the terms of the MOU entered into by and among the District, District No. 1, District No. 2, and District No. 4 (collectively, the “Districts”), District No. 1 will be responsible for operating and maintaining the regional detention pond and related drainage facilities; the sidewalks; and the landscaping along street edges and in medians within the SLC Development at such time as these Public Improvements have been accepted by District No. 1. District No. 1 has not yet accepted any of these Public Improvements but anticipates acceptance upon completion of District No. 1’s acceptance process. Pursuant to the MOU, the District will be contributing funds to District No. 1 for payment of such operating and maintenance expenses from tax revenue derived from the District’s operations mill levy. See “—Material Agreements of the District—*Memorandum of Understanding (MOU)*” above.

All other completed Public Improvements have either been accepted by the City or are in the process of being accepted by the City.

## **Other Services Available Within the District**

Occupants of the District are anticipated to be provided with services by various entities other than the District. The District receives police protection from the City of Aurora Police Department, fire protection from the City of Aurora Fire Rescue, water services from City of Aurora Water, sewer/sanitation services from the City of Aurora Water, natural gas and electrical service from Xcel Energy, and electrical service from Xcel Energy.

## **DISTRICT FINANCIAL INFORMATION**

The Bonds are payable from, among other sources, revenues resulting from certain ad valorem property taxes imposed by the District resulting from the imposition of the Required Mill Levy. Certain information pertaining to such ad valorem property taxes and other Pledged Revenue as well as other financial information of the District is set forth below. Not all ad valorem property taxes and fees that are or may be imposed by the District as described herein are pledged to the payment of the Bonds. For a complete description of revenues pledged to the payment of the Bonds, see “THE BONDS—Security for the Bonds.”

### **Ad Valorem Property Taxes**

The District’s Board has the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the District. Property taxes are uniformly levied against the assessed valuation of all taxable property within the District. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below. The District’s ability to impose ad valorem property taxes is subject to, among other limitations, the limitations set forth in the Service Plan. See “THE DISTRICT—Service Plan Authorizations and Limitations.”

***Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses.*** Article X, Section 3.5 of the State Constitution grants a property tax reduction to qualified senior citizens, qualified disabled veterans and qualified surviving spouses of US armed forces service members who died in the line of duty or veterans whose death resulted from a service-related injury or disease. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution. In addition, for property tax years 2025 and 2026, the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but are currently ineligible is reduced with the State reimbursing local governments for any decrease in property tax revenue resulting from the reduction.

***Property Subject to Taxation.*** Both real and personal property located within the boundaries of the District, unless exempt, are subject to taxation by the District. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and nonprofit cemeteries.



***Assessment of Property.*** All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The “actual” value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated “level of value” set on January 1 of each odd-numbered year. The “level of value” is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, “actual” values for the 2023 levy/2024 collection year are based on market data obtained from the period January 1, 2021–June 30, 2022. “Level of value” calculation does not change for even-numbered years. The classes of property the “actual” value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

The assessed value of taxable property is then determined by multiplying the “actual” value (determined as described in the immediately preceding paragraph) times an assessment ratio.

***Gallagher Amendment Repeal.*** The assessment ratio of residential property previously changed from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the assessment year commencing January 1, 1985 (the “Gallagher Amendment”). The Gallagher Amendment required that statewide residential assessed values be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate was established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuated. The residential assessment ratio (which is a percentage of the “actual” value of property as determined by the county assessor) had been 7.96% since the 2003 assessment year; however, the residential rate changed to 7.20% for assessment years 2017 and 2018 (collection years 2018 and 2019) and further reduced to 7.15% for assessment years 2019 and 2020 (collection years 2020 and 2021).

In 2020, voters in Colorado approved a constitutional amendment to repeal the Gallagher Amendment (the “Gallagher Amendment Repeal”). As a result, assessment ratios are frozen at their current levels until the next assessment year for which the Colorado General Assembly adjusts one or more of the assessment ratios. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment ratio in a downward fashion but no longer obligates a downward residential assessment ratio (an upward adjustment may require a state-wide vote under the State Constitution).

***Property Tax Legislation.*** Since 2020, the Colorado General Assembly has enacted several pieces of property tax legislation which, among other things, created new property classes and adjusted the assessment ratios for various property classes. The table below consolidates the current results of the property tax legislation enacted to date to the extent it relates to the assessment ratios for residential and commercial property classes in the State for the years noted below, and the actual value adjustments required by such legislation.

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|   | 2022                 | 2023                 |                              | 2024                 |                              | 2025                                     |                              | 2026                                    |   | 2027 and Future Years                   |   |
|---|----------------------|----------------------|------------------------------|----------------------|------------------------------|--|------------------------------|---|---|---|---|
| Type of Property  | 2022 Assessment Rate | 2023 Assessment Rate | 2023 Actual Value Adjustment | 2024 Assessment Rate | 2024 Actual Value Adjustment | 2025 Assessment Rate <sup>1</sup>        | 2025 Actual Value Adjustment | 2026 Assessment Rate <sup>1</sup>       | 2026 Actual Value Adjustment                                | Assessment Rate <sup>1</sup>            | Actual Value Adjustment                                     |
| Residential   |                      |                      |                              |                      |                              |  |                              |   |   |   |   |
| Multi-Family  | 6.8%                 | 6.7%                 | -\$55,000                    | 6.7%                 | -\$55,000                    | 6.15%<br>(growth rate > 5%) <sup>2</sup> | -- <sup>3</sup>              | 6.7%<br>(growth rate > 5%) <sup>2</sup> | - lesser of 10% of actual value or \$70,000 <sup>3, 4</sup> | 6.7%<br>(growth rate > 5%) <sup>2</sup> | - lesser of 10% of actual value or \$70,000 <sup>3, 4</sup> |
|   |                      |                      |                              |                      |                              | 6.25%<br>(growth rate ≤ 5%) <sup>2</sup> |                              | 6.8%<br>(growth rate ≤ 5%) <sup>2</sup> |   | 6.8%<br>(growth rate ≤ 5%) <sup>2</sup> |   |
| All Other Residential   | 6.95%                | 6.7%                 | -\$55,000                    | 6.7%                 | -\$55,000                    | 6.15%<br>(growth rate > 5%) <sup>2</sup> | -- <sup>3</sup>              | 6.7%<br>(growth rate > 5%) <sup>2</sup> | - lesser of 10% of actual value or \$70,000 <sup>3, 4</sup> | 6.7%<br>(growth rate > 5%) <sup>2</sup> | - lesser of 10% of actual value or \$70,000 <sup>3, 4</sup> |
|   |                      |                      |                              |                      |                              | 6.25%<br>(growth rate ≤ 5%) <sup>2</sup> |                              | 6.8%<br>(growth rate ≤ 5%) <sup>2</sup> |   | 6.8%<br>(growth rate ≤ 5%) <sup>2</sup> |   |
| Non-Residential   |                      |                      |                              |                      |                              |  |                              |   |   |   |   |
| Lodging   | 29%                  | 27.9%                | -\$30,000                    | 27.9%                | -\$30,000                    | 27%                                      | --                           | 25%                                     | --  | 25%                                     | --  |
| Renewable Energy  | 26.4%                | 26.4%                | --                           | 26.4%                | --                           | 27%                                      | --                           | 26%                                     | --  | 25%                                     | --  |
| Agricultural  | 26.4%                | 26.4%                | --                           | 26.4%                | --                           | 27%                                      | --                           | 25%                                     | --  | 25%                                     | --  |
| Vacant Land   | 29%                  | 27.9%                | --                           | 27.9%                | --                           | 27%                                      | --                           | 26%                                     | --  | 25%                                     | --  |
| Commercial  | 29%                  | 27.9%                | -\$30,000                    | 27.9%                | -\$30,000                    | 27%                                      | --                           | 25%                                     | --  | 25%                                     | --  |
| Industrial  | 29%                  | 27.9%                | --                           | 27.9%                | --                           | 27%                                      | --                           | 26%                                     | --  | 25%                                     | --  |
| <div><sup>1</sup> This table reflects the residential assessment rate for purposes of a mill levy imposed by a local governmental entity only. Legislation passed in 2024 created different residential assessment rates for purposes of a mill levy imposed by a school district.</div> <div><sup>2</sup> The applicable residential ratio for 2025 and 2026 will be determined by a statewide actual growth rate.</div> <div><sup>3</sup> For property tax years 2025-2026, if there are sufficient excess state revenues, the valuation for assessment for qualified senior primary residential real property is reduced. See “—Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses.”</div> <div><sup>4</sup> The amount of \$70,000 is to be increased for inflation in the first year of each subsequent reassessment cycle.</div> |                      |                      |                              |                      |                              |  |                              |   |   |   |   |

Certain local governments are eligible for reimbursement for reductions in property tax revenue resulting from the temporary reductions in the assessment rates described in the table above. However, because the District is required to adjust its Required Mill Levy in the event of changes in the method of calculating assessed valuation, as described herein, it is not anticipated that the District will have a reduction in property tax revenue from the above-described changes in assessment rates.

*Property Tax Limit.* In addition to the above-described assessment ratios, as a result of the recently enacted property tax legislation local governments are also subject to an annual limit (the “Property Tax Limit”) on property tax revenue for a given property tax year (the “Qualified Property Tax Revenue”). To prevent the Qualified Property Tax Revenue from exceeding the Property Tax Limit, the local governmental entity is required to either (a) enact a temporary property tax credit or (b) temporarily reduce the mill levy imposed by the local governmental entity. In the event the local governmental entity does not comply with either (a) or (b), then it is required to refund any Qualified Property Tax Revenue in excess of the Property Tax Limit.

The Property Tax Limit is generally calculated as the Base Amount of the Qualified Property Tax Revenue increased by the total of the Growth Rate Percentage and then increased by the Carryover Amount. The “Base Amount” means the amount of Qualified Property Tax Revenue collected and lawfully retained from whichever property tax year in a previous reassessment cycle was the property tax year for which the District collected and lawfully retained the most property tax revenue. “Carryover Amount” generally means the difference between the Base Amount that was applicable for the most recent reassessment cycle increased by the Growth Rate Percentage for that reassessment cycle, and the Qualified Property Tax Revenue from the year with the greatest Qualified Property Tax Revenue from the most recent reassessment cycle. “Growth Rate Percentage” means 5.25% multiplied by the number of property tax years in the current reassessment cycle.

Qualified Property Tax Revenue is exclusive of property tax revenue from certain sources, including, among other things, new construction, annexed property, revenue attributable to the expiration of a tax increment financing area, revenue from producing mines or lands or leaseholds producing oil or gas, revenue for the payment of bonds or other contractual obligations that have both been approved by a majority of the local governmental entity’s voters voting thereon and are outstanding as of November 5, 2024, revenue for the payment of bonds and other contractual obligations issued in accordance with existing voted authorization of a local governmental entity approved by a majority of the local governmental entity’s voters voting thereon as of November 5, 2024, revenue attributable to specific ownership taxes, and revenue attributable to new mills approved by voters in an election occurring on or after November 5, 2024.

The legislation enacting the Property Tax Limit stated that none of its provisions impair the existing voted authorization of a local governmental entity approved by a majority of its voters voting thereon in accordance with section 20 of article X of the Colorado constitution as of November 5, 2024 or impair the obligations of any bonds or other forms of indebtedness that are outstanding as of November 5, 2024 or the refunding thereof. Accordingly, the District’s prior voted authorization is not impaired nor is its ability to issue Bonds, including its authorization to issue general obligation debt, such as the Bonds, to impose a property tax mill levy to pay the same and to retain all revenues received by the District notwithstanding the revenue limitations imposed by Section 29-1-303 C.R.S. and TABOR. See “— Constitutional Amendment Limiting Taxes and Spending” below for a discussion of the revenue limitations of TABOR. A local governmental entity’s governing body is authorized to submit to the local governmental entity’s electors the question of whether the entity may waive the Property Tax Limit for a single property tax year, a specified number of property tax years, or all future property tax years.

The Bonds are being issued in accordance with existing voted authorization of the District, as described in “DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued Debt.*” Accordingly, repayment of the Bonds will not be subject to the Property Tax Limit and that the property tax revenue generated from the Required Mill Levy will not be included in the calculation of the Property Tax Limit. In addition, at the District’s May 6, 2025 regular election, a majority of the eligible electors voting at such election waived the 5.25% property tax limit for all future property tax years. Accordingly, the Property Tax Limit will not apply to the District’s mill levies.

***Assessment Appeals.*** Beginning in May of each year, each county assessor hears taxpayers’ objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the District’s assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners. In no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

***Taxation Procedure.*** The assessed valuation and statutory “actual” valuation of taxable property within the District is required to be certified by the County Assessor to the District no later than August 25 each year. Such value is subject to recertification by the County Assessor prior to December 10. The Board then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by the District for its General Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Board must take into consideration the limitations on certain increases in property tax revenues as described in “—Constitutional Amendment Limiting Taxes and Spending” and “—Budget and Appropriation Procedure” below. The Board of the District must certify the District’s levy to the County no later than December 15.

Upon receipt of the tax levy certification of the District and other taxing entities within the County, the Board of County Commissioners levies against the assessed valuation of all taxable property within the County the applicable property taxes. Such levies are certified by the Board of County Commissioners to the County Assessor, who thereupon delivers the tax list and warrant to the County Treasurer for the collection of taxes.

***Property Tax Collections.*** Taxes levied in one year are collected in the succeeding year. Taxes certified in 2024, for example, are being collected in 2025. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The county treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the District to the County on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on parity with the liens of other general taxes. It is the county treasurer’s duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the county treasurer. Further, the county treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the board of county commissioners.

### **Ad Valorem Property Tax Data**

The District’s assessed valuation, mill levies and ad valorem property tax collections from levy year 2019 to date are set forth in the following tables. See “—Ad Valorem Property Taxes” above for a description of the assessment ratios for taxable property used in each of such years. See also “— Constitutional Amendment Limiting Taxes and Spending” below. It is anticipated that the District will impose a debt service mill levy and an ARI Mill Levy in 2025, for collection in 2026.

**TABLE IV**  
**History of the District’s Assessed Valuation and Mill Levies <sup>1</sup>**

| <b>Levy/Collection<br/>Year</b> | <b>Assessed<br/>Valuation</b> | <b>General Fund<br/>Mill Levy</b> | <b>Total<br/>Mill Levy</b> |
|---------------------------------|-------------------------------|-----------------------------------|----------------------------|
| 2019/2020                       | \$ 45                         | 0.000                             | 0.000                      |
| 2020/2021                       | 109                           | 0.000                             | 0.000                      |
| 2021/2022                       | 926,588                       | 15.090                            | 15.090                     |
| 2022/2023                       | 39,246,390                    | 15.090                            | 15.090                     |
| 2023/2024                       | 55,438,986                    | 15.090                            | 15.090                     |
| 2024/2025                       | 90,174,672                    | 15.090                            | 15.090                     |

<sup>1</sup> It is anticipated that the District will impose both a debt service mill levy and an ARI Mill Levy in 2025, for collection in 2026.

Sources: Colorado Department of Local Affairs, Division of Property Taxation, Annual Reports, 2019-2023; and the County Assessor’s Office

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**TABLE V**  
**History of the District’s Property Tax Collections**

| <b>Levy/Collection<br/>Year</b> | <b>Taxes<br/>Levied</b> | <b>Taxes<br/>Collected</b> | <b>Tax Collections as<br/>Percent of Tax Levied</b> |
|---------------------------------|-------------------------|----------------------------|---|
| 2019/2020                       | \$ 0                    | n/a                        | n/a   |
| 2020/2021                       | 0                       | n/a                        | n/a   |
| 2021/2022                       | 13,982                  | \$ 14,051                  | 100.49%   |
| 2022/2023                       | 592,228                 | 590,582                    | 99.72   |
| 2023/2024                       | 836,574                 | 829,863                    | 99.20   |
| 2024/2025 <sup>1</sup>          | 1,360,736               | 757,825                    | 55.69   |

<sup>1</sup> Property tax collections through May 31, 2025.

Sources: Colorado Department of Local Affairs, Division of Property Taxation, Annual Reports, 2019-2023; District December 31, 2022 and December 31, 2023 audit exemptions, the District and the County Treasurer

The following table sets forth the 2024 assessed and statutory “actual” valuations of specific classes of property within the District. See “—Ad Valorem Property Taxes” above. As shown below, commercial properties comprise the majority of property in the District.

**TABLE VI**  
**2024 Assessed and “Actual” Valuation of Classes of Property in the District**

| <b>Class</b>   | <b>Assessed<br/>Valuation</b> | <b>Percent of<br/>Assessed Valuation</b> | <b>“Actual”<br/>Valuation</b> | <b>Percent of<br/>“Actual” Valuation</b> |
|----------------|-------------------------------|--|-------------------------------|--|
| Commercial     | \$88,815,617                  | 98.49%                                   | \$318,335,533                 | 98.49%                                   |
| Vacant Land    | 1,343,825                     | 1.49                                     | 4,816,577                     | 1.49                                     |
| State Assessed | <u>15,230</u>                 | <u>0.02</u>                              | <u>54,588</u>                 | <u>0.02</u>                              |
| Total          | <u>\$90,174,672</u>           | <u>100.00%</u>                           | <u>\$323,206,698</u>          | <u>100.00%</u>                           |

Source: County Assessor’s Office

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**2024 Largest Taxpayers in the District.** Set forth in the following table are the taxpayers within the District for the 2024 levy year (2025 collection year). No independent investigation has been made of and no representation is made herein as to the financial condition of any taxpayer listed below or that such taxpayer will continue to maintain its status as a taxpayer in the District. The total tax bill for each of the properties within the District is dependent upon the mill levies of other taxing entities which overlap such property. See “—*Overlapping Mill Levies*” below.

**TABLE VII**  
**2024 Largest Taxpayers Within the District**

| Name  | 2024<br>Assessed Valuation | Percent of Total<br>Assessed Valuation <sup>1</sup> |
|---|----------------------------|---|
| NP Stafford II, LLC                         | \$41,881,662               | 46.44%  |
| NP Stafford I Building 1, LLC               | 12,931,773                 | 14.34   |
| Amazon Data Services Inc. <sup>2</sup>      | 12,084,281                 | 13.40   |
| NP Stafford IV Building 3, LLC              | 11,151,630                 | 12.37   |
| NP Stafford IV Building 2, LLC              | 8,501,130                  | 9.42  |
| NP Stafford III, LLC                        | 755,396                    | 0.84  |
| NP Stafford I, LLC                          | 585,102                    | 0.65  |
| XGS - Xpress Global Systems <sup>2</sup>    | 100,385                    | 0.11  |
| Tesla Inc. <sup>2</sup>                     | 78,572                     | 0.09  |
| Auxilior Capital Partners Inc. <sup>2</sup> | <u>70,244</u>              | <u>0.08</u>   |
| Total                                       | <u>\$88,140,175</u>        | <u>97.74%</u>                                       |

<sup>1</sup> Based on a District 2024 certified assessed valuation of \$90,174,672.

<sup>2</sup> Represents personal property.

Source: County Assessor’s Office

***Overlapping Mill Levies.*** Numerous entities located wholly or partially within the District are authorized to levy taxes on property located within such districts. According to the County Assessor, there are currently seven entities overlapping all or a portion of the District. As a result, property owners within the District are subject to the mill levies of such entities. The following table sets forth the total mill levy levied against taxpayers within the District in 2024 for collection in 2025. See also “DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt.*”

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**TABLE VIII**  
**Total 2024 Mill Levies Within the District<sup>1</sup>**

| Taxing Entity   | Mill Levy      |
|---|----------------|
| Arapahoe County                                       | 16.885         |
| Aurora (City)   | 6.613          |
| Joint School District No. 28J (Aurora Public Schools) | 71.331         |
| Regional Transportation District                      | 0.000          |
| Urban Drainage and Flood District                     | 0.900          |
| Urban Drainage and Flood District-South Platte        | 0.100          |
| West Arapahoe Conservation District                   | <u>0.000</u>   |
| Overlapping Mill Levy                                 | 95.829         |
| District  | <u>15.090</u>  |
| Total Mill Levy                                       | <u>110.919</u> |

<sup>1</sup> One mill equals 1/10 of one cent. Mill levies certified in 2024 are for the collection of ad valorem property taxes in 2025.

Sources: County Assessor's office

## **Fees**

The District does not currently impose any fees and the current Board does not anticipate doing so in the future. A future Board is not precluded from imposing fees based upon the current Board's intent to not do so.

## **Specific Ownership Taxes**

Specific ownership taxes represent the amounts received by the District from the State pursuant to statute primarily on motor vehicle licensing. Such tax is collected by all counties and distributed to every taxing entity within a county, such as the District, in the proportion that the taxing entity's ad valorem taxes represents the cumulative amount of ad valorem taxes levied county-wide. The portion of the specific ownership tax that is collected as the result of the District's operations and maintenance mill levy is anticipated to be applied to operation and maintenance costs of the District. The portion of specific ownership taxes that is collected as a result of the Required Mill Levy is pledged to the payment of the Bonds and is not available for other purposes. See "THE BONDS—Security for the Bonds—*Specific Ownership Tax Revenues*."

## **Operations Mill Levy; Funding of Operations and Maintenance**

The Maximum Debt Mill Levy limitation in the Service Plan does not apply to the District's ability to impose and increase its mill levy as necessary for the payment of its administrative, operations and maintenance costs (the "Operations Mill Levy"). The ad valorem tax revenue derived from the Operations Mill Levy will be used to administrative expenses of the District.

In addition, in accordance with the terms of the MOU entered into by and among the District, District No. 1, District No. 2, and District No. 4, District No. 1 will be responsible for operating and maintaining the regional detention pond and related drainage facilities; the sidewalks; and the landscaping along street edges and in medians within the SLC Development at such time as these Public Improvements have been accepted by District No. 1. Pursuant to the MOU, the District will be contributing funds to District No. 1 for payment of such operating and maintenance expenses from tax revenue derived from the District's Operations Mill Levy. See "THE DISTRICT—Material Agreements of the District—*Memorandum of Understanding (MOU)*" above.



## **District's Funds, Accounting Policies and Financial Statements**

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The District currently maintains three governmental funds: the General Fund, the Capital Projects Fund and the Debt Service Fund. The General Fund is the District's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Capital Projects Fund provides for expenditure of bond proceeds and other moneys on the costs of the infrastructure constructed and installed to support the development within the District. The Debt Service Fund accounts for payments of principal and interest on long-term general obligation debt of the District.

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the Districts' financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The audited financial statements must be filed with each of the Boards within six months after the end of the fiscal year and with the State Auditor thirty days thereafter. Failure to comply with this requirement to file an audit report may result in the withholding of property tax revenue by the County Treasurer pending compliance. Due to the District's limited financial activity to date, no audited historical financial information is available for the District. The District filed an "Application for Exemption from Audit" for the years ended December 31, 2019 through and including December 31, 2023, with the Office of the State Auditor. The District intends to engage Wipfli LLP, Denver, Colorado, as its auditor commencing with the fiscal year ended December 31, 2024.

Per the request of the Underwriter, the District's unaudited financial statements for the year ended December 31, 2024 have been included as APPENDIX F of this Official Statement. *Such unaudited financial statements are to be considered preliminary and are subject to change prior to the release of the December 31, 2024 audited financial statements.* The District anticipates having its audited financial statements for the year ended December 31, 2024 available on or about July 31, 2025.

## **Budget and Appropriation Procedure**

The District's budget is prepared on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S. The budget must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

On or before October 15 of each year, the District's budget officer must submit a proposed budget to the Board for the next fiscal year. Thereupon notice must be published stating, among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget prior to its adoption.

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of the District must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. District expenditures may not exceed the amounts appropriated, except in the case of an emergency or a contingency which was not reasonably foreseeable. Under such circumstances, the Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the District receives revenues which were unanticipated or unassured at the time of adoption of the budget, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In

the event that revenues are lower than anticipated in the adopted budget, the District may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

The Board adopted the District's 2024 and 2025 budgets and appropriation resolutions pursuant to the procedures described above and timely filed the 2024 and 2025 budgets with the State Division of Local Government.

***Budgeted Financial Information.*** Set forth hereafter is a comparison of the District's 2024 and 2025 budgets, and a comparison to the 2024 year-end actual figures and the 2025 year-to-date actual figures for the District's General Fund. Also set forth below are the 2025 budgets for the Capital Projects Fund and the Debt Service Fund, being the first budget year for both such funds.

**TABLE IX**  
**District General Fund Budget Summary and Comparison**

|                            | <b>2024<br/>Budget<br/>(as amended)</b> | <b>2024<br/>Year-End<br/>(unaudited) <sup>1</sup></b> | <b>2025<br/>Budget<br/>(as adopted)</b> | <b>2025<br/>Year-to-Date<br/>(unaudited) <sup>2</sup></b> |
|----------------------------|---|---|---|---|
| Beginning Fund Balance     | \$ --                                   | \$ --   | \$ --                                   | \$ --   |
| Revenues:                  |   |   |   |   |
| Property Taxes             | 836,574                                 | 829,863   | 1,360,736                               | 757,825   |
| Specific Ownership Tax     | 47,774                                  | 49,255  | 68,037                                  | 30,605  |
| Other Income               | <u>30,652</u>                           | <u>21,524</u>   | <u>1,227</u>                            | <u>--</u>   |
| Total Revenues             | <u>915,000</u>                          | <u>900,642</u>  | <u>1,430,000</u>                        | <u>788,430</u>  |
| Total Funds Available      | <u>915,000</u>                          | <u>900,642</u>  | <u>1,430,000</u>                        | <u>788,430</u>  |
| Expenditures:              |   |   |   |   |
| County Treasurer's Fee     | 12,762                                  | 12,762  | 20,411                                  | 11,367  |
| Contingency                | <u>9,732</u>                            | <u>604</u>  | <u>1,227</u>                            | <u>--</u>   |
| Total Expenditures         | <u>22,494</u>                           | <u>13,366</u>   | <u>21,638</u>                           | <u>11,367</u>   |
| Transfers Out              |   |   |   |   |
| Transfer to District No. 1 | <u>892,506</u>                          | <u>887,276</u>  | <u>1,408,362</u>                        | <u>777,063</u>  |
| Ending Fund Balance        | \$ <u>--</u>                            | \$ <u>--</u>  | \$ <u>--</u>                            | \$ <u>--</u>  |

<sup>1</sup> Unaudited year-end financial statements through December 31, 2024. The District anticipates having its audited financial statements for the year ended December 31, 2024 available on or about July 31, 2025.

<sup>2</sup> Unaudited year-to-date numbers from District accountant through May 31, 2025.

Sources: District 2024 and 2025 Budgets and the District

**TABLE X**  
**District Capital Projects Fund Budget Summary and Comparison**

|                                  | <b>2025<br/>Budget<br/>(as amended) <sup>1</sup></b> | <b>2025<br/>Year-to-Date<br/>(unaudited) <sup>2</sup></b> |
|----------------------------------|--|---|
| Beginning Fund Balance           | \$       --  | \$  --  |
| Revenues:                        |  |   |
| Bond Issuance                    | <u>15,000,000</u>                                    | --  |
| Total Revenues                   | <u>15,000,000</u>                                    | --  |
| Total Funds Available            | <u>15,000,000</u>                                    | --  |
| Expenditures:                    |  |   |
| Debt Service                     |  |   |
| Bond Issue Costs                 | 740,000  | --  |
| Capital Projects                 |  |   |
| Repay Developer Advance          | <u>13,000,000</u>                                    | --  |
| Total Expenditures               | <u>13,740,000</u>                                    | --  |
| Transfers Out                    |  |   |
| Transfer to Other Fund           | <u>1,260,000</u>                                     | --  |
| Total Expenditures and Transfers |  |   |
| Out Requiring Appropriation      | <u>15,000,000</u>                                    | --  |
| Ending Fund Balance              | \$ <u>          --</u>                               | \$ <u>  --</u>  |

<sup>1</sup> 2025 is the first budget year for the Capital Projects Fund.

<sup>2</sup> The Capital Projects Fund was recently created in June 2025 in anticipation of the issuance of the Bonds and the expenditure of the proceeds thereof on capital projects. Accordingly, there are no 2025 year to date figures for the Capital Projects Fund.  
Sources: District 2025 Budgets and the District

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**TABLE XI**  
**District Debt Service Fund Budget Summary and Comparison**

|                                      | 2025<br>Budget<br>(as amended) <sup>1</sup> | 2025<br>Year-to-Date<br>(unaudited) <sup>2</sup> |
|--------------------------------------|---|--|
| Beginning Fund Balance               | \$ --                                       | \$ --  |
| Revenues:                            |   |  |
| Other Revenues                       | <u>21,638</u>                               | --   |
| Total Revenues                       | <u>21,638</u>                               | --   |
| Transfers In                         |   |  |
| Transfers from Other Funds           | <u>2,668,362</u>                            | --   |
| Total Funds Available                | <u>2,690,000</u>                            | --   |
| Expenditures:                        |   |  |
| General and Administrative           |   |  |
| Paying Agent Fees                    | 4,000                                       |  |
| Contingency                          | 596,437                                     | --   |
| Capital Projects                     |   |  |
| Bond Principal-Series 2025           | 520,000                                     | --   |
| Bond Interest-Series 2025            | <u>309,563</u>                              | --   |
| Total Expenditures                   | <u>1,430,000</u>                            | --   |
| Total Expenditures and Transfers Out |   |  |
| Requiring Appropriation              | <u>1,430,000</u>                            | --   |
| Ending Fund Balance                  | <u>\$1,260,000</u>                          | \$ --  |

<sup>1</sup> 2025 is the first budget year for the Debt Service Fund. The Debt Service Fund was recently created in June 2025 in anticipation of the issuance of the Bonds.

<sup>2</sup> The Debt Service Fund was recently created in June 2025 in anticipation of the issuance of the Bonds and the payment of the debt service thereon. Accordingly, there are no 2025 year to date figures for the Debt Service Fund.

Sources: District 2025 Budgets and the District

***Limitation on Certain Tax Revenues.*** It is through the preparation of the budget and by taking into consideration the amount of the Pledged Revenue anticipated to be received in the budget year and the debt service requirements of the Bonds (and any other outstanding bonds issued in the future by the District) coming due in such budget year that the rate of the District's debt service mill levy is determined each year, subject to and in accordance with the provisions of the Indenture with respect to the Required Mill Levy. See "THE BONDS—Security for the Bonds—*Definition of Required Mill Levy.*"

Pursuant to the provisions of Article X, Section 20 of the State Constitution, the District is subject to tax and other revenue and spending limitations as described below in "—Constitutional Amendment Limiting Taxes and Spending;" however, the District has received voter approval to waive such limitations.

## **Management Discussion of Material Trends**

Due to the District's limited financial activity, there are no material trends presented herein.

## **Deposit and Investment of District Funds**

State statutes set forth requirements for the deposit of District funds in eligible depositories and for the collateralization of such deposited funds. The District also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See "TAX MATTERS."

## **Risk Management**

The Board acts to protect the District against loss and liability by maintaining certain insurance coverage which the District's Board believes to be adequate. Currently, the District maintains insurance through the Colorado Special District Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, public officials' liability and other insurance coverages as an alternative to the traditional insurance market. Since 2001, CSDPLP has also offered workers' compensation insurance. The District carries general liability, workers compensation, and public officials liability coverages, among others, and its current policy expires on December 31, 2025. In addition, at its June 18, 2025 meeting the Board of the District approved an increase in the District's crime insurance coverage (which includes cyber security) to \$1,000,000, and the District is in the process of implementing such additional coverage. There can be no assurance that the District will continue to maintain its current levels of coverage.

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

## **Constitutional Amendment Limiting Taxes and Spending**

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One ("TABOR"), and now constitutes Article X, Section 20 of the Colorado Constitution. TABOR imposes various limits and requirements on the State and all Colorado local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this section as a "governmental unit"). Any of the following actions, for example, require voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in actual value of all real property in a governmental unit from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property for government units other than school districts, and the percentage change in student enrollment for a school district; (b) any increase in the real property tax revenues of a local governmental unit (not including the State) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only

be held on the same day as a State general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending (excluding bonded debt service) in 1995 and subsequent years. TABOR provides that "[w]hen [a governmental unit's] annual...revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause (c) of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] will be suspended to provide for the deficiency." The preferred interpretation of TABOR will, by its terms, be the one that reasonably restrains most the growth of government.

***Revenue Retention and Spending Authorization.*** At the Election, the eligible electors of the District voting at such Election approved one or more ballot questions authorizing the District to collect, receive, retain, and spend all revenues in 2019 and in each year thereafter without regard to the revenue and spending limitations of TABOR.

## **DEBT STRUCTURE**

The following is a discussion of the District's authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

### **Debt Restrictions**

Pursuant to the Indenture, the District may issue Additional Bonds subject to certain conditions, as more particularly described in "THE BONDS—Certain Indenture Provisions—*Additional Bonds*." In addition, the issuance of additional debt is restricted by: (a) State statutes that restrict the amount of debt issuable by special districts; (b) the availability of electoral authorization; and (c) the Service Plan, all as described below.

***Statutory Debt Limit.*** The District is subject to a statutory general obligation debt limitation established pursuant to Section 32-1-1101(6), C.R.S., which provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district shall not at the time of issuance exceed the greater of \$2 million or 50% of the District's assessed valuation. Since, upon issuance of the Bonds, the total principal amount of general obligation debt of the District will not exceed the greater of two million dollars or fifty percent of the valuation for assessment of the taxable property in the District, as certified by the assessor, the Bonds may be issued pursuant to the provisions of such statute and need not qualify for an exception thereto. Based on the 2024 certified assessed valuation of the District and the estimated principal amount of the Bonds in the amount of \$14,125,000,\* the District's debt to assessed ratio is 15.66%.\* See "INTRODUCTION—Debt Ratios," "DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Taxes" and "—Ad Valorem Property Tax Data."

***Required Elections.*** Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the District. Among such provisions, Article X, Section 20 of the State Constitution (as previously defined, "TABOR") requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present

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\* Preliminary; subject to change.

cash reserves pledged irrevocably and held for payments in all future fiscal years. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds” and “DISTRICT FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending.”

***Service Plan Limitations.*** Regardless of the amount of voted authorization obtained by the District pursuant to the Election, the District is limited by the Service Plan as to the amount of debt it may issue. See “—General Obligation Debt—*Service Plan Debt Limits*” below.

### **General Obligation Debt**

***Elections.*** At the Election, the District’s qualified electors voting at such election approved indebtedness of \$1,560,000,000 to finance the costs of designing, acquiring, constructing, relocating, installing, completing and otherwise providing public improvements; \$156,000,000 for operations and maintenance debt; \$156,000,000 for refunding purposes; and \$156,000,000 for intergovernmental agreements constituting debt.

***Allocations of Voted Debt Authorization.*** The District expects to allocate voted debt authorization for various categories of public improvements from the Election to the indebtedness of the Bonds.

***Voter Authorized but Unissued Debt.*** Following the issuance of the Bonds, the District will have voter authorized but unissued indebtedness authorized at the Election in the amounts of \$1,545,875,000\* for Public Improvements; \$156,000,000 for operations and maintenance debt; \$156,000,000 for intergovernmental agreements constituting debt; and \$156,000,000 for refunding purposes. See “—*Service Plan Debt Limits*” below for additional limitations on the District’s ability to issue debt.

***Service Plan Debt Limits.*** Regardless of the amount of voted authorization available to the District, the District is limited by its Service Plan as to the amount of debt it may issue. The Service Plan states that the total Debt that the District shall be permitted to issue shall not exceed \$156,000,000. The Service Plan defines “Debt” as: bonds or other obligations for the payment of which the District has promised to impose an ad valorem property tax mill levy, and/or collect fee revenue.

After the issuance of the Bonds, the District will have \$141,875,000\* remaining under the Service Plan Debt Limit. The limitations of the Service Plan may be modified or amended only with the prior approval of the Town and as otherwise provided in the Special District Act.

***Outstanding General Obligation Debt.*** Following the issuance of the Bonds, the Bonds will constitute the District’s only outstanding general obligation debt.

***Estimated Overlapping General Obligation Debt.*** Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities, such properties will be liable for an allocable portion of such debt. For purposes of this Official Statement, the percentage of each entity’s outstanding debt chargeable to District property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which District property owners are responsible will also change. The District is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the District, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

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\* Preliminary; subject to change.

**TABLE XII**  
**Estimated Overlapping General Obligation Debt of the District**

| Overlapping Entity <sup>1</sup>                       | Outstanding<br>General<br>Obligation Debt | Net Outstanding General<br>Obligation Debt Chargeable to<br>Properties Within the District |                     |
|---|---|--|---------------------|
|   |   | Percent  | Amount              |
| Joint School District No. 28J (Aurora Public Schools) | \$683,598,617 <sup>2</sup>                | 1.56%  | <u>\$10,664,138</u> |
| Total   |   |  | <u>\$10,664,138</u> |

<sup>1</sup> Other taxing entities overlap the District; however, such other entities do not currently have any outstanding general obligation debt, and therefore are not listed in this table. See “DISTRICT FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*Overlapping Mill Levies*.”

<sup>2</sup> Assumes the 2025 proposed bond issuance of the school district closes in June 2025.

Sources: County Assessor’s office and information obtained from individual entities

**General Obligation Debt Ratios.** The Districts have not previously issued general obligation indebtedness and, therefore, historical debt ratios are not available. See “INTRODUCTION—Debt Ratios.”

### Revenue and Other Financial Obligations

The District also has the authority to issue revenue obligations payable from the net revenue of District facilities, to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. Other than the agreements described in “THE DISTRICT—Material Agreements of the District,” no such obligations are currently outstanding.

## LEGAL MATTERS

### Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, C.R.S. (the “Governmental Immunity Act”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including the operation of a non-emergency motor vehicle owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity.

In such instances the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment.

The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of \$387,000 for claims accruing on or after January 1, 2018 and before January 1, 2022 or the sum of \$424,000 for claims accruing on or after January 1, 2022 and after January 2026; and (b) for an injury to two or more persons in any single occurrence, the sum of \$1,093,000



for claims accruing on or after January 1, 2018, and before January 1, 2022 (except in such instance, no single person may recover in excess of \$387,000) or the sum of \$1,195,000 for claims accruing on or after January 1, 2022 and before January 1, 2026 (except in such instance, no single person may recover in excess of \$424,000). These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first such increase occurring on January 1, 2018. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

The District has not acted to increase the damages liability limitations in the Governmental Immunity Act. Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of 10 mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

## **Legal Representation**

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, Bond Counsel. Kutak Rock LLP has also been retained as Disclosure Counsel to the District and, in such capacity, has assisted the District in the preparation of this Official Statement. Certain legal matters will be passed upon for the District by McGeady Becher Cortese Williams P.C., Denver, Colorado, as General Counsel to the District, and for the Underwriter by Kline Alvarado Veio, P.C., Denver, Colorado, as counsel to the Underwriter. Kutak Rock LLP represents the Underwriter from time to time on matters unrelated to the District or the Bonds, but does not represent the Underwriter or any other party, except the District, in connection with the issuance of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

## **Pending and Threatened Litigation**

***District General Counsel Opinion.*** In connection with the issuance of the Bonds, General Counsel to the District is expected to render an opinion on the date of issuance of the Bonds stating that, to the best of its actual knowledge, and except as otherwise set forth herein, there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Indenture, or the Bond Resolution.

***District Certificate.*** In addition, it is anticipated that, in connection with the issuance of the Bonds, the District will execute a certificate generally stating that on the date of issuance of the Bonds no litigation of any nature is now pending or, to the best of its knowledge, threatened against the District: (a) seeking to restrain or to enjoin the issuance or delivery of the Bonds or the Indenture or other financing documents or the levy or collection of any taxes to pay the principal of or interest on the Bonds; or in any manner questioning the authority or proceedings for the issuance of the Bonds or the levy or collection of said taxes, or affecting the validity of the Bonds, or the levy or collection of said taxes; and (b) which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Indenture or other financing documents, or to consummate the transactions contemplated thereby.

## **Future Changes in Laws**

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes and the operation of the District. There is no assurance that there will not be any change in the interpretation of, or additions to applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of ad valorem property taxes.

## **Limitations on Remedies Available to Bondholders**

The enforceability of the rights and remedies of the Owners, and the obligations incurred by the District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers granted to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. In addition to other legal requirements in the Federal and State laws pertaining to municipal bankruptcy, under State law, however, the District can seek protection from its creditors under the United States Bankruptcy Code only if the District can demonstrate that, in order to meet its financial obligations as they come due, the District would be required to certify a property tax mill levy of 100 mills or more. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

## **Indenture To Constitute Contract**

The Indenture provides that it constitutes a contract among the District, the Trustee, and the Owners of the Bonds, and that it will remain in full force and effect until the Bonds are no longer Outstanding.

## **TAX MATTERS**

**General Matters.** In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX D.

**Original Issue Discount.** The Bonds that have an original yield above their respective interest rates, as shown on the cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

***Original Issue Premium.*** The Bonds that have an original yield below their respective interest rates, as shown on the cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

***Backup Withholding.*** An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

***Changes in Federal and State Tax Law.*** From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

## **MISCELLANEOUS**

### **No Rating**

No rating has been or will be applied for with respect to the Bonds.

### **Registration of Bonds**

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

The “Colorado Municipal Bond Supervision Act,” Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the “Commissioner”) to regulate and monitor the issuance of municipal securities by special districts and certain other governmental entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as “bonds”) issued by a special district must first be registered with the Commissioner unless exempt under the act. Upon issuance of the Bonds, the total general obligation debt of the District will not exceed the greater of two million dollars or fifty percent of the valuation for assessment of the taxable property in the District as certified by the assessor, and therefore the Bonds are exempt from registration under such act.

### **Continuing Disclosure Obligations**

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (“Rule 15c2-12”), the District has agreed for the benefit of the registered Owners and Beneficial Owners of the Bonds to provide certain financial information, other operating data and notices of material events after the issuance of the Bonds. The form of the Continuing Disclosure Agreement is attached as APPENDIX C to this Official Statement.

A failure by the District to comply with the requirements of Rule 15c2-12 under the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture and the sole remedy in the event of any failure of the District to comply with its obligations under the Continuing Disclosure Agreement is an action to compel performance. Regardless, any such failure of the District must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District has not previously entered into a continuing disclosure agreement or similar disclosure undertaking under Rule 15c2-12 or otherwise.

### **Interest of Certain Persons Named in This Official Statement**

The legal fees to be paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the Bonds.

### **No Audited Financial Statements**

Due to the limited financial activity of the District, no audited financial statements have been prepared for the District. The District intends to engage Wipfli LLP, Denver, Colorado, as its auditor commencing with the fiscal year ended December 31, 2024.

Per the request of the Underwriter, although there are no audited financial statements for the District, the December 31, 2024, unaudited financial statements have been included as APPENDIX F of this Official Statement. *Such unaudited financial statements are to be considered preliminary and are subject to change prior to the release of the December 31, 2024 audited financial statements.* The District anticipates having its audited financial statements for the year ended December 31, 2024 available on or about July 31, 2025.

### **Underwriting**

The Bonds are being sold by the District to the Underwriter for a purchase price equal to \$\_\_\_\_\_ (which is equal to the par amount of the Bonds of \$\_\_\_\_\_, [less/plus net original issue discount/premium of \$\_\_\_\_\_], less the Underwriter's discount of \$\_\_\_\_\_) pursuant to a purchase contract. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds." Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the prices set forth on the cover page of this Official Statement. Such prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

The Underwriter and its affiliates comprise a full- service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

### **Additional Information**

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the “INTRODUCTION—Additional Information.”

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**Official Statement Certification**

The preparation of this Official Statement and its distribution have been authorized by the Board. This Official Statement is hereby duly approved by the Board as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the District and the purchasers or owners of any Bond.

**SLC METROPOLITAN DISTRICT NO. 3**

By /s/ \_\_\_\_\_  
Patrick Rowe, President



## APPENDIX A

### SELECTED DEFINITIONS

“*Additional Bonds*” means the following obligations, but only if such obligations are payable from or secured by the Pledged Revenue or any portion thereof, or are payable from or secured by a promise to impose ad valorem property taxes derived from a debt service mill levy of the District: (a) all obligations of the District for borrowed money and reimbursement obligations; (b) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments; (c) all obligations of the District to pay the deferred purchase price of property or services; (d) all obligations of the District as lessee under leases which extend beyond the then-current fiscal year of the District; (e) all obligations of the District represented by certificates of participation; and (f) all obligations of others guaranteed by the District. Notwithstanding the foregoing, provided that none of the following obligations described in clauses (a) through (g) below are payable from or secured by the Pledged Revenue or any portion thereof or are payable from or secured by a promise to impose ad valorem property taxes derived from a debt service mill levy of the District, the term “Additional Bonds” does not include:

(a) obligations of the District issued solely for the purpose of paying operations and maintenance costs of the District, the repayment of which is contingent upon the Board’s annual determination to appropriate moneys therefor;

(b) obligations of the District issued for any purpose, the repayment of which is contingent upon the Board’s annual determination to appropriate moneys therefor;

(c) obligations of the District which are payable solely from the proceeds of Additional Bonds, when and if issued;

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

(e) obligations of the District to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements (collectively, “Credit Enhancement(s)”) so long as (i) such Credit Enhancement is issued as security for any bonds, notes, or other obligations of the District permitted to be issued hereunder as provided in Section 4.04 hereof; (ii) no reimbursement obligation under such Credit Enhancement exceeds the principal and/or interest actually paid on the bonds, notes, or other obligations secured thereby, and no reimbursement obligation arises unless and until such principal and/or interest is paid from a draw or other demand on such Credit Enhancement; and (iii) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the Credit Enhancement(s);

(f) payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of operations of the District; and

(g) any obligation pursuant to which the County certifies a mill levy on behalf of the District under Section 24-10-113, C.R.S.

“*Assessed Valuation*” means the final certified assessed valuation of all taxable property of the District, as calculated and certified by the assessor of each county in which taxable real or personal property of the District is located on or about December 10 of each year, or on such other date as may be established by law for the annual final certification of assessed valuation.

“*Authorized Denominations*” means the amount of \$5,000.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds, as evidenced by an affidavit of such person, records or written notice of a Participant provided to the Trustee.

“*Board*” means the Board of Directors of the District.

“*Bond Counsel*” means any firm of nationally recognized municipal bond attorneys selected by the District and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

“*Bond Fund*” means a special fund of the District designated as the “SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, Bond Fund,” established by the provisions of the Indenture for the purpose of paying the principal of, premium if any, and interest on the Bonds.

“*Bond Resolution*” means the resolution authorizing the issuance of the Bonds and the execution of the Indenture, certified by the Secretary or an Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

“*Bond Year*” means, (a) with respect to the Bonds, initially, the period commencing on the date of issuance of the Bonds through and including December 1, 2025, and thereafter, the period commencing on December 2 of any calendar year through and including December 1 of the immediately succeeding calendar year, and (b) with respect to any other Senior Bonds, the period designated as such (or the substantial equivalent) in the Senior Bond Documents pursuant to which such other Senior Bonds are issued.

“*Bonds*” means the Limited Tax General Obligation Bonds, Series 2025, in the aggregate principal amount of \$14,125,000\*, issued by the District pursuant to this Indenture and the Bond Resolution.

“*Business Day*” means a day on which the Trustee or banks or trust companies in Denver, Colorado, or in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“*Cede*” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“*Certified Public Accountant*” means an independent certified public accountant within the meaning of Section 12-100-112, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

“*City*” means the City of Aurora, Colorado.

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\* Preliminary; subject to change.

“*City Council*” means the City Council of the City, being the governing body thereof.

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

“*Costs of Issuance Fund*” means a special fund of the District designated as the “SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, Costs of Issuance Fund,” established by the provisions of the Indenture for the purpose of paying the costs of issuance of the Bonds.

“*Counsel*” means a person, or firm of which such a person is a member, authorized in any state to practice law.

“*County*” means Arapahoe County, Colorado.

“*County Assessor*” means the Assessor of the County.

“*County Treasurer*” means the Treasurer of the County.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date of the Indenture.

“*Debt Service Coverage Ratio*” means the ratio derived by dividing: (a) the ad valorem property tax revenue that would be generated by imposition of the maximum Required Mill Levy against the most recent Assessed Valuation of the District, by (b) Maximum Annual Debt Service.

“*Debt to Assessed Ratio*” means the ratio derived by dividing (a) the then-outstanding principal amount of all general obligation debt of the District by (b) the most recent Assessed Valuation of the District.

“*Depository*” means any securities depository as the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which is to act as securities depository for the Bonds.

“*District*” means the SLC Metropolitan District No. 3, in the City of Aurora, Arapahoe County, Colorado, and its successors and assigns.

“*District Accountant*” means as of the date of the Indenture, CliftonLarsonAllen LLP, Greenwood Village, Colorado, and (b) as of any other date, the firm or individual then serving as the accountant for the District.

“*District Representative*” means the District President or the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signature(s) of such person or persons and signed on behalf of the District by its President or Treasurer and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

“*DTC*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns. References in the Indenture to DTC are to include any nominee of DTC in whose name any Bonds are then registered.

“*Election*” means the election of the eligible electors of the District duly called and held on November 5, 2019 in accordance with law and pursuant to due notice.

“*Event of Default*” means any one or more of the events set forth in the Indenture.

“*Facilities Funding Agreement*” means the Facilities Funding and Acquisition Agreement dated December 4, 2019 between the District and the Developer.

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

“*Final Maturity Date*” means December 1, 2054, being the final maturity date of the Bonds.

“*Indenture*” means the Indenture of Trust as originally executed or as it may from time to time be supplemented or amended by one or more amendments or indentures supplemental to the Indenture entered into pursuant to the applicable provisions of the Indenture.

“*Interest Payment Date*” means each regularly scheduled interest payment date on the Bonds, being June 1 and December 1 of each year, commencing December 1, 2025 and continuing for so long as the Bonds are Outstanding.

“*Maximum Annual Debt Service*” means an amount equal to the maximum amount required to be paid in any single current or future Bond Year as principal of (including any mandatory sinking fund requirements) and interest on the Bonds, all other outstanding Senior Bonds (if any), and the Senior Bonds then proposed to be issued, respectively, and, for purposes of the foregoing:

(a) With respect to the Senior Bonds then proposed to be issued, such maximum amount of principal and interest to be paid in any current or future Senior Bond Year shall be the debt service set forth in a Pro-Forma Debt Service Schedule prepared by a Proposed Senior Bonds Consultant;

(b) With respect to the Bonds and any Senior Bonds then outstanding, there shall be excluded from such maximum amount of principal and interest to be paid in any current or future Senior Bond Year any scheduled payments of principal which have been redeemed pursuant to the terms hereof or under the instrument pursuant to which such outstanding Senior Bonds were issued;

(c) In any Senior Bond Year in which the final maturity date of the Bonds, the outstanding Senior Bonds (if any), or the proposed Senior Bonds occurs, there shall be subtracted from the final principal payment any cash or the present value of any investments deposited in a reserve or surplus fund or account, if any, established pursuant to the governing instruments pursuant to which such obligations were issued and which are properly allocable to such obligations (including the Reserve Fund established under this Indenture which is allocable to the Bonds); and

(d) for any issue of outstanding Senior Bonds bearing a variable, adjustable or other similar rate which is not fixed for the entire term thereof, it shall be assumed that any such Senior Bonds outstanding at the time of computation will bear interest during any period, if the interest rate for such period has not been determined, at a fixed rate equal to the highest rate borne during the immediately preceding consecutive 36-month period or, if such Senior Bonds have not been outstanding for a 36-month period, two hundred (200) basis points above the rate borne by such Senior Bonds on their date of issuance.

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

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

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

(c) Bonds issued in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture as a result of a Bond transfer or lost, stolen, destroyed or mutilated Bonds.

*“Owner(s) or Owner(s) of Bonds”* means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee, including the Depository for the Bonds, if any, or its nominee.

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

*“Permitted Investments”* means any investment or deposit the District is permitted to make under then applicable State law including, without limitation, Section 24-75-601.1, C.R.S., as amended.

*“Permitted Refunding Bonds”* means Senior Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of refunding a portion of the Bonds or refunding, in whole or any part, any other Senior Bonds; provided, however, that proceeds of such refunding obligations may also be applied to pay all costs and expenses in connection with such refunding; to fund capitalized interest, reserve funds, surplus funds and other similar funds and accounts; and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding.

(b) Such refunding obligations do not increase the District’s scheduled debt service in any year from the scheduled debt service in effect prior to the issuance of such refunding obligations. For purposes of the foregoing, refunding obligations which have any scheduled payment dates in any year which is after the maturity of the Bonds or other Senior Bonds being refunded are to be deemed to increase the District’s debt service in any year.

(c) The maximum amount of any Senior Bond Reserve Fund securing such refunding obligations shall not exceed an amount equal to 10% of the par amount of such refunding obligations; provided, however, that if such refunding obligations have only a Senior Bond Reserve Fund and do not have a Senior Bond Surplus Fund, the Senior Bond Reserve Fund shall not exceed an amount equal to 20% of the par amount of such refunding obligations.

(d) The maximum amount of any Senior Bond Surplus Fund securing such refunding obligations shall not exceed an amount equal to 10% of the par amount of such refunding obligations; provided, however, that if such refunding obligations have only a Senior Bond Surplus Fund and do not have a Senior Bond Reserve Fund, the Senior Bond Surplus Fund shall not exceed an amount equal to 20% of the par amount of such refunding obligations.

(e) Such refunding obligations are payable on the same day or days of the calendar year as the Bonds or other Senior Bonds being refunded, and are not subject to acceleration.

(f) The ad valorem mill levy pledged to the payment of the refunding obligations is not higher than and is subject to the same deductions and adjustments as the ad valorem mill levy pledged to the payment of the Bonds or other Senior Bonds being refunded.

(g) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Bonds or other Senior Bonds being refunded.

*“Pledged Revenue”* means the following:

- (a) the Property Tax Revenues;
- (b) the Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for credit to the Bond Fund.

*“Principal Payment Date”* means (a) each mandatory sinking fund redemption date set forth in in the Indenture, and (b) each Bond maturity date, including the Final Maturity Date.

*“Pro-Forma Debt Service Schedule”* means a pro-forma debt service schedule prepared by the Proposed Senior Bonds Consultant in connection with the additional Senior Bonds proposed to be issued, which pro-forma debt service schedule is reasonable under the circumstances, taking into consideration: (a) the then current market conditions; (b) the interest rate anticipated to be borne by the proposed Senior Bonds; (c) the financial condition of the District; (d) reasonable expectations of increases or decreases in the amount of the revenue pledged to such additional Senior Bonds; and (e) the creditworthiness of the District.

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

*“Project Costs”* means the District’s costs properly attributable to the Project or any part thereof, including, but not limited to, reimbursement or payment of such costs in accordance with the Facilities Funding Agreement and/or any similar agreement to which the District is a party, including, without limitation:

- (a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan;
- (e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

- (f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing, or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Bonds;
- (j) the costs of amending the Indenture, the Bond Resolution, or any other instrument relating to the Bonds or the Project;
- (k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;
- (l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;
- (m) the costs of demolition, removal, and relocation;
- (n) the costs of organizing and activating the District; and
- (o) all other lawful costs as determined by the Board.

*“Project Fund”* means a special fund of the District designated as the “SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, Project Fund,” created by the provisions of the Indenture for the purposes set forth in the Indenture.

*“Property Tax Revenues”* means all ad valorem tax revenue derived from imposition by the District of the Required Mill Levy, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

*“Proposed Senior Bonds Consultant”* means, with respect to additional Senior Bonds proposed to be issued, any of the following: (a) the underwriter or placement agent for such proposed additional Senior Bonds; (b) the District’s municipal adviser; or (c) a consultant engaged by the District with the expertise necessary to prepare a Pro-Forma Debt Service Schedule.

*“Record Date”* means the fifteenth (15th) day of the calendar month next preceding each Interest Payment Date.

*“Required Mill Levy”* is to have the following meanings:

- (a) Subject to paragraph (c) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount sufficient to fund the Bond Fund for the relevant Bond Year and pay the Bonds as they come due in such Bond Year, and to replenish, if necessary, the Reserve Fund to the Reserve Requirement, but not in excess of 25.000 mills; *provided however*, that if, after January 1, 2004, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum mill levy set forth above in this paragraph (a) shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax

revenues generated by such mill levy, as adjusted for any of the aforementioned changes occurring after January 1, 2004, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of assessed valuation to actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(b) Notwithstanding anything in the Indenture to the contrary, in no event may the Required Mill Levy be established at a mill levy which would constitute a material departure from the requirements of the Service Plan, or cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization or create a material departure from the Service Plan, the Required Mill Levy is to be reduced to the point that such maximum tax increase is not exceeded and no material departure from the Service Plan occurs.

*"Reserve Fund"* means a special fund of the District designated as the "SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, Reserve Fund," created by the provisions of the Indenture for the purposes set forth in the Indenture.

*"Reserve Requirement"* means the amount of \$1,278,668.\*

*"Revenue Fund"* means a special fund of the District designated as the "SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, Revenue Fund," created by the provisions of the Indenture for the purposes set forth therein.

*"Scheduled Payment Date"* means an Interest Payment Date and/or a Principal Payment Date, as applicable.

*"Senior Bond Documents"* means, with respect to any Senior Bonds outstanding other than the Bonds, the indenture, resolution, loan agreement, custodial agreement, paying agent agreement or other instrument(s) pursuant to which such other Senior Bonds are issued.

*"Senior Bond Reserve Fund"* means any fund or account created for the purpose of securing the payment of Senior Bonds other than the Bonds, excluding any Senior Obligations Bond Fund and any Senior Bond Surplus Fund, and provided that such fund is fully funded as of the date of issuance of the applicable Senior Bonds from the proceeds thereof or from any other source other than the revenue pledged to such Senior Bonds.

*"Senior Bond Surplus Fund"* means any fund or account created for the purpose of securing the payment of Senior Bonds other than the Bonds, provided that such fund or account is not initially fully funded on the date of issuance of the applicable Senior Bonds but, rather, is to be funded from revenues pledged to the payment of such Senior Bonds which are accumulated in such fund or account after the date of issuance of such Senior Bonds. For purposes of this definition, no Senior Obligations Bond Fund are to constitute a Senior Bond Surplus Fund.

*"Senior Bond Trustee"* means, with respect to any Senior Bonds other than the Bonds, the trustee, custodian, paying agent or lender, as applicable, under the Senior Bond Documents pursuant to which such other Senior Bonds were issued.

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\* Preliminary; subject to change.



*“Senior Bonds”* means the Bonds and any Additional Bonds having a lien upon the Pledged Revenue or any part thereof on a parity with the lien thereon of the Bonds, and superior to the lien of all Subordinate Bonds, payable in whole or in part from the Pledged Revenue described in clauses SECOND and THIRD of the Indenture entitled “Application of Pledged Revenue; Flow of Funds.” For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon the District’s ad valorem tax revenues are to be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Senior Bonds issued hereafter are to be issued only in accordance with the provisions of the Indenture, but may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

*“Senior Obligations Bond Fund”* means any fund or account created for the purpose of securing the payment of Senior Bonds other than the Bonds, where such fund or account is funded either from (i) capitalized interest or (ii) revenues pledged to the payment of such Senior Bonds. For purposes of this definition, no Senior Bond Surplus Fund or Senior Bond Reserve Fund are to constitute a Senior Obligations Bond Fund.

*“Service Plan”* means the Service Plan for SLC Metropolitan District No. 3, City of Aurora, Colorado, approved by the City Council of the City, pursuant to Resolution No. 08R2019-63 adopted on August 5, 2019, as the same may be modified or amended from time to time in accordance with the provisions thereof and applicable law.

*“Special District Act”* means Title 32, Article 1, Colorado Revised Statutes.

*“Special Record Date”* means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined by the Trustee in accordance with the Indenture.

*“Specific Ownership Tax Revenues”* means the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, which are allocable to the Required Mill Levy.

*“State”* means the State of Colorado.

*“Subordinate Bond Documents”* means the indenture, resolution, loan agreement, custodial agreement, paying agent agreement or other instrument(s) pursuant to which any Subordinate Bonds are issued hereafter.

*“Subordinate Bond Trustee”* means the trustee, custodian, paying agent or lender under the Subordinate Bond Documents pursuant to which the corresponding Subordinate Bonds were issued.

*“Subordinate Bonds”* means Additional Bonds having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds (and any other Senior Bonds), payable in whole or in part from moneys described in clause FIFTH of the section of the Indenture entitled “Application of Pledged Revenue; Flow of Funds,” and not from moneys described in clauses FIRST through FOURTH of such section. For purposes of this definition, Additional Bonds having a lien upon the District’s ad valorem tax revenues are to be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Subordinate Bonds hereafter issued are to be issued only in accordance with the provisions of the Indenture, but may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

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

“*Tax Code*” the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Tax Compliance Certificate*” means the certificate to be signed by the District relating to the requirements of Sections 103 and 141-150 of the Tax Code.

“*Trust Estate*” means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses of the Indenture.

“*Trustee*” means BOKF, NA, in Denver, Colorado, in its capacity as trustee under the Indenture, or any successor trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Indenture.

“*Trustee Fees*” means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties rendered under the Indenture (and under any other indenture entered into by the District in connection with the issuance of additional indebtedness), as the same become due and payable as described in the Indenture, but not in excess of \$4,000 annually for each series of Senior Bonds (including the Bonds) and \$3,000 annually for each series of Subordinate Bonds, provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in the Indenture, which expenses are to be payable by the District in accordance with the provisions of the Indenture or the applicable provisions of any other indenture.

“*Underwriter*” means Stifel, Nicolaus & Company, Incorporated, Denver, Colorado.

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## APPENDIX B

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the area within which the District is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. *The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees, or advisors.*

#### Population

The following table sets forth the population of the City of Aurora (the “City”), Arapahoe County (the “County”), the Denver metropolitan statistical area (comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties) (the “DMA”), and the State of Colorado (the “State”).

| Population        |         |                |         |                |           |                |           |                |
|-------------------|---------|----------------|---------|----------------|-----------|----------------|-----------|----------------|
| Year              | City    | Percent Change | County  | Percent Change | DMA       | Percent Change | State     | Percent Change |
| 1980              | 158,588 | --             | 293,300 | --             | 1,618,461 | --             | 2,889,735 | --             |
| 1990              | 222,099 | 40.05%         | 391,511 | 33.48%         | 1,848,319 | 14.20%         | 3,294,473 | 14.01%         |
| 2000              | 275,921 | 24.23          | 488,896 | 24.87          | 2,401,501 | 29.93          | 4,302,015 | 30.58          |
| 2010              | 324,961 | 17.77          | 572,003 | 17.00          | 2,784,228 | 15.94          | 5,029,196 | 16.90          |
| 2020              | 386,261 | 18.86          | 655,070 | 14.52          | 3,240,895 | 16.40          | 5,775,493 | 14.99          |
| 2023 <sup>1</sup> | 380,618 | (1.46)         | 655,760 | 0.11           | 3,268,784 | 0.86           | 5,876,300 | 1.61           |

<sup>1</sup> Estimate.

Source: U.S. Department of Commerce, Bureau of the Census

#### Housing Stock

The following table sets forth a comparison of households within the City and the County.

| Housing Units |         |         |                |                   |
|---------------|---------|---------|----------------|-------------------|
|               | 2010    | 2020    | Percent Change | 2023 <sup>1</sup> |
| City          | 130,992 | 147,299 | 12.45%         | 154,792           |
| County        | 238,301 | 263,254 | 10.47          | 271,244           |

<sup>1</sup> Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, and the Colorado Department of Local Affairs

## Income

The following tables set forth historical per capita personal income levels in the County, the State and the United States.

### Per Capita Personal Income

|               | 2019     | 2020     | 2021     | 2022     | 2023     |
|---------------|----------|----------|----------|----------|----------|
| County        | \$64,494 | \$68,968 | \$73,433 | \$77,902 | \$81,414 |
| State         | 61,278   | 64,693   | 71,706   | 76,674   | 80,068   |
| United States | 55,567   | 59,123   | 64,460   | 66,244   | 69,810   |

Source: United States Department of Commerce, Bureau of Economic Analysis

## School Enrollment

The following table presents a five-year history of enrollment for Joint School District No. 28J, the primary school district serving the District.

### Historical Enrollment

| Year      | Enrollment | Percent Change |
|-----------|------------|----------------|
| 2020/2021 | 38,551     | --             |
| 2021/2022 | 38,021     | (1.37)%        |
| 2022/2023 | 36,845     | (3.09)         |
| 2023/2024 | 36,707     | (0.37)         |
| 2024/2025 | 37,222     | 1.40           |

Source: Colorado Department of Education

## Building Activity

The following tables set forth historical building permit activity for the City and the County.

### Recent History of Building Permits Issued in the City of Aurora

| Year              | <u>Single Family</u> | <u>Multi-Family</u> |       | <u>Commercial/Industrial</u> |
|-------------------|----------------------|---------------------|-------|------------------------------|
|                   | Permits              | Permits             | Units | Permits                      |
| 2020              | 2,055                | 31                  | 733   | 63                           |
| 2021              | 2,066                | 46                  | 2,138 | 69                           |
| 2022              | 1,274                | 26                  | 2,066 | 64                           |
| 2023              | 1,630                | 59                  | 2,325 | 69                           |
| 2024              | 1,703                | 22                  | 1,034 | 47                           |
| 2025 <sup>1</sup> | 626                  | 1                   | 43    | 17                           |

<sup>1</sup> Permits issued through May 31, 2025.

Source: The City Building Division

### History of Building Permit Activity in Unincorporated Arapahoe County

| Year              | Single Family |               | Multi-Family |               | Commercial/Industrial <sup>1</sup> |               |
|-------------------|---------------|---------------|--------------|---------------|------------------------------------|---------------|
|                   | Permits       | Valuation     | Permits      | Valuation     | Permits                            | Valuation     |
| 2020              | 498           | \$151,462,095 | 57           | \$ 10,380,387 | 422                                | \$117,522,171 |
| 2021              | 461           | 145,450,003   | 148          | 19,887,498    | 180                                | 116,531,560   |
| 2022              | 229           | 71,496,867    | 55           | 11,365,772    | 147                                | 102,230,073   |
| 2023              | 184           | 58,639,164    | 90           | 67,431,513    | 155                                | 128,233,932   |
| 2024              | 284           | 79,921,001    | 195          | 197,808,814   | 125                                | 108,850,633   |
| 2025 <sup>2</sup> | 99            | 31,393,683    | 6            | 1,850,056     | 98                                 | 83,713,351    |

<sup>1</sup> Includes commercial remodel, addition, new structure or tenant finish.

<sup>2</sup> Building permits issued through May 31, 2025.

Source: Arapahoe County Building Division

### Foreclosure Activity

The number of foreclosures filed in the County are set forth in the following table.

#### History of Foreclosures Filed <sup>1</sup>

| Year              | Foreclosures | Percent Change |
|-------------------|--------------|----------------|
| 2020 <sup>2</sup> | 223          | --             |
| 2021 <sup>2</sup> | 105          | (52.91)%       |
| 2022              | 625          | 495.24         |
| 2023              | 548          | (12.32)        |
| 2024              | 568          | 3.65           |
| 2025 <sup>3</sup> | 362          | --             |

<sup>1</sup> Excludes foreclosures that were restarted in a given year.

<sup>2</sup> The decrease in the number of foreclosures filed in 2020 and 2021 was the result of the State imposed restrictions in place regarding foreclosures.

<sup>3</sup> Foreclosures through June 24, 2025.

Sources: Arapahoe County Public Trustee's Office

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## Retail Sales

The following table sets forth retail sales figures as reported by the State for the City, the County and the State.

| Year              | City         | Percent Change | Retail Sales<br>(in thousands) <sup>1</sup> |                | State         | Percent Change |
|-------------------|--------------|----------------|---|----------------|---------------|----------------|
|                   |              |                | County                                      | Percent Change |               |                |
| 2020              | \$12,930,403 | --             | \$24,056,923                                | --             | \$228,812,220 | --             |
| 2021              | 14,125,428   | 9.24%          | 27,262,452                                  | 13.32%         | 268,328,759   | 17.27%         |
| 2022              | 15,421,650   | 9.18           | 30,183,842                                  | 10.72          | 299,923,777   | 11.77          |
| 2023              | 15,747,735   | 2.11           | 30,713,699                                  | 1.76           | 302,570,432   | 0.88           |
| 2024              | 17,039,292   | 8.20           | 31,149,024                                  | 1.42           | 309,121,264   | 2.17           |
| 2025 <sup>1</sup> | 3,823,846    | --             | 7,201,635                                   | --             | 73,357,524    | --             |

<sup>1</sup> Total retail sales through March 31, 2025

Source: State of Colorado, Department of Revenue, Sales Tax Reports, 2020-2025

## Employment

The following tables set forth employment statistics by industry for the County and the most recent historical labor force estimates for the County, the Denver-Aurora-Lakewood metropolitan statistical area (the “Denver-Aurora-Lakewood MSA”) and the State.

### Total Business Establishments and Employment—Arapahoe County

| Industry <sup>1</sup>                           | Fourth Quarter 2023 |                    | Fourth Quarter 2024 |                    | Quarterly Change |                    |
|---|---------------------|--------------------|---------------------|--------------------|------------------|--------------------|
|   | Units               | Average Employment | Units               | Average Employment | Units            | Average Employment |
| Agriculture, Forestry, Fishing and Hunting      | 23                  | 134                | 22                  | 177                | (1)              | 43                 |
| Mining  | 76                  | 438                | 74                  | 451                | (2)              | 13                 |
| Utilities                                       | 22                  | 274                | 21                  | 213                | (1)              | (61)               |
| Construction                                    | 2,330               | 25,176             | 2,001               | 24,771             | (329)            | (405)              |
| Wholesale Trade                                 | 1,689               | 14,812             | 1,504               | 14,508             | (185)            | (304)              |
| Information                                     | 759                 | 16,856             | 644                 | 15,305             | (115)            | (1,551)            |
| Finance and Insurance                           | 2,200               | 22,747             | 1,955               | 21,705             | (245)            | (1,042)            |
| Real Estate, Rental and Leasing                 | 1,647               | 7,180              | 1,480               | 7,366              | (167)            | 186                |
| Professional and Technical Services             | 6,208               | 40,336             | 5,612               | 39,496             | (596)            | (840)              |
| Management of Companies and Enterprises         | 506                 | 9,186              | 470                 | 8,936              | (36)             | (250)              |
| Administrative and Waste Services               | 1,761               | 23,969             | 1,530               | 23,438             | (231)            | (531)              |
| Educational Services                            | 533                 | 24,628             | 492                 | 25,168             | (41)             | 540                |
| Health Care and Social Assistance               | 2,958               | 49,754             | 2,838               | 52,534             | (120)            | 2,780              |
| Arts, Entertainment and Recreation              | 332                 | 6,320              | 315                 | 6,696              | (17)             | 376                |
| Accommodation and Food Services                 | 1,489               | 26,896             | 1,386               | 26,013             | (103)            | (883)              |
| Other Services, Excluding Public Administration | 2,123               | 10,025             | 1,870               | 9,870              | (253)            | (155)              |
| Public Administration                           | 74                  | 15,021             | 75                  | 15,821             | 1                | 800                |
| Unclassified                                    | 28                  | 29                 | 98                  | 30                 | 70               | 1                  |
| Total <sup>2</sup>                              | <u>27,701</u>       | <u>343,081</u>     | <u>25,016</u>       | <u>341,146</u>     | <u>(2,685)</u>   | <u>(1,935)</u>     |
| <b>Government <sup>3</sup></b>                  |                     |                    |                     |                    |                  |                    |
| Federal   | 63                  | 3,268              | 63                  | 3,371              | 0                | 103                |
| Local   | 61                  | 30,516             | 59                  | 31,603             | (2)              | 1,087              |
| State   | 30                  | 5,536              | 33                  | 5,558              | 3                | 22                 |

<sup>1</sup> Information provided herein reflects only those employers who are subject to State unemployment insurance law.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Government figures are included within the industry categories listed above.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

### Labor Force Estimates

| Year              | County      |                    | Denver-Aurora-Lakewood MSA |                    | State       |                    |
|-------------------|-------------|--------------------|----------------------------|--------------------|-------------|--------------------|
|                   | Labor Force | Percent Unemployed | Labor Force                | Percent Unemployed | Labor Force | Percent Unemployed |
| 2020 <sup>1</sup> | 371,003     | 7.4%               | 1,684,322                  | 7.2%               | 3,133,882   | 7.0%               |
| 2021 <sup>1</sup> | 374,709     | 6.0                | 1,708,003                  | 5.7                | 3,190,760   | 5.6                |
| 2022              | 377,389     | 3.6                | 1,732,168                  | 3.4                | 3,235,002   | 3.4                |
| 2023              | 378,483     | 3.1                | 1,741,744                  | 3.1                | 3,244,096   | 2.9                |
| 2024              | 377,299     | 4.0                | 1,739,169                  | 4.1                | 3,241,864   | 4.1                |
| 2025 <sup>2</sup> | 376,327     | 4.7                | 1,771,704                  | 4.8                | 3,270,164   | 4.9                |

<sup>1</sup> As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially in 2020 and 2021.

<sup>2</sup> Average labor force through April 30, 2025.

Source: State of Colorado, Division of Employment and Training, Labor Market Information

Selected major employers in the Denver metropolitan area are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

#### Selected Major “Private Sector” Employers in the Denver Metropolitan Area <sup>1</sup>

| Firm                          | Product or Service                                      | Estimated Number of Employees |
|-------------------------------|---|-------------------------------|
| UCHealth                      | Health Care—Hospital and Clinics                        | 27,400                        |
| HCA-HealthONE LLC             | Health Care Provider                                    | 12,226                        |
| Echostar (fka Dish Network)   | Telecommunications                                      | 6,280                         |
| Ball Corporation              | Packaging   | 5,859                         |
| University of Denver          | Higher Education  | 3,841                         |
| Deloitte LLP and Subsidiaries | Audit, Consulting, Advisory, Tax Services               | 2,563                         |
| American Furniture Warehouse  | Retail Furniture and Accessories                        | 1,641                         |
| Arrow Electronics Inc.        | Technology, Electric Components and Computing Solutions | 1,500                         |
| RK Industries LLC             | Manufacturing and Facilities Services                   | 1,124                         |
| Mtech Mechanical              | Commercial Mechanical and Plumbing Contractor           | 560                           |

<sup>1</sup> Only entities that replied to inquiries are included. Public sector information (i.e., U.S. Government, State of Colorado, county and local municipalities, public university/college and public schools) is no longer readily available from the Denver Business Journal.

<sup>2</sup> As of December 31, 2023, the most recent information available.

Source: Denver Business Journal, July 31, 2024

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## APPENDIX C

### FORM OF CONTINUING DISCLOSURE AGREEMENT

**\$14,125,000\***  
**SLC METROPOLITAN DISTRICT NO. 3**  
**City of Aurora, Arapahoe County, Colorado**  
**Limited Tax General Obligation Bonds**  
**Series 2025**

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is entered into as of [CLOSING DATE], 2025, by and between SLC Metropolitan District No. 3, in the City of Aurora, Arapahoe County, Colorado (the “Issuer”) and BOKF, N.A., Denver, Colorado, as trustee (the “Trustee”) under the Indenture (defined below) and as dissemination agent hereunder (the “Dissemination Agent”) relating to the SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025, in the original principal amount of \$14,125,000\* (the “Bonds”).

**Section 1. Purpose.** This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds, in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

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

“*Annual Report*” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Bond Resolution*” means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the Issuer on June 18, 2025.

“*Dissemination Agent*” shall mean, initially, BOKF, N.A., or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“*Indenture*” means, together, the Indenture of Trust dated as of [CLOSING DATE], 2025, between the Trustee and the Issuer, pursuant to which the Bonds were issued.

“*Material Events*” means any of the events listed in Section 5 of this Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“*Official Statement*” means the Official Statement prepared in connection with the offer and sale of the Bonds dated [DATE], 2025.

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\* Preliminary; subject to change.

*“Participating Underwriter”* means the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

*“Rule”* means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

### **Section 3. Provision of Annual Reports.**

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later November 15 of each year, commencing November 15, 2025, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The Issuer shall include with each submission of the Annual Report to the Dissemination Agent a written representation addressed to the Dissemination Agent to the effect that such Annual Report is the Annual Report required by this Disclosure Agreement and that it complies with the requirements hereof.

(b) The Dissemination Agent shall provide the Annual Report to the MSRB within four (4) business days of its receipt from the Issuer.

(c) If the Issuer is unable to provide to the Dissemination Agent an Annual Report by the date required in subsection (a), which results in the Dissemination Agent’s inability to provide an Annual Report to the MSRB by the date required, the Dissemination Agent shall file or cause to be filed a notice in substantially the form attached as Exhibit “A” with the MSRB.

(d) The Dissemination Agent shall:

(i) determine prior to the date of each filing of an Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) send written notice to the Issuer at least 45 days prior to the date an Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) upon request, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the entities to which it was provided.

**Section 4. Content of Annual Reports.** The Annual Report shall contain or incorporate by reference the following:

(a) A copy of the Issuer’s annual financial statements, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

(c) The total statutory “actual” valuation of all taxable property within the District on an annual basis.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

**Section 5. Reporting of Material Events.** The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

- (a) Failure to impose the Required Mill Levy as required under the Indenture;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of bondholders, *if material*;
- (h) Bond calls, *if material*, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person;\*

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\* For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(o) Incurrence of a financial obligation of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, *if material*; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>†</sup> of the obligated person, any of which reflect financial difficulties.

**Section 6. Format/Identifying Information.** All documents provided to the MSRB pursuant to this Disclosure Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

**Section 7. Termination of Reporting Obligation.** The Issuer's and Dissemination Agent's obligations under this Disclosure Agreement shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement and may waive any provision of this Disclosure Agreement, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Dissemination Agent will provide notice of such amendment or waiver to the MSRB.

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<sup>†</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the District intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

**Section 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 10. Default.** In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with this Disclosure Agreement shall be an action to compel performance.

**Section 11. Resignation or Removal of Dissemination Agent.** The present or any future Dissemination Agent may resign at any time upon 30 days' prior written notice to the Issuer. The Issuer may remove the present or any future Dissemination Agent upon 30 days' prior written notice to the Dissemination Agent. Such resignation or removal shall take effect upon the appointment by the Issuer of a successor Dissemination Agent or upon the execution by the Issuer of a written undertaking in which the Issuer agrees to assume all of the obligations of the Dissemination Agent hereunder, but in no event earlier than 30 days after such written notice of resignation or removal has been given. If the Dissemination Agent also serves as the Registrar and Paying Agent under the Bond Resolution, the Dissemination Agent may resign or be removed under this Disclosure Agreement without also resigning or being removed as Registrar and Paying Agent under the Bond Resolution.

**Section 12. Compensation.** As compensation for its services under this Disclosure Agreement, the Dissemination Agent shall be compensated or reimbursed by the Issuer for its reasonable fees and expenses in performing the services specified under this Disclosure Agreement.

**Section 13. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**Section 14. Electronic Notice to Dissemination Agent.** The Dissemination Agent agrees to accept and act upon instructions or directions provided pursuant to the terms of this Disclosure Agreement, which may be sent in writing by electronic notice and electronic signature; provided, however, that such instructions or directions shall be signed by a designated representative of the Issuer. If the Issuer elects to give the instructions by electronic notice or electronic signature, the Dissemination Agent may deem such instructions controlling. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic notice or electronic signature to submit instructions and directions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties

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

**Section 16. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

**Section 17. Assignment.** The covenants and conditions herein contained apply to and bind the heirs, successors, executors, administrators and assigns of the parties hereto.

**Section 18. Dissemination Agent's Duties.** The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Dissemination Agent, and the District agrees, to the extent permitted by law and under the terms of the Indenture, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Report prepared by the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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IN WITNESS WHEREOF, the parties have caused this Disclosure Agreement to be executed in their respective names, all as of the date first above written.

**SLC METROPOLITAN DISTRICT NO. 3, in the  
City of Aurora, Arapahoe County, Colorado**

By \_\_\_\_\_  
Authorized Officer

**BOKF, N.A., as Trustee**

By \_\_\_\_\_  
Authorized Officer

**EXHIBIT A  
(TO CONTINUING DISCLOSURE AGREEMENT)**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: SLC Metropolitan District No. 3, in the City of Aurora, Arapahoe County, Colorado (the "District")

Bond Issue: \$14,125,000\* SLC Metropolitan District No. 3 Limited Tax General Obligation Bonds, Series 2025 (the "Bonds")

CUSIP: \_\_\_\_\_

Date of Issuance: [CLOSING DATE], 2025

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated [CLOSING DATE], 2025, between the District and the Trustee.

The Issuer anticipate(s) that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, 20\_\_\_\_.

BOKF, N.A., as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

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\* Preliminary; subject to change.



**EXHIBIT B**  
**(TO CONTINUING DISCLOSURE AGREEMENT)**

**INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED**

History of the District's Assessed Valuation and Mill Levies  
History of the District's Property Tax Collections  
Assessed and "Actual" Valuation of Classes of Property in the District  
Largest Taxpayers within the District  
Mill Levies Within the District  
District General Fund Budget Summary and Comparison  
District Capital Projects Fund Budget Summary and Comparison  
District Debt Service Fund Budget Summary and Comparison

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**APPENDIX D**  
**FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2025

SLC Metropolitan District No. 3  
Aurora, Colorado

Stifel, Nicolaus & Company, Incorporated  
Denver, Colorado

\$ \_\_\_\_\_  
**SLC Metropolitan District No. 3**  
**In the City of Aurora**  
**Arapahoe County, Colorado**  
**Limited Tax General Obligation Bonds**  
**Series 2025**

Ladies and Gentlemen:

We have acted as bond counsel to SLC Metropolitan District No. 3, in the City of Aurora, Arapahoe County, Colorado (the “District”), in connection with the District’s issuance of its \$\_\_\_\_\_ Limited Tax General Obligation Bonds, Series 2025 (the “Bonds”). The Bonds are authorized pursuant to an authorizing resolution of the Board of Directors of the District adopted on June 18, 2025 (the “Bond Resolution”) and are issued and secured pursuant to that certain Indenture of Trust dated as of the date of issuance of the Bonds (the “Indenture”), by and between the District and BOKF, NA, as trustee (the “Trustee”). Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms by the Indenture.

We have examined the Constitution and laws of the State of Colorado, the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraphs 5 and 6 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture, and other certifications of public officials of the District and others furnished to us without undertaking to verify the same by independent investigation. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photocopies.

Based upon the foregoing, we are of the opinion, under existing law and as of the date hereof, that:

1. The Bonds are valid and binding limited tax general obligations of the District, payable solely from the Pledged Revenue and the funds and accounts pledged therefor under the Indenture.
2. All of the taxable property of the District is subject to the levy of an ad valorem tax in the amount of the Required Mill Levy for the purpose of paying the Bonds.

3. The Bond Resolution and, assuming the due execution of the Indenture by the Trustee, the Indenture, constitute valid and binding obligations of the District, legally enforceable against the District in accordance with their respective terms; provided, however, that no opinion is expressed herein as to the enforceability of Section 9.01(m) of the Indenture or any other provision pursuant to which the District purports to indemnify the Trustee or any other person.

4. The Indenture creates a valid lien on the Pledged Revenue and on the funds and accounts pledged therein for the security of the Bonds, subject to the provisions, conditions, and limitations contained in the Indenture. We express no opinion regarding the priority of the lien on the Pledged Revenue or on the funds and accounts created by the Indenture.

5. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount property allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions set forth in the preceding sentence assume the accuracy of certain representations of the District and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause such interest to be included in gross income for federal income tax purposes or could otherwise adversely affect such opinions retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Under State of Colorado statutes existing on the date hereof, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. We express no opinion regarding other state tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

As bond counsel, we are passing only upon matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any offer or sale of the Bonds or upon any federal or Colorado tax consequences arising from the receipt or accrual of interest on or the ownership of the Bonds except those specifically addressed above.

The District is our sole client in the Bond financing transaction and we have not been engaged by, nor have we undertaken to advise any other party or to opine as to matters not specifically covered herein. This opinion letter is solely for the benefit of the addressees hereof and may not be circulated, quoted or relied upon by any party other than the addressees without our prior written consent, except that a copy may be included in the closing transcripts for the Bonds. The inclusion of Stifel, Nicolaus & Company, Incorporated as an addressee of this opinion letter does not create or imply an attorney-client relationship between Kutak Rock LLP and such party.

## **APPENDIX E**

### **BOOK-ENTRY-ONLY SYSTEM**

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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## **APPENDIX F**

### **DISTRICT DECEMBER 31, 2024 UNAUDITED FINANCIAL STATEMENTS \***

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\* Such unaudited financial statements are to be considered preliminary and are subject to change prior to the release of the December 31, 2024 audited financial statements. The District anticipates having its audited financial statements for the year ended December 31, 2024 available on or about July 31, 2025.

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**SLC METROPOLITAN DISTRICT NO. 3**  
**Arapahoe County, Colorado**

**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2024**

**SLC METROPOLITAN DISTRICT NO. 3  
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YEAR ENDED DECEMBER 31, 2024**

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**INSERT INDEPENDENT AUDITOR'S REPORT**

## **BASIC FINANCIAL STATEMENTS**

**SLC METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

|                                      | Governmental<br>Activities |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| Receivable - County Treasurer        | \$ 4,882                   |
| Property Taxes Receivable            | <u>1,360,736</u>           |
| Total Assets                         | <u>1,365,618</u>           |
| <b>LIABILITIES</b>                   |                            |
| Due to District No. 1                | <u>4,882</u>               |
| Total Liabilities                    | <u>4,882</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                            |
| Property Tax Revenue                 | <u>1,360,736</u>           |
| Total Deferred Inflows of Resources  | <u>1,360,736</u>           |
| <b>NET POSITION</b>                  |                            |
| Total Net Position                   | <u><u>\$ -</u></u>         |

*See accompanying Notes to Basic Financial Statements.*

(1)

DRAFT. SUBJECT TO REVISION.

**SLC METROPOLITAN DISTRICT NO. 3  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

|                                   |                   | Program Revenues           |  |  | Net Revenues<br>(Expenses) and<br>Change in<br>Net Position |
|-----------------------------------|-------------------|----------------------------|--|--|---|
|                                   |                   | Charges<br>for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                  |
|                                   | Expenses          |                            |  |  |   |
| <b>FUNCTIONS/PROGRAMS</b>         |                   |                            |  |  |   |
| Primary Government:               |                   |                            |  |  |   |
| Governmental Activities:          |                   |                            |  |  |   |
| General Government                | \$ 13,366         | \$ -                       | \$ -                                     | \$ -                                   | \$ (13,366)   |
| Intergovernmental Transfers       | 887,276           | -                          | -  | -                                      | (887,276)   |
| Total Governmental Activities     | <u>\$ 900,642</u> | <u>\$ -</u>                | <u>\$ -</u>                              | <u>\$ -</u>                            | (900,642)   |
| <b>GENERAL REVENUES</b>           |                   |                            |  |  |   |
| Property Taxes                    |                   |                            |  |  | 829,863   |
| Specific Ownership Taxes          |                   |                            |  |  | 49,255  |
| Total General Revenues            |                   |                            |  |  | <u>900,642</u>  |
| <b>CHANGE IN NET POSITION</b>     |                   |                            |  |  | -   |
| Net Position - Beginning of Year  |                   |                            |  |  | -   |
| <b>NET POSITION - END OF YEAR</b> |                   |                            |  |  | <u>\$ -</u>   |

See accompanying Notes to Basic Financial Statements.



**SLC METROPOLITAN DISTRICT NO. 3  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

|  | General<br>Fund            | Total<br>Governmental<br>Funds |
|--|----------------------------|--------------------------------|
| <b>ASSETS</b>  |                            |                                |
| Receivable - County Treasurer  | \$ 4,882                   | \$ 4,882                       |
| Property Taxes Receivable  | <u>1,360,736</u>           | <u>1,360,736</u>               |
| Total Assets   | <u><u>\$ 1,365,618</u></u> | <u><u>\$ 1,365,618</u></u>     |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> |                            |                                |
| <b>LIABILITIES</b>   |                            |                                |
| Due to District No. 1  | \$ 4,882                   | \$ 4,882                       |
| Total Liabilities  | <u>4,882</u>               | <u>4,882</u>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                            |                                |
| Property Tax Revenues  | <u>1,360,736</u>           | <u>1,360,736</u>               |
| Total Deferred Inflows of Resources                                      | <u><u>1,360,736</u></u>    | <u><u>1,360,736</u></u>        |
| <b>FUND BALANCES</b>   |                            |                                |
| Total Fund Balances  | <u>-</u>                   | <u>-</u>                       |
| Total Liabilities, Deferred Inflows of Resources,<br>and Fund Balances   | <u><u>\$ 1,365,618</u></u> | <u><u>\$ 1,365,618</u></u>     |

There are no reconciling differences between the fund balances of governmental funds  
and the net position of governmental activities.

*See accompanying Notes to Basic Financial Statements.*

(3)

DRAFT. SUBJECT TO REVISION.

**SLC METROPOLITAN DISTRICT NO. 3**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

|                                    | General<br>Fund    | Total<br>Governmental<br>Funds |
|------------------------------------|--------------------|--------------------------------|
| <b>REVENUES</b>                    |                    |                                |
| Property Taxes                     | \$ 829,863         | \$ 829,863                     |
| Specific Ownership Taxes           | 49,255             | 49,255                         |
| Other Income                       | 21,524             | 21,524                         |
| Total Revenues                     | <u>900,642</u>     | <u>900,642</u>                 |
| <b>EXPENDITURES</b>                |                    |                                |
| County Treasurer's Fees            | 12,762             | 12,762                         |
| Net Interest Income                | 604                | 604                            |
| Transfers to District No. 1        | 887,276            | 887,276                        |
| Total Expenditures                 | <u>900,642</u>     | <u>900,642</u>                 |
| <b>NET CHANGE IN FUND BALANCES</b> | -                  | -                              |
| Fund Balances - Beginning of Year  | <u>-</u>           | <u>-</u>                       |
| <b>FUND BALANCES - END OF YEAR</b> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u>             |

There are no reconciling differences between the net change in fund balances of governmental funds and the change in net position of governmental activities.

See accompanying Notes to Basic Financial Statements.

**SLC METROPOLITAN DISTRICT NO. 3  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

|                                   | Original<br>Budget | Final<br>Budget    | Actual<br>Amounts  |
|-----------------------------------|--------------------|--------------------|--------------------|
| <b>REVENUES</b>                   |                    |                    |                    |
| Property Taxes                    | \$ 836,574         | \$ 836,574         | \$ 829,863         |
| Specific Ownership Taxes          | 41,829             | 47,774             | 49,255             |
| Other Income                      | 11,597             | 30,652             | 21,524             |
| Total Revenues                    | <u>890,000</u>     | <u>915,000</u>     | <u>900,642</u>     |
| <b>EXPENDITURES</b>               |                    |                    |                    |
| County Treasurer's Fees           | 12,549             | 12,762             | 12,762             |
| Contingency                       | 11,597             | 9,732              | -                  |
| Net Interest Income               |                    | -                  | 604                |
| Transfers to District No. 1       | 865,854            | 892,506            | 887,276            |
| Total Expenditures                | <u>890,000</u>     | <u>915,000</u>     | <u>900,642</u>     |
| <b>NET CHANGE IN FUND BALANCE</b> | -                  | -                  | -                  |
| Fund Balance - Beginning of Year  | <u>-</u>           | <u>-</u>           | <u>-</u>           |
| <b>FUND BALANCE - END OF YEAR</b> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

See accompanying Notes to Basic Financial Statements.

**SLC METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 1    DEFINITION OF REPORTING ENTITY**

SLC Metropolitan District No. 3 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court of Arapahoe County, Colorado recorded on December 4, 2019, to provide financing for design, planning, acquisition, construction, relocation, installation, completion, operation, maintenance, and repair or replacement of public improvements and facilities, including streets, park and recreation, water, sanitary and storm sewer, public transportation, mosquito control, traffic and safety, fire protection, television relay and translation, security and communications. The District's service area is located entirely within the City of Aurora (City) in Arapahoe County, Colorado.

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

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

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

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Government-Wide and Fund Financial Statements**

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

**SLC METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

The District reports the following major governmental fund:

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

**SLC METROPOLITAN DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets**

In accordance with the State Budget Law, the District's Board of Directors holds public hearings in the fall of 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.

The District has amended the annual budget for the year ended December 31, 2024.

**Property Taxes**

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as a deferred inflow of resources in the year they are levied and measurable. The deferred 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 reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. 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.

**Equity**

**Net Position**

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

**SLC METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity (Continued)**

**Fund Balance**

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

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

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

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

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

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

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

**SLC METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 3    AGREEMENTS**

**Memorandum of Understanding**

On December 11, 2019, the District and SLC Metropolitan District Nos. 1, 2 and 4 (hereinafter referred to collectively as the Districts) entered into a Memorandum of Understanding, as amended (MOU) whereby the District agreed to provide for the construction, design, operation and maintenance of certain public improvements for the Districts. District No. 1 further agreed to provide for the overall administration of the Districts. To the extent the Districts enter into a future Facilities Funding, Construction and Operations Agreement (FFCOA), that agreement will, among other things, provide for District Nos. 1, 2 and 4 to reimburse the District for certain costs incurred pursuant to the MOU.

**Intergovernmental Agreement with the City**

The District and the City are parties to an Intergovernmental Agreement (City IGA) dated December 11, 2019, which provides contractual enforcement rights to the City with respect to certain restrictions set forth in the District's Service Plan. Under the City IGA, the District covenants to dedicate all public improvements to the City or other appropriate jurisdiction, and covenants that all improvements will be constructed in compliance with the City's standards and specifications. The City IGA states that the District is not authorized to operate and maintain improvements, other than park and recreation improvements, unless otherwise agreed to by the City. Further, the District is required to impose a mill levy for Aurora Regional Improvements (the ARI Mill Levy) commencing in the first year the District imposes a debt service mill levy.

**Aurora Regional Transportation Authority Establishment Agreement**

On June 4, 2020, the District entered into the Seventh Amendment to Aurora Regional Transportation Authority (ARTA) Establishment Agreement, along with other metropolitan districts within the City. This Agreement was further amended to add additional metropolitan district members. Pursuant to the Agreement, ARTA will plan, design, acquire, construct, relocate, redevelop, and finance regional improvements within the boundaries of the metropolitan districts which are a party to the Agreement using the revenue from the ARI Mill Levy (as defined therein) of each of the districts. In accordance with the Agreement, the City has been offered the right to appoint no less than 30% and no more than 49% of the ARTA Board, but as of December 31, 2023, had not exercised this right.

**NOTE 4    RISK MANAGEMENT**

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the 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.



**SLC METROPOLITAN DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 4 RISK MANAGEMENT (CONTINUED)**

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

**NOTE 5 TAX, SPENDING, AND DEBT LIMITATIONS**

Article X, Section 20 of the Colorado Constitution, referred to 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.

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 limits must be refunded unless the voters approve retention of such revenue.

On November 5, 2019, the Electors of the District authorized the District to collect, spend, and retain all revenues, other than ad valorem taxes, without regard to the limitations contained in Article X, Section 20 of the Colorado constitution. Additionally, the District voters approved authorization to increase property taxes up to \$156,000,000 annually to pay for the administration, operations, maintenance, and capital expenditures of the District, and to issue debt in the amount of \$156,000,000 to fund each of the following items: street improvements, parks and recreation improvements, water improvements, sanitation improvements, transportation improvements, mosquito control improvements, safety protection improvements, fire protection improvements, television relay and translation improvements, security improvements, operations and maintenance, intergovernmental agreements, refunding, and nonresidential telephone service

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.

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.

## **OTHER INFORMATION**

**SLC METROPOLITAN DISTRICT NO. 3**  
**SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED**  
**DECEMBER 31, 2024**

| Year Ended<br>December 31,                            | Prior<br>Year Assessed<br>Valuation for<br>Current Year<br>Tax Levy | Mills<br>Levied | Total Property Taxes |           | Percent<br>Collected<br>to Levied |
|---|---|-----------------|----------------------|-----------|-----------------------------------|
|   |   |                 | Levied               | Collected |                                   |
| 2021  | 109   | 0.000           | -                    | -         | 0.00%                             |
| 2022  | 926,588   | 15.090          | 13,982               | 14,051    | 100.50%                           |
| 2023  | 39,246,390  | 15.090          | 592,228              | 590,582   | 99.70%                            |
| 2024  | 55,438,986  | 15.090          | 836,574              | 829,863   | 99.20%                            |
| Estimated for the<br>Year Ending<br>December 31, 2025 | \$ 90,174,672   | 15.090          | \$ 1,360,736         |           |                                   |

NOTE: Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

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