

# PANORAMA METROPOLITAN DISTRICT

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Lakewood, Colorado 80228-1898  
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## NOTICE OF A SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Krystal Arceneaux	President	2022/May 2022
Clay Boelz	Treasurer	2023/May 2023
Jason Mitchell	Assistant Secretary	2022/May 2022
James Priestley	Assistant Secretary	2022/May 2022
Della Wegman	Assistant Secretary	2023/May 2023
David Solin	Secretary	

**DATE:** Friday-July 24, 2020

**TIME:** 9:00 A.M.

**PLACE:** Black Cow Deli, 7670 South Chester St., Suite 170, Englewood, CO 80112

DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONA VIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT BOARD MEETING WILL BE HELD BY CONFERENCE CALL.

IF YOU WOULD LIKE TO ATTEND THIS MEETING PLEASE CALL IN TO THE CONFERENCE BRIDGE **1-888-875-1833**; AND WHEN PROMPTED ENTER PASSCODE: **562567**.

**THERE WILL BE ONE PERSON PRESENT AT THE ABOVE-REFERENCED PHYSICAL LOCATION.**

### I. ADMINISTRATIVE MATTERS

- A. Present Disclosures of Potential Conflicts of Interest.

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- B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

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- C. Review and approve Minutes of the June 2, 2020 Special Meeting (enclosure).

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- D. Review and approve Minutes of the June 30, 2020 Special Meeting (enclosure).

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II. PUBLIC COMMENTS

A. \_\_\_\_\_

III. FINANCIAL MATTERS

A. Review and consider approval of 2019 Audited Financial Statements (enclosure – draft Audit) and authorize execution of Representations Letter (enclosure).

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IV. LEGAL MATTERS

A. Review and consider adoption of a Resolution Authorizing a Capital Pledge Agreement by and between the District and Jones Metropolitan District No. 1 for the purpose of securing debt obligations thereunder in a maximum aggregate principal amount of up to \$15,000,000 and authorizing the execution and delivery of all documents, agreements and certificates in connection therewith (enclosure).

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1. Review and consider approval of a Capital Pledge Agreement by and between the District and Jones Metropolitan District No. 1 for the purpose of securing debt obligations thereunder in a maximum aggregate principal amount of up to \$15,000,000 (enclosure).

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2. Review and consider approval of Road A and Road B Funding and Reimbursement Agreement between Jones Metropolitan District No. 1, The Jones District, L.L.C., and EverWest Real Estate Investors, LLC (enclosure).

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V. OTHER MATTERS

A. \_\_\_\_\_

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR SEPTEMBER 1, 2020.**

# RECORD OF PROCEEDINGS

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## MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PANORAMA METROPOLITAN DISTRICT HELD JUNE 2, 2020

A Special Meeting of the Board of Directors (the “Board”) of the Panorama Metropolitan District (the “District”) was held on Tuesday, the 2nd day of June, 2020, at 9:30 a.m. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representatives nor the general public) attending in person. The meeting was open to the public via conference call.

### ATTENDANCE

#### Directors In Attendance Were:

Krystal Arceneaux  
Clay Boelz  
Jason Mitchell  
James Priestley  
Della Wegman

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

Steve Beck; SDMS (for a portion of the meeting)

MaryAnn McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Dan Metzger; Brue Capital Partners (for a portion of the meeting)

Sanjok Timilsina; McMahan & Associates, LLC (for a portion of the meeting)

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosures of Potential Conflicts of Interest:** The Board noted it was in receipt of disclosures of potential conflict of interest statements for each of the Directors and that statements had been filed seventy-two (72) hours in advance of the meeting in accordance with the statute. Mr. Solin requested that the Directors consider whether they had any new conflicts of interest which had not been previously disclosed and noted for the record that there were no new disclosures and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with statute.

### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Solin distributed for the Board’s review and approval, of a proposed Agenda for the District’s Special Meeting.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Arceneaux, seconded by Director Priestley and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Location of Meeting, Posting of Meeting Notices and Quorum:** Mr. Solin confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board Meeting.

Following discussion, upon motion duly made by Director Arceneaux, seconded by Director Priestley and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representatives nor the general public) attending in person. The Board further noted that the notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed were received from taxpaying electors within its boundaries.

**Disclosures of Potential Conflicts of Interest:** This duplicate agenda item was addressed by Mr. Solin at the start of the meeting.

**Minutes:** The Board reviewed the Minutes of the March 3, 2020 Regular Meeting.

Following discussion, upon motion duly made by Director Arceneaux, seconded by Director Mitchell and, upon vote, unanimously carried, the Board approved the Minutes of the March 3, 2020 Regular Meeting, as presented.

**Results of May 5, 2020 Regular Election:** Mr. Solin discussed with the Board the results of the May 5, 2020 Regular Election for Directors ("Election"). Directors Boelz and Wegman were each deemed elected to three-year terms ending in 2023 and Directors Priestley and Mitchell were deemed elected to two-year terms ending in 2022.

Mr. Solin also noted that the election question regarding the increase of the General Fund to \$750,000.00 also passed.

**Appointment of Officers:** The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Arceneaux and, upon vote, unanimously carried, the following slate of officers was appointed:

## RECORD OF PROCEEDINGS

President	Krystal Arceneaux
Treasurer	Clay Boelz
Secretary	David Solin
Assistant Secretary	Jason Mitchell
Assistant Secretary	James Priestley
Assistant Secretary	Della Wegman

**2020 Annual SDA Conference:** Mr. Solin discussed the 2020 Annual SDA Conference in Keystone on September 23, 24, and 25, 2020. It was noted that the Board was not interested in attending.

### **PUBLIC COMMENTS**

Mr. Metzger discussed conversations that he and EverWest Real Estate Investors, LLC have been having regarding timelines and improvements that are planned. He requested the Board approve the Capital Pledge Agreement and Exclusion Agreement by the end of June. A Special Meeting will be scheduled for discussion on the subject. Bonds for Jones Metropolitan District No. 1 are anticipated to close by the end of the third quarter.

### **FINANCIAL MATTERS**

**Claims:** The Board considered ratifying approval of the payment of claims as follows:

FUND	Period Ending Dec. 20, 2019	Period Ending Jan. 17, 2020	Period Ending Feb. 20, 2020
General	\$ 24,360.22	\$ 14,169.69	\$ 14,998.65
Debt Service	\$ 500.00-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ 1,327.50
<b>Total Claims</b>	<b>\$ 24,860.22</b>	<b>\$ 14,169.69</b>	<b>\$ 16,326.15</b>

FUND	Period Ending Mar. 12, 2020	Period Ending Apr. 13, 2020	Period Ending May 13, 2020
General	\$ 53,911.69	\$ 19,370.36	\$ 23,727.58
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ -0-	\$ -0-
<b>Total Claims</b>	<b>\$ 53,911.69</b>	<b>\$ 19,370.36</b>	<b>\$ 23,727.58</b>

Following review, upon motion duly made by Director Arceneaux, seconded by Director Mitchell and, upon vote, unanimously carried, the Board ratified approval of the payment of claims, as presented.

**Unaudited Financial Statements:** The unaudited financial statements for the period ending December 31, 2019 were not necessary for discussion.

**Unaudited Financial Statements:** The unaudited financial statements for the period ending January 31, 2020 were not necessary for discussion.

**Unaudited Financial Statements:** Mr. Beck reviewed with the Board the unaudited financial statements for the period ending March 31, 2020.

## RECORD OF PROCEEDINGS

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Following review, upon motion duly made by Director Arceneaux, seconded by Director Priestley and, upon vote, unanimously carried, the Board accepted the unaudited financial statements for the period ending March 31, 2020, as presented.

**2019 Audit:** The Board deferred discussion until the next meeting.

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### **OPERATIONS MATTERS**

**Project Prioritizations:** There are no updates at this time.

**Overlapping Consent by New Districts and Pledge Agreement:** There are no additional updates at this time.

**Exclusion, Resolution of Support for Organization of New Jones Metropolitan District Nos. 1-5, Overlapping Consent by New Districts, and Pledge Agreement and Consider Authorizing any Action Necessary:** There are no additional updates at this time.

**Capital Improvement Plans for Jones Business Park:** There are no additional updates at this time.

**Status of Development:** There are no additional updates at this time.

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### **LEGAL MATTERS**

**Cost Sharing and Reimbursement Agreement by and between the District and Jones Business Park 2, LLC, dated April 14, 2015 (“Cost Sharing and Reimbursement Agreement”):** Attorney McGeady discussed with the Board a Cost Sharing and Reimbursement Agreement and referred the Board to a memorandum that she prepared for the purpose of exploring this matter. Following discussion, the Board deferred action until the next meeting, anticipated to be scheduled for the end of June.

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### **OTHER MATTERS**

**Draft Letter Agreement:** Mr. Solin reported to the Board that the Draft Letter Agreement, regarding West Median/ Dry Creek Road/ I-25 Interchange, was sent to Southgate Corporate Center Metropolitan District for review and comment. There are no additional comments at this time.

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### **ADJOURNMENT**

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE PANORAMA METROPOLITAN DISTRICT HELD JUNE 30, 2020

A Special Meeting of the Board of Directors (the “Board”) of the Panorama Metropolitan District (the “District”) was held on Tuesday, the 30th day of June, 2020, at 10:00 a.m. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call with one person present at Black Cow Deli, 7670 South Chester Street, Suite 170, Englewood, CO 80112 and without any other individuals (neither District Representatives nor the general public) attending in person. The meeting was open to the public via conference call.

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#### ATTENDANCE

#### Directors In Attendance Were:

Krystal Arceneaux  
Clay Boelz  
Jason Mitchell  
James Priestley

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Arceneaux and, upon vote, unanimously carried, the Board excused Director Wegman.

#### Also In Attendance Were:

David Solin; Special District Management Services, Inc. (“SDMS”)

MaryAnn McGeady, Esq. and Kate Olson, Esq.; McGeady Becher P.C.

Dan Metzger; Brue Capital Partners (for a portion of the meeting)

Sanjok Timilsina; McMahan & Associates, LLC (for a portion of the meeting)

Tiffany Leichman; Sherman & Howard, LLC (for a portion of the meeting)

Kamille Curylo; Kutak Rock LLP (for a portion of the meeting)

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## RECORD OF PROCEEDINGS

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

**Disclosures of Potential Conflicts of Interest:** The Board noted it was in receipt of disclosures of potential conflict of interest statements for each of the Directors and that statements had been filed seventy-two (72) hours in advance of the meeting in accordance with the statute. Mr. Solin requested that the Directors consider whether they had any new conflicts of interest which had not been previously disclosed and noted for the record that there were no new disclosures and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with statute.

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### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Solin distributed for the Board's review and approval of a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Arceneaux and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Location of Meeting, Posting of Meeting Notices and Quorum:** Mr. Solin confirmed the presence of a quorum and that he was present at the physical location. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board Meeting.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Arceneaux and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by conference call without any individuals (neither District Representatives nor the general public) attending in person. The Board further noted that the notice of the time, date and location was duly posted and that no objections to the location or any requests that the meeting place be changed were received from taxpaying electors within its boundaries.

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### PUBLIC COMMENTS

There were no public comments at this time.

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### FINANCIAL MATTERS

**2019 Audit:** The Board deferred discussion at this time.

**Engagement of Bond Counsel:** The Board discussed the engagement of Bond Counsel.

Following discussion, upon motion duly made by Director Arceneaux, seconded by Director Mitchell and, upon vote, unanimously carried, the Board approved the engagement of Sherman & Howard, LLC as Bond Counsel.

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## RECORD OF PROCEEDINGS

**LEGAL MATTERS** **Cost Sharing and Reimbursement Agreement by and between the District and Jones Business Park 2, LLC, dated April 14, 2015 (“Cost Sharing and Reimbursement Agreement”)**: Attorney McGeady discussed with the Board a Cost Sharing and Reimbursement Agreement.

The Board and Attorney McGeady discussed the Cost Sharing and Reimbursement Agreement by and between the District and Jones Business Park 2, LLC. Following discussion, motion to deny approval was duly made by Director Boelz, and seconded by Director Arceneaux. A motion to adjourn into Executive Session was made by Director Mitchell and seconded by Director Priestley. The motioners on the original motion agreed to defer their vote in favor of moving into Executive Session for legal advice.

**Executive Session**: Pursuant to Section 24-6-402(4), C.R.S., Director Mitchell moved, and Director Priestley seconded a motion to move the special public meeting of the Board of Panorama Metropolitan District adjourn and, upon an affirmative vote of at least two-thirds of the quorum present, that the Board reconvene in Executive Session at 10:13 A.M. for the sole purpose of receiving legal advice on specific questions regarding Cost Sharing and Reimbursement Agreement as authorized by Section 24-6-402(4)(b), C.R.S.

Furthermore, pursuant to Section 24-6-402(2)(d.5)(II)(B), C.R.S., no records were kept of those portions of the executive session that, in the opinion of the District's counsel, constitutes privileged attorney-client communication pursuant to Section 24-6-402(4)(b), C.R.S.

Following discussion, upon motion duly made by Director Mitchell, seconded by Director Arceneaux and, upon vote, unanimously carried, the Board reconvened in regular session at 10:43 A.M. Upon coming out of Executive Session, Mr. Solin asked if the original motion to deny approval still stood. It was confirmed that the motioners wanted to call the motion for a vote with Directors Boelz and Arceneaux with an affirmative and Directors Priestley and Mitchell opposed. It was noted that the motion deemed not passed.

**Engagement of Special Counsel**: The Board deferred discussion at this time.

**Amendment to Settlement Agreement between the District, Carr Office Park LLC, and MG Panorama LLC (Everwest Real Estate Investors, LLC in Successor and Interest to MG Panorama LLC and Carr Office Park LLC)**: Attorney McGeady noted that this was not necessary nor required at this time. No action was taken.

**Form of Capital Pledge Agreement by and among the District and Jones Metropolitan District No. 1**: Attorney McGeady reviewed with the Board the form of Capital Pledge Agreement by and among the District and Jones Metropolitan District No. 1 for the purpose of paying and reimbursing the costs of public improvements for the District in a maximum aggregate principal amount of up to \$15,000,000.00.

## RECORD OF PROCEEDINGS

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Following review and discussion, upon motion duly made by Director Arceneaux, seconded by Director Mitchell and, upon vote, unanimously carried, the Board approved the form of Capital Pledge Agreement by and among the District and Jones Metropolitan District No. 1 for the purpose paying and reimbursing the costs of public improvements for the District in a maximum aggregate principal amount of up to \$15,000,000.00. Mr. Solin noted that the Board called for a simultaneous board meeting with Jones Metropolitan District No. 1.

*Status of Road A and Road B Funding and Reimbursement Agreement between Jones Metropolitan District No. 1, The Jones District, L.L.C., and EverWest Real Estate Investors, LLC:* Attorney McGeady discussed with the Board the status of Road A and Road B Funding and Reimbursement Agreement between Jones Metropolitan District No. 1, The Jones District, L.L.C., and EverWest Real Estate Investors, LLC. No action was taken at this time. The Board deferred to simultaneous meeting with Jones Metropolitan District No. 1.

**Exclusion Agreement between the District, Jones Metropolitan District No. 1, and The Jones District L.L.C.:** The Board deferred to simultaneous meeting with Jones Metropolitan District No. 1

**Intergovernmental Agreement (“IGA”) with Board of County Commissioners of the County of Arapahoe for Dry Creek Work:** The Board discussed an IGA with Board of County Commissioners of the County of Arapahoe funding assistance in the amount of \$12,000.00 to improve the Southbound I-25 on-ramp at Dry Creek Road.

Following discussion, upon motion duly made by Director Boelz, seconded by Director Arceneaux and, upon vote, unanimously carried, the Board approved the IGA with Arapahoe County for Dry Creek work in the amount of \$12,000.00.

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**OTHER MATTERS**

There were no other matters for discussion at this time.

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**ADJOURNMENT**

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

Respectfully submitted,

By \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### Attorney Statement Regarding Privileged Attorney-Client Communication

Pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S., I attest that, in my capacity as the attorney representing the Panorama Metropolitan District, I attended the executive session on June 30, 2020 for the sole purposes of providing legal advice on specific legal questions and discussing matters regarding the Cost Sharing and Reimbursement Agreement, as authorized by §24-6-402(4)(b) and (e)(I) C.R.S. I further attest that it is my opinion that all of the executive session discussion constituted a privileged attorney-client communication as provided by §24-6-402(4)(b), C.R.S., and, based on that opinion, no further record, written or electronic, was kept or required to be kept pursuant to §24-6-402(2)(d.5)(II)(B), C.R.S.

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MaryAnn McGeady, Esq.  
Legal Counsel  
Panorama Metropolitan District

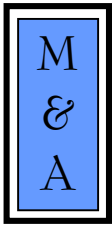
**Panorama Metropolitan District**

**Financial Statements  
December 31, 2019**

Panorama Metropolitan District  
Financial Statements  
December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

### To the Board of Directors Panorama Metropolitan District

We have audited the accompanying financial statements of the governmental activities and each fund of the Panorama Metropolitan District (the "District"), as of and for the year ended December 31, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of the Panorama Metropolitan District as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

*To the Board of Directors  
Panorama Metropolitan District*

***Other Matters***

The District has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

The budgetary schedule for the General Fund in section D is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

**McMahan and Associates, L.L.C.**

**FINANCIAL STATEMENTS**



Panorama Metropolitan District  
Balance Sheet  
Statement of Net Position  
December 31, 2019

PRELIMINARY DRAFT

	Balance Sheet				Adjustments	Statement of Net Position
	General Fund	Debt Service Fund	Capital Projects Fund	Total		
<b>Assets:</b>						
Cash and investments - Unrestricted	1,031,009	46,712	436,739	1,514,460	-	1,514,460
Cash and investments - Restricted	-	286,740	70,000	356,740	-	356,740
Property tax receivable	560,384	819,962	-	1,380,346	-	1,380,346
Prepaid expenses	5,624	-	-	5,624	-	5,624
Capital assets, net of accumulated depreciation	-	-	-	-	4,885,054	4,885,054
<b>Total Assets</b>	1,597,017	1,153,414	506,739	3,257,170	4,885,054	8,142,224
<b>Liabilities:</b>						
Accounts payable	22,228	-	1,328	23,556	-	23,556
Interest payable	-	-	-	-	6,234	6,234
Bonds payable:						
Due within one year	-	-	-	-	615,000	615,000
Due in more than one year	-	-	-	-	2,230,000	2,230,000
<b>Total Liabilities</b>	22,228	-	1,328	23,556	2,851,234	2,874,790
<b>Deferred Inflows of Resources:</b>						
Unavailable property taxes	560,384	819,962	-	1,380,346	-	1,380,346
<b>Total Deferred Inflows of Resources</b>	560,384	819,962	-	1,380,346	-	1,380,346
<b>Fund Balance/Net Position:</b>						
<b>Fund Balance:</b>						
Nonspendable	5,624	-	-	5,624	(5,624)	-
Restricted for:						
Emergencies	17,152	-	-	17,152	(17,152)	-
Debt service	-	333,452	-	333,452	(333,452)	-
Panorama - Filing 9	-	-	70,000	70,000	(70,000)	-
Other capital projects	-	-	435,411	435,411	(435,411)	-
Unassigned	991,629	-	-	991,629	(991,629)	-
<b>Total Fund Balance</b>	1,014,405	333,452	505,411	1,853,268	(1,853,268)	-
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	1,597,017	1,153,414	506,739	3,257,170	(3,257,170)	-
<b>Net Position:</b>						
Net investment in capital assets					2,040,054	2,040,054
Restricted for emergency					17,152	17,152
Restricted for debt service					333,452	333,452
Unrestricted					1,496,430	1,496,430
<b>Total Net Position</b>					3,887,088	3,887,088

The accompanying notes are an integral part of these financial statements.

**Panorama Metropolitan District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Statement of Activities**  
**For the Year Ended December 31, 2019**

<b>Statement of Revenues, Expenditures and Changes in Fund Balance</b>						
<b>Revenues:</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
Property tax	476,969	703,980	-	1,180,949	-	1,180,949
Specific ownership tax	92,573	-	-	92,573	-	92,573
Net investment income	673	757	-	1,430	-	1,430
Miscellaneous income	1,504	-	155	1,659	-	1,659
<b>Total Revenues</b>	<b>571,719</b>	<b>704,737</b>	<b>155</b>	<b>1,276,611</b>	<b>-</b>	<b>1,276,611</b>
<b>Expenditures/Expenses:</b>						
Accounting and audit	23,223	-	-	23,223	-	23,223
Legal	34,483	-	-	34,483	-	34,483
Insurance	6,810	-	-	6,810	-	6,810
Maintenance and utilities	129,996	-	-	129,996	113,303	243,299
Miscellaneous	1,806	-	-	1,806	-	1,806
District management	17,632	-	-	17,632	-	17,632
Paying agent fees	-	500	-	500	-	500
County Treasurer's fees	7,160	10,568	-	17,728	-	17,728
Payment to City of Centennial	85,832	-	-	85,832	(85,832)	-
Engineering services	-	-	1,328	1,328	-	1,328
Debt service:						
Principal	-	600,000	-	600,000	(600,000)	-
Interest	-	90,604	-	90,604	(1,315)	89,289
<b>Total Expenditures/Expenses</b>	<b>306,942</b>	<b>701,672</b>	<b>1,328</b>	<b>1,009,942</b>	<b>(573,844)</b>	<b>436,098</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>264,777</b>	<b>3,065</b>	<b>(1,173)</b>	<b>266,669</b>	<b>(266,669)</b>	<b>-</b>
<b>Change in Fund Balance</b>	<b>264,777</b>	<b>3,065</b>	<b>(1,173)</b>	<b>266,669</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>					<b>840,513</b>	<b>840,513</b>
<b>Fund Balance/Net Position:</b>						
Beginning	749,628	330,387	506,584	1,586,599		3,046,575
Ending	1,014,405	333,452	505,411	1,853,268		3,887,088

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019**

**I. Summary of Significant Accounting Policies**

Panorama Metropolitan District (the “District”), a quasi-municipal corporation, is governed pursuant to provisions of the Colorado Special District Act. The District’s service area is located entirely within the City of Centennial (the “City”). The District was established to provide street improvements, safety protection and transportation services. However, that authority was expanded in December 2013 by approval of an Amended and Restated Service Plan to include, among other powers, water, sanitary sewer, and parks and recreation services to existing and future development. All street and safety protection improvements constructed to date, except for the Panorama Circle and Chester Street traffic signal, have been dedicated to and accepted by Arapahoe County or its successors and assigns for maintenance and repair. The District maintains the detention pond and provides landscape maintenance and snow removal services relating to these improvements. The District has no employees and all operations and administrative functions are contracted.

The financial statements of the District have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

**A. Reporting Entity**

The District is governed by an elected Board which is responsible for setting policy, appointing administrative personnel, and adopting an annual budget in accordance with the provisions of the Colorado Special District Act. The reporting entity consists of (a) the primary government (i.e., the District), and (b) organizations for which the District is financially accountable or the organization’s primary purpose is to benefit the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the District. Consideration is also given to other organizations which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete are also included in the reporting entity.

The District is not financially accountable for any entity based on the above criteria nor is the District a component unit of any other entity.

**B. Government-wide and Fund Financial Statements**

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

**1. Government-wide Financial Statements**

In the Statement of Net Position, the District’s activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts—invested in capital assets, net of related debt; restricted; and unrestricted net position.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**1. Government-wide Financial Statements (continued)**

The focus of the Statement of Net Position and the Statement of Activities is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

**2. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The fund focus is on current available resources and budget compliance. The District reports the following governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources not required to be accounted for in another fund.

The Debt Service Fund accounts for property taxes levied for debt payment on general obligation bonds.

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

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements.

**1. Long-term Economic Focus and Accrual Basis**

Governmental activities in the government-wide financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

**2. Current Financial Focus and Modified Accrual Basis**

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter (within 60 days of December 31) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts**

**1. Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

**2. Property Taxes**

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental entities until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue.

**3. Capital Assets**

Capital assets, which include land, landscape, and detention pond, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life of at least 3 years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital expenditures for projects are capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the asset.

**4. Deferred Inflows and Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The District doesn't have any items that qualify for reporting in this category at December 31, 2019.

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

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**I. Summary of Significant Accounting Policies (continued)**

**D. Financial Statement Accounts (continued)**

**5. Fund Balance**

The District classifies governmental fund balances as follows:

*Non-spendable* - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority which is the Board of Directors.

*Assigned* – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Board of Directors or its management designee.

*Unassigned* - includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District first uses committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of targeted reserve positions and management reports the target amounts annually to Board of Directors.

**6. Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**II. Reconciliation of Government-wide and Fund Financial Statements**

**A. Explanation of differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position**

The governmental fund Balance Sheet and the government-wide Statement of Net Position include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Capital assets, net	\$4,885,054
---------------------	-------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Accrued interest payable	\$ 6,234
Bonds payable - due within one year	615,000
Bonds payable - due in more than one year	2,230,000

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

**B. Explanation of differences between the governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities**

The governmental fund Statement of Revenue, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities include a reconciling column. Explanation of the adjustments included in the reconciling column is as follows:

Maintenance and utilities (Depreciation)	\$ 113,303
--	------------

Governmental funds report capital outlay and other capital costs as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Payment to City of Centennial	\$ (85,832)
Principal payments	(600,000)
Change in accrued interest	(1,315)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, some expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.



**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**III. Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law. The budget for the governmental funds is adopted on a basis consistent with U.S. generally accepted accounting principles ("GAAP").

- (1) For the 2019 budget, prior to August 25, 2018, the County Assessor sent to the District a certified assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10, 2018 only once by a single notification to the District.
- (2) On or before October 15, 2018, the District's management submitted to the District's Board of Directors a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.
- (3) For the 2019 budget, prior to December 15, 2018, the District computed and certified to the County Commissioners a rate of a levy that derived the necessary property taxes as computed in the proposed budget.
- (4) After a required publication of "Notice of Proposed Budget" and a public hearing, the District adopted the proposed budget and an appropriating resolution, which legally appropriated expenditures for the upcoming year.
- (5) After adoption of the budget resolution, the District may make the following changes: (a) it may transfer appropriated monies between funds or between spending agencies within a fund, as determined by the original appropriation level; (b) supplemental appropriations to the extent of revenues in excess of those estimated in the budget; (c) emergency appropriations; and (d) reduction of appropriations for which originally estimated revenues are insufficient.
- (6) All appropriations lapse at a year-end.

Taxes levied in one year are collected in the succeeding year. Thus taxes certified in 2018 were collected in 2019 and taxes certified in 2019 will be collected in 2020. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 15th.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or to facilitate effective cash planning and control.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment - Revenue and Spending Limitation Amendment**

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax, and debt limitations which apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increases, a mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The District has reserved a portion of its December 31, 2019 year-end fund balance in the General Fund for emergencies as required under TABOR in the amount of \$17,152, which is the approximate required reserve at December 31, 2019.

The initial base for local government spending and revenue limits is December 31, 1992, fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

On May 7, 2002, the District's voters approved the following ballot question: "Shall Panorama Metropolitan District, without increasing taxes of any kind, be authorized to collect and spend all proceeds of its ad valorem taxes and investment income thereon as a voter-approved revenue change in 2002 and in each year thereafter, without regard to any spending, revenue-raising, or other limitation contain within Article X, Section 20 of the Colorado Constitution, and without regard to the annual limit set forth in Section 29-1-301, Colorado Revised statutes?"

On May 8, 2012, the District's voters approved the following ballot question: "Shall Panorama Metropolitan District taxes be increased \$375,000 annually or such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses and costs of constructing facilities and improvements, by the imposition of ad valorem property taxes levies in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and investment income thereon be collected, retained and spent by the District in fiscal year 2012 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently exists or as it may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?"

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**III. Stewardship, Compliance, and Accountability (continued)**

**B. TABOR Amendment - Revenue and Spending Limitation Amendment (continued)**

On November 5, 2013, the District's voters approved 13 ballot issues identified as 5D through 5P. A summary of the approved annual revenue and debt increases is as follows:

<b>Ballot Issue</b>	<b>Tax Maximum</b>	<b>Debt Maximum</b>	<b>Purpose, as may be defined more specifically in the ballot issue</b>
5D	475,000	not applicable	Administration, operations, maintenance, capital expenses
5E	10,000,000	not applicable	Intergovernmental agreements or other contracts
5F	not applicable	not applicable	Increase overall revenue limit
5G	574,000,000	70,000,000	Street improvements
5H	574,000,000	70,000,000	Parks and recreational facilities
5I	574,000,000	70,000,000	Water infrastructure and services
5J	574,000,000	70,000,000	Sewer and sanitation infrastructure and services
5K	574,000,000	70,000,000	Transportation infrastructure and services
5L	574,000,000	70,000,000	Mosquito control
5M	574,000,000	70,000,000	Traffic and safety controls
5N	574,000,000	70,000,000	General obligation debt refinancing
5O	574,000,000	70,000,000	Intergovernmental and contractual debt refinancing
5P	not applicable	not applicable	Intergovernmental joint financing of public improvements

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

**IV. Detailed Notes on all Funds**

**A. Deposits**

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

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**A. Deposits (continued)**

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

**B. Investments**

The District's investment policy follows Colorado statutes, which specify investment instruments meeting defined rating and risk criteria in which local governments, and entities such as the District, may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

**C. Restricted Cash and Investments**

The District has restricted \$286,000 for the bond reserve fund and \$70,000 (both amounts in cash equivalents with Wells Fargo) for commitments under subdivision improvement agreements at December 31, 2019. Details of the bond reserve fund and the commitments are found below in the Long-term Obligations and the Commitments notes, respectively.

**D. Summary of Cash Deposits and Investments**

Cash deposits and investments are reflected on the December 31, 2019 Balance Sheets as follows:

<u>Type</u>	<u>Rating</u>	<u>Carrying Amount</u>	<u>Maturities</u>	
			<u>Less Than One Year</u>	<u>Five Years or Less</u>
<i>Deposits:</i>				
Checking and on-demand accounts		\$ 1,576,729		
Cash with County Treasurer		7,731		
<i>Investments:</i>				
Cash Held by Trustee Bank	Not rated	286,740	286,740	
		<u>\$ 1,871,200</u>		
<b><u>Financial Statement Captions:</u></b>				
Cash and cash equivalents - Unrestricted		\$ 1,514,460		
Cash and cash equivalents - Restricted		356,740		
		<u>\$ 1,871,200</u>		

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital assets, not being depreciated:</b>				
Landscape improvements	\$ 1,294,913	-	-	1,294,913
Detention pond	125,981	-	-	125,981
Traffic signals	181,202	-	-	181,202
Capital assets not being depreciated	<u>1,602,096</u>	<u>-</u>	<u>-</u>	<u>1,602,096</u>
<b>Capital assets, being depreciated:</b>				
Infrastructure improvements	3,941,634	-	-	3,941,634
Less accumulated depreciation for:				
Infrastructure improvements	<u>(545,373)</u>	<u>(113,303)</u>	<u>-</u>	<u>(658,676)</u>
Capital assets being depreciated, net	<u>3,396,261</u>	<u>(113,303)</u>	<u>-</u>	<u>3,282,958</u>
<b>Total Capital Assets, Net</b>	<u>\$ 4,998,357</u>	<u>(113,303)</u>	<u>-</u>	<u>4,885,054</u>

**F. Long-term Obligations**

**1. General Obligation Bonds, Series 2011**

On December 21, 2011, the District issued \$7,205,000 General Obligation Refunding Bonds, Series 2011 (the "2011 Bonds"), with 2.63% annual interest payable semiannually on June 1 and December 1 through 2023. The 2011 Bonds require a reserve in the amount of \$286,000.

On January 6, 2012, the proceeds of the Series 2011 Bonds were used to refund the 1997 Bonds and 1998 Bonds in their entirety. There was a present value savings on the refunding of \$1,087,185.

**2. Note Payable to City of Centennial**

On February 9, 2016, in connection with the Dry Creek Light Rail Project, the District entered into an Agreement for Release of Traffic Signalization Funds ("Release Agreement") with the City, in cooperation with the Southeast Public Improvement Metropolitan District, to release \$420,000 in escrow funds previously segregated to Subdivision Improvement Agreements for traffic signalization improvements. The release of these funds partially funded the Additional District Improvements in connection to the Light Rail Project. The City and the District further agreed under the Release Agreement to partner on the Chester Mineral Signalization Project to utilize the remaining funds.

On February 24, 2016, the District entered into a Promissory Note payable to the City in the amount of \$420,000, pursuant to the terms of the Release Agreement ("Promissory Note"). According to the Promissory Note, \$162,500 was payable on December 1, 2016; \$85,834 was payable on December 1, 2017 and 2018, and \$85,832 was payable on December 1, 2019. No interest was payable under the Promissory Note, and at current bank interest rates, imputed annual interest would be minimal.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**IV. Detailed Notes on all Funds (continued)**

**F. Long-term Obligations (continued)**

**2. Note Payable to City of Centennial**

The Promissory Note was secured by and payable from a 3.000 mill property tax levy in the years 2016, 2017 and 2018 for tax collection years 2017, 2018 and 2019. The last installment of the Promissory Note was paid in 2019 and there is no outstanding balance as of December 31, 2019.

**3. Authorized, Unissued Debt**

The District's voters authorized \$70,000,000 of general obligation debt in the 2013 election, all of which remains unissued as of December 31, 2019, for the various purposes summarized in Note III.B.

The District's voters authorized \$13,500,000 of general obligation debt in the 1995 and 1997 elections, of which \$7,655,000 remains unissued as of December 31, 2019. Of the \$7,655,000 of unissued debt, \$5,585,000 is authorized for refunding purposes, \$1,685,000 for safety improvements, and \$385,000 for street improvements. In the future, the District intends to issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, as of the date of the auditor's report, the amount and timing of any debt issuances is not determinable.

**4. Schedule of Debt Service Requirements**

	<u>2011 G.O. Bonds</u>	
	<u>Series A</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 615,000	74,824
2021	630,000	58,649
2022	650,000	42,080
2023	950,000	24,985
<b>Total</b>	<u>\$ 2,845,000</u>	<u>200,538</u>

**5. Schedule of Changes in Long-term Obligations**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2011 G.O. Refunding Bonds	3,445,000	-	(600,000)	2,845,000	615,000
Note payable - City of Centennial	85,832	-	(85,832)	-	-
	<u>3,530,832</u>	<u>-</u>	<u>(685,832)</u>	<u>2,845,000</u>	<u>615,000</u>

**Panorama Metropolitan District**  
**Notes to the Financial Statements**  
**December 31, 2019**  
**(Continued)**

**V. Other Information**

**A. Risk Management**

**Colorado Special Districts Property and Liability Pool**

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; or errors or omissions. The District is insured for such risks as a member of the Colorado Special Districts Property and Liability Pool ("Pool"). The Pool is an organization created by intergovernmental agreement to provide property and general liability, automobile physical damage and liability, public officials liability and boiler and machinery coverage to its members. The Pool provides coverage for property claims up to the values declared and liability coverage for claims up to \$1,000,000. There have been no claims in any of the past three years.

The District pays annual premiums to the Pool for liability, property, and public official's 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.

A summary of audited statutory basis financial information for the Pool as of and for the year ended December 31, 2018 (the latest audited information available) is as follows:

<b>Assets</b>	<u>\$ 63,918,422</u>
Liabilities	\$ 39,345,647
Capital and surplus	<u>24,572,775</u>
<b>Total</b>	<u>\$ 63,918,422</u>
Revenue	\$ 20,983,559
Underwriting expenses	<u>22,973,705</u>
Underwriting gain	(1,990,146)
Other income	<u>898,330</u>
<b>Net Income</b>	<u>\$ (1,091,816)</u>

**B. Related Party Transactions**

A majority of the Board of Directors are officers, members, or employees of owners (or affiliated entities) of property within the District. These members may have conflicts of interest with respect to certain transactions which come before the Board.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**V. Other Information (continued)**

**C. Commitments**

The District entered into Intergovernmental Subdivision Improvement Agreements with developers in order to provide infrastructure improvements within the District's boundaries. The District is committed to the terms of companion agreements which are expected to be satisfied over the next couple of years by reimbursement to the developers for certain public improvements after they are completed. The only reimbursement agreement in effect at December 31, 2019 is Panorama Corporate Center South – Filing 9 for \$70,000.

On February 9, 2016, the District entered into an Agreement for Release of Traffic Signalization Funds with the City to release the \$420,000 traffic signal commitments. See Note IV.F.2. on page C10 for details.

**D. Settlement Agreement Imposing Debt and Debt Mill Levy Limits**

On December 16, 2013, the District entered into a Settlement Agreement (the "Agreement") with Carr Office Park, LLC ("Carr") and MG Panorama LLC ("MG"). At the time of the Agreement, Carr owned, and MG intended to acquire, commercial property with an assessed value of more than half of the District's total assessed value.

In consideration of Carr and MG's agreement to support a Revised Amended and Restated Service Plan, the District agreed to certain limitations on debt issuance and related debt mill levy increases. Specifically, the District agreed to limit new debt issuance to \$15,000,000 (in addition to the outstanding principal amount of the 2011 Bonds) without prior written consent of Carr, MG, or any future owner (collectively, the "Carr Owner"), as set forth in the Agreement.

The District further agreed not to issue or incur any new debt that would anticipate an increase in the annual debt mill levy by more than: (i) three mills over the 2013 debt mill levy of 12.237 (a total of 15.237 mills) through the scheduled maturity of the 2011 Bonds as set forth more specifically in the agreement; and (ii) 5.000 mills total for a debt mill levy commencing in the tax collection year following the retirement of the 2011 Bonds.

Verification that any debt issued shall not increase the debt mill levy beyond the limits in the preceding paragraph shall be determined at the time of issuance by a financial forecast prepared by a qualified financial advisor assuming: 1) no increase in the assessed valuation resulting from new construction; 2) no increase resulting from revaluation of current property in the District over 1% annual inflation on the current annual assessed valuation of the District in every future year of the amortization schedule for repayment of such debt; and 3) the satisfaction of the Required Debt Service Ratio Coverage, as set forth more specifically in the Agreement.

In addition to compliance with the limits stated above, if there is an Outstanding Reimbursement Obligation ("ORO"), the District may issue new debt to repay the ORO and any Additional District Improvements ("ADI") provided that (i) the bond proceeds for the ADI do not exceed 25% of the net bond proceeds available to pay the ORO; and (ii) the bond proceeds shall not be used to reimburse a developer for the costs of any ADI until they become an ORO.



**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**V. Other Information (continued)**

**D. Settlement Agreement Imposing Debt and Debt Mill Levy Limits (continued)**

Notwithstanding all of the above, the District may issue debt that does not meet the requirements set forth above if such issuance is (i) approved by all members of the District Board and (ii) consented to in writing by the Carr Owner.

Prior to developers advancing funds to the District or expending funds for the design, construction, and completion of certain District Public Improvements (“DPI”) acquired by the District upon completion, the District shall enter into a Reimbursement Agreement defining, among other items, what DPI will be constructed and the terms and conditions of reimbursement, including, but not limited to the following: a) No reimbursement shall be due and owing to a developer by the District until the Completion Date as defined in the agreement; b) Prior to reimbursement, the District shall receive evidence confirming the New Vertical Development Value (“NVDV”) of the developer’s property. Reimbursement shall be limited to the amount of debt that could be issued by calculating the capacity for issuance of debt in accordance with the terms set forth above (and in the Agreement), assuming the NVDV with no debt mill levy increase and calculated substantially in compliance with the example set forth in Exhibit C of the Agreement.

Notwithstanding the restrictions on developer reimbursement set forth above, the District may fund directly or reimburse a developer for costs associated with the following DPI without regard to Completion Date or the need for confirmation of the NVDV: a) Light Rail Improvements in an amount not to exceed \$1,200,000 in 2013 dollars; and b) Downstream Sanitary Sewer System Improvements in an amount not to exceed \$500,000 in 2013 dollars.

**E. Intergovernmental Agreement – Dry Creek Light Rail Project**

Effective December 16, 2014, the District entered into a Funding and Construction Management Agreement for Scopes 1, 2 and 5, Dry Creek Light Rail Platform Modification and Connectivity Improvements with the City. Subsequently the District and the City entered into an Amended and Restated Funding and Construction Management Agreement for Scopes 1, 2 and 5, Dry Creek Light Rail Platform Modification and Connectivity Improvements Agreement, dated June 2, 2015 (the “Amended and Restated Agreement”) for the funding and construction management of the Dry Creek Light Rail Project (the “City Project”). The City Project included the installation of a new rail crossing, new sidewalk, construction of a new Regional Transport District Call-n-Ride/Kiss-n-Ride, and improvements designed to enhance accessibility concerns. In addition to this, the District planned to finance, acquire, and construct additional public infrastructure in the vicinity of the City Project described as Scopes 3 and 4, Dry Creek Light Rail Platform Modification and Connectivity Improvements (the “Additional District Improvements”). By execution of the Amended and Restated Agreement, the City agreed to finance the City Project with the cooperation of SPIMD1/South I-25 Urban Corridor Transportation Management (“TMA”).

**F. Subsequent Event – COVID-19**

The spread of COVID-19 may have operational, economic, and financial impacts on the District. The significance and duration of the potential impacts cannot be reasonably estimated at this time.

**Panorama Metropolitan District  
Notes to the Financial Statements  
December 31, 2019  
(Continued)**

**V. Other Information (continued)**

**G. Subsequent Event – TABOR**

On May 5, 2020, the District's voters approved the following ballot question: "Shall Panorama Metropolitan District taxes be increased \$750,000 annually or by such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses, by the imposition of ad valorem property taxes levies in any year, without limitation as to rate or amount or any other condition to pay such expenses and shall the proceeds of such taxes and investment income thereon be collected, retained and spent by the District in fiscal year 2020 and in each fiscal year thereafter as a voter-approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, the limits imposed on increases in property taxation by Section 29-1-301, C.R.S. in any year, or any other law which purports to limit the District's revenues or expenditures as it currently may be amended in the future, all without limiting in any year the amount of other revenues that may be collected, retained and spent by the District?"

**REQUIRED SUPPLEMENTARY INFORMATION**

**Panorama Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2019**  
**With Comparative Actual Amounts For the Year Ended 2018**

	<b>2019</b>		<b>Variance Positive (Negative)</b>	<b>2018</b>
	<b>Original and Final Budget</b>	<b>Actual</b>		<b>Actual</b>
<b>Revenues:</b>				
Property tax	476,921	476,969	48	460,013
Specific ownership tax	95,000	92,573	(2,427)	84,781
Net investment income	200	673	473	149
Miscellaneous income	300	1,504	1,204	2,723
<b>Total Revenues</b>	<b>572,421</b>	<b>571,719</b>	<b>(702)</b>	<b>547,666</b>
<b>Expenditures:</b>				
Accounting and audit	23,150	23,223	(73)	16,859
Election	-	-	-	1,351
Legal	36,000	34,483	1,517	18,648
Insurance	8,000	6,810	1,190	8,929
Maintenance and utilities	175,000	129,996	45,004	107,149
Miscellaneous	3,000	1,806	1,194	6,184
District management	36,900	17,632	19,268	32,024
Interest expense	-	-	-	1,435
County Treasurer's fees	7,200	7,160	40	6,879
Emergency reserves	17,180	-	17,180	-
Contributions to City of Centennial	85,833	85,832	1	85,834
Contingency	250,000	-	250,000	-
<b>Total Expenditures</b>	<b>642,263</b>	<b>306,942</b>	<b>335,321</b>	<b>285,292</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(69,842)</b>	<b>264,777</b>	<b>334,619</b>	<b>262,374</b>
<b>Fund Balance - Beginning</b>	<b>689,276</b>	<b>749,628</b>	<b>60,352</b>	<b>487,254</b>
<b>Fund Balance- Ending</b>	<b>619,434</b>	<b>1,014,405</b>	<b>394,971</b>	<b>749,628</b>

The accompanying notes are an integral part of these financial statements.

**SUPPLEMENTARY INFORMATION**

**Panorama Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended December 31, 2019**  
**With Comparative Actual Amounts For the Year Ended 2018**

	2019			2018
	Original and Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues:</b>				
Property tax	703,883	703,980	97	703,399
Net investment income	250	757	507	242
<b>Total Revenues</b>	<b>704,133</b>	<b>704,737</b>	<b>604</b>	<b>703,641</b>
<b>Expenditures:</b>				
Principal	628,000	600,000	28,000	585,000
Interest	90,604	90,604	-	105,989
Paying agent fees	500	500	-	530
Interest expense	-	-	-	876
County Treasurer's fees	10,558	10,568	(10)	10,538
Contingency	40,020	-	40,020	-
<b>Total Expenditures</b>	<b>769,682</b>	<b>701,672</b>	<b>68,010</b>	<b>702,933</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(65,549)	3,065	68,614	708
<b>Fund Balance - Beginning</b>	351,548	330,387	(21,161)	329,679
<b>Fund Balance - Ending</b>	<b>285,999</b>	<b>333,452</b>	<b>47,453</b>	<b>330,387</b>

The accompanying notes are an integral part of these financial statements.

**Panorama Metropolitan District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended December 31, 2019**  
**With Comparative Actual Amounts For the Year Ended 2018**

	<u>2019</u>			<u>2018</u>
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
<b>Revenues:</b>				
Miscellaneous	-	155	155	10,472
<b>Total Revenues</b>	<u>-</u>	<u>155</u>	<u>155</u>	<u>10,472</u>
<b>Expenditures:</b>				
Engineering services	-	1,328	(1,328)	-
Construction	427,296	-	427,296	1,311
<b>Total Expenditures</b>	<u>427,296</u>	<u>1,328</u>	<u>425,968</u>	<u>1,311</u>
<b>(Deficiency) of Revenues Over Expenditures</b>	(427,296)	(1,173)	426,123	9,161
<b>Fund Balance - Beginning</b>	<u>506,434</u>	<u>506,584</u>	<u>150</u>	<u>497,423</u>
<b>Fund Balance - Ending</b>	<u><u>79,138</u></u>	<u><u>505,411</u></u>	<u><u>426,273</u></u>	<u><u>506,584</u></u>

The accompanying notes are an integral part of these financial statements.

## **Management Representation Letter**

### **Panorama Metropolitan District**

#### **McMahan and Associates, LLC**

This representation letter is provided in connection with your audit of the financial statements of Panorama Metropolitan District, which comprise the respective financial position of the governmental activities and each individual fund as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.
- 10) With regard to investments and other instruments reported at fair value:
  - a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c) The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.



- d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### **Information Provided**

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of Panorama Metropolitan District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

### **Government—specific**

- 19) We have made available to you all financial records and related data.
- 20) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 26) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities.
- 31) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net assets (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 42) With respect to the budgetary schedules in sections D and E of the financial statements:
  - a) We acknowledge our responsibility for presenting the budgetary schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the budgetary schedules, including their form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the budgetary schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b) If the budgetary schedules are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: Dr. [Handwritten Signature]

Signature: \_\_\_\_\_

Title: President

Title: \_\_\_\_\_

Date: 7/21/20

Date: \_\_\_\_\_

**CERTIFIED RECORD**  
**OF**  
**PROCEEDINGS**  
**PANORAMA METROPOLITAN DISTRICT**  
**CITY OF CENTENNIAL, ARAPAHOE COUNTY, COLORADO**  
**RELATING TO**  
**THE INCURRENCE OF DEBT THROUGH A CAPITAL PLEDGE AGREEMENT**

(Attach copy of notice of meeting, as posted)

STATE OF COLORADO )  
 )  
COUNTY OF ARAPAHOE )  
 )  
PANORAMA METROPOLITAN DISTRICT )

The Board of Directors of Panorama Metropolitan District, City of Centennial, Arapahoe County, Colorado, met in special session at offices of The Black Cow Deli, 7670 S. Chester Street, Suite 170, Englewood, CO 80112, on Friday, the 24th day of July, 2020, at the hour of 9:00 a.m.

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

President and Chairman:  
Secretary:  
Treasurer:  
Assistant Secretaries:

Absent:

Thereupon there was introduced the following resolution:

**RESOLUTION**

**WHEREAS**, Panorama Metropolitan District, City of Centennial, Arapahoe County, Colorado (the “District”), is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado; and

**WHEREAS**, at an election of the qualified electors of the District, duly called and held on Tuesday, November 5, 2013 (the “2013 Election”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the 2013 Election voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities, the questions relating thereto being as attached as Exhibit A hereto:

**WHEREAS**, the returns of the 2013 Election were duly canvassed and the result thereof duly declared; and

**WHEREAS**, the result of the 2013 Election was certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to §32-1-204.5, C.R.S., and with the division of securities created by §11-51-701, C.R.S., within forty-five days after the election; and

**WHEREAS**, at previous elections of the qualified electors of the District, duly called and held on Tuesday, November 7, 1995 (the “1995 Election”) and Tuesday, November 4, 1997 (the “1997 Election” and, together with the 1995 Election, the “Previous Elections”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at each of the respective Previous Elections voted in favor of, *inter alia*, the issuance of general obligation indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities; and

**WHEREAS**, subsequent to the Previous Elections and from the authorization thereof, the District duly authorized and issued its General Obligation Refunding Bonds, Series 2011, originally issued in the aggregate principal amount of \$7,205,000 and now outstanding in the aggregate principal amount of \$[2,845,000] (the “Series 2011 Bonds”) pursuant to that certain resolution (the “Series 2011 Resolution”) of the District adopted on December 2, 2011; and

**WHEREAS**, the District has not heretofore issued any of the indebtedness authorized by the 2013 Election and has the following authorized but unissued indebtedness from the 2013 Election:

<u>Purpose</u>	<u>Principal Amount Voted in 2013 Election</u>
Street	\$70,000,000
Safety protection	70,000,000
Parks and recreation	70,000,000

Water	70,000,000
Sewer	70,000,000
Public transportation	70,000,000
Mosquito Control	70,000,000
Intergovernmental Agreements	70,000,000
Debt refunding	70,000,000

**WHEREAS**, the District has heretofore determined and does hereby determine that it is necessary and appropriate to pay additional costs of acquiring, constructing, and installing a portion of the facilities the debt for which was approved by the 2013 Election (the “Project”), for the District and its inhabitants; and

**WHEREAS**, the Project will benefit the inhabitants of both the District and Jones Metropolitan District No. 1, City of Centennial, Arapahoe County, Colorado (“Jones MD No. 1” and, together with the District, the “Districts”); and

**WHEREAS**, the Board of Directors of the District and the Board of Directors of Jones MD No. 1 have determined that it is in the best interests of the Districts, and the residents and taxpayers thereof, that the Project be financed by the issuance of bonds by Jones MD No. 1, and that for such purpose Jones MD No. 1 shall issue its General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2020 in the approximate principal amount of \$17,386,455.40 (the “Bonds”); and

**WHEREAS**, the Bonds will be issued pursuant to an Indenture of Trust, dated as of approximately the date of issuance of the Bonds (the “Indenture”), between Jones MD No. 1 and UMB Bank, n.a. as trustee (the “Trustee”); and

**WHEREAS**, such Indenture contemplates that the Bonds will be secured by revenues pledged by both the District and Jones MD No. 1; and

**WHEREAS**, in order to carry out the intent and objectives of the Election, the election of Jones MD No. 1, and the Service Plans of each of the Districts, the Districts desire to enter into an Agreement for the purpose of providing ad valorem property tax revenue derived from the taxable property of the District by the District on and after the date that the Series 2011 Bonds are no longer outstanding in accordance with the Series 2011 Resolution, in order to pay, in combination with pledges revenues of Jones MD No. 1, the debt service on the Bonds; and

**WHEREAS**, the District has been presented with a form of a Capital Pledge Agreement (the “Pledge Agreement”) between the District and Jones MD No. 1, pursuant to which the District agrees to transfer certain revenues to Jones MD No. 1 for the payment of the Bonds on and after the date that the Series 2011 Bonds are no longer outstanding in accordance with the Series 2011 Resolution; and

**WHEREAS**, the District has determined and hereby determines that it is in the best interests of the District, and the residents and taxpayers thereof, that the Project be financed by the incurrence of a debt obligation pursuant the Pledge Agreement; and



**WHEREAS**, the entire principal amount of the Bonds as set forth in the Indenture shall be allocated to the ballot questions from the 2013 Election quoted above and shall be set forth in documents relating to the closing of the Bonds; and

**WHEREAS**, the indebtedness incurred by the District pursuant to the Pledge Agreement shall be incurred pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., and all other laws thereunto enabling; and

**WHEREAS**, the Board specifically elects to apply the provisions of Title 11, Article 57, Part 2, C.R.S., to indebtedness incurred by the District pursuant to the Pledge Agreement.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PANORAMA METROPOLITAN DISTRICT:**

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

Authorized Officer: the person or persons authorized to sign the Pledge Agreement, which shall be any member of the Board of Directors of the District.

**Section 2. Approvals, Authorizations, and Amendments.** The form of Pledge Agreement is incorporated herein by reference and is hereby approved. The Pledge Agreement is to be executed in substantially the form presented at this meeting of the Board, provided that such document may be completed, corrected, or revised as deemed necessary by the parties thereto in order to carry out the purposes of this Resolution. Any Authorized Officer is hereby authorized and directed to execute the Pledge Agreement and to affix the seal of the District thereto.

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

**Section 3. Authorization.** In accordance with the Constitution of the State of Colorado; the Supplemental Act; Title 32, Article 1, Parts 11, C.R.S.; the 2013 Election; and all other laws of the State of Colorado thereunto enabling, the debt obligation evidenced by the Pledge Agreement shall be incurred for the purposes of: (i) paying the costs of the Project; and (ii) paying issuance and other costs in connection with the Bonds. The debt obligation incurred by the District pursuant to the Pledge Agreement shall constitute a limited tax obligation of the District.

**Section 4. Authorization to Execute Documents.** The officers of the District are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including but not limited to the execution of such certificates and affidavits as may be reasonably required under the circumstances.

**Section 5. Ratification and Approval of Prior Actions.** All actions heretofore taken by the Board, not inconsistent with the provisions of this resolution, relating to the authorization or performance of the Pledge Agreement are hereby ratified, approved, and confirmed.

**Section 6. Resolution Irrepealable.** After the Pledge Agreement is executed, this resolution shall constitute a contract between the District and Jones MD No. 1, and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged.

**Section 7. Repealer.** All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this resolution or the manner in which it was adopted and approved, are hereby repealed to the extent only of such inconsistency or conflict.

**Section 8. Severability.** If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution, the intent being that the same are severable.

**Section 9. Effective Date.** This resolution shall take effect immediately upon its adoption and approval.

**ADOPTED AND APPROVED** This 24th day of July, 2020.

( S E A L )

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Authorized Officer

ATTESTED:

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Secretary or Assistant Secretary

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

Those voting AYE:

Those voting NAY:

Thereupon the Authorizing Resolution was declared duly adopted and the Secretary was directed to enter the foregoing proceedings and resolution upon the minutes of the Board.

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

STATE OF COLORADO )  
 )  
COUNTY OF ARAPAHOE )  
 )  
PANORAMA METROPOLITAN DISTRICT )

The undersigned, as the Secretary or an Assistant Secretary of Panorama Metropolitan District, City of Centennial, Arapahoe County, Colorado, hereby certifies that the foregoing pages constitute a true and correct copy of that portion of the record of proceedings of the Board of Directors of said District relating to the adoption of a resolution authorizing the execution of a Capital Pledge Agreement, adopted at a special meeting of the Board held at the offices of The Black Cow Deli, 7670 S. Chester Street, Suite 170, Englewood, CO 80112, on Friday, the 24th day of July, 2020, at the hour of 9:00 a.m., as recorded in the official record of proceedings of said District kept in my office; that the proceedings were duly had and taken; that the meeting was duly held; that the persons therein named were present at said meeting and voted as shown therein; that each director of the Board was informed of the date, time, place and purpose of the special meeting; and that a notice of meeting, in the form herein set forth at page 1, was posted at one public place within the District (as designated at the District's first regular meeting of the calendar year) not less than 24 hours prior to the meeting, in accordance with law.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of Panorama Metropolitan District, this 24th day of July, 2020.

( S E A L )

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Secretary or Assistant Secretary

**FORM OF CAPITAL PLEDGE AGREEMENT**

This **CAPITAL PLEDGE AGREEMENT** (the “**Agreement**” or “**Pledge Agreement**”), is made and entered into and dated as of [June \_\_], 2020, by and between **Panorama Metropolitan District** (the “**District**”) and **Jones Metropolitan District No. 1** (“**JMD**”). The District and JMD (together, the “**Districts**”) are quasi-municipal corporations and political subdivisions of the State of Colorado (the “**State**”), each duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (the “**Special District Act**”).

**RECITALS**

**WHEREAS**, each of the Districts is a quasi-municipal corporation and political subdivision of the State duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly the Special District Act; and

**WHEREAS**, the District was organized by Order and Decree of the District Court in and for Arapahoe County, Colorado issued on September 6, 1983 and recorded in the real property records of Arapahoe County, Colorado (the “**County**”) on September 6, 1983; and

**WHEREAS**, JMD was organized by Order and Decree of the District Court in and for Arapahoe County, Colorado issued on [\_\_\_\_\_, 20\_\_] and recorded in the real property records of the County on [\_\_\_\_\_, 20\_\_]; and

**WHEREAS**, in December of 2013, a public hearing was scheduled on a proposed amended and restated service plan for the District; and

**WHEREAS**, Carr Office Park, LLC and MG Panorama LLC filed objections to the provisions of the proposed amended and restated service plan for the District prior to the public hearing scheduled for December 17, 2013; and

**WHEREAS**, the District entered into a Settlement Agreement, dated as of December 16, 2013 (the “**Settlement Agreement**”), with Carr Office Park, LLC and MG Panorama LLC to settle the objections so filed to the proposed amended and restated service plan for the District; and

**WHEREAS**, the Amended and Restated Service Plan for the District was approved at a public hearing on December 17, 2013 (as amended and restated from time to time, the “**Service Plan**”); and

**WHEREAS**, the District is authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, storm drainage, limited fire protection, safety protection, and mosquito control improvements in accordance with the Service Plan and the Settlement Agreement; and

**WHEREAS**, JMD is authorized by the Act to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, storm drainage, limited fire protection, safety protection, and mosquito control improvements in accordance with the Service Plan for the District approved by the Council of the City on February 10, 2020 (as amended and restated from time to time, the “**JMD Service Plan**” and, together with the Service Plan, the “**Service Plans**”); and

**WHEREAS**, pursuant to that certain Exclusion Agreement, dated as of [June \_\_, 2020] (as supplemented and amended, the “**Exclusion Agreement**”), by and between the District and The Jones District, L.L.C., a Delaware limited liability company (the “**Landowner**”), the Landowner is the 100% fee owner of certain property set forth in Exhibit A to the Exclusion Agreement (the “**Exclusion Property**”), all of which is within the boundaries of the District; and

**WHEREAS**, pursuant to the Exclusion Agreement, the Landowner desired to organize JMD and four other metropolitan districts pursuant to the Act (such other four metropolitan districts shall be termed herein as “**Jones Metropolitan District No. 2,**” “**Jones Metropolitan District No. 3,**” “**Jones Metropolitan District No. 4**” and “**Jones Metropolitan District No. 5**”); and

**WHEREAS**, JMD, Jones Metropolitan District No. 2, Jones Metropolitan District No. 3, Jones Metropolitan District No. 4 and Jones Metropolitan District No. 5 shall collectively be termed herein as “**Jones Metro Districts**”; and

**WHEREAS**, pursuant to the Exclusion Agreement, the Landowner desires to exclude the Exclusion Property from the District after the organization of the Jones Metro Districts and after the execution of this Pledge Agreement; and

**WHEREAS**, pursuant to the Exclusion Agreement, the District and the Landowner intend and agree that the Exclusion Property shall not be liable for any indebtedness incurred by the District after the Exclusion Effective Date (as hereinafter defined) other than this Pledge Agreement; and

**WHEREAS**, pursuant to the Exclusion Agreement, the District desires to provide funding for a portion of the Public Improvements (as hereinafter defined) to serve the Exclusion Property within the limitations of the Settlement Agreement and pursuant to the terms of this Pledge Agreement; and

**WHEREAS**, Section 2.1(c) of the Settlement Agreement provides that the District may issue new Debt (as defined in the Settlement Agreement) to provide funds for payment of certain Outstanding Reimbursement Obligations (as defined in the Settlement Agreement) and certain Additional District Improvements (as defined in the Settlement Agreement) subject to certain other conditions set forth therein; and

**WHEREAS**, pursuant to Section 2.1(d) of the Settlement Agreement, all of the members of the Board of the District and the Carr Owner (as defined in the Settlement Agreement) may and hereby so waive the provisions of Section 2.1(c) of the Settlement Agreement and agree that the proposed financing by the District of the Public Improvements within the Exclusion Property constitutes permissible Debt under the Settlement Agreement; and

**WHEREAS**, pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a), and Section 29-1-203, Colorado Revised Statutes, as amended (“**C.R.S.**”), the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurrence of debt; and

**WHEREAS**, in accordance with Part 1 of the Special District Act and the Service Plans, the purposes for which the Districts were formed include the provision of, among other things, street improvements, water, sewer, safety protection, parks and recreation, transportation and mosquito control improvements (the “**Improvements**”); and

**WHEREAS**, the Districts have determined that certain Improvements described in Exhibit B attached hereto (the “**Public Improvements**”) are generally contemplated under their Service Plans and the Settlement Agreement, are needed and, due to the nature of the Public Improvements and proximity and interrelatedness of the development anticipated to occur in connection therewith, will benefit the residents, property owners, and taxpayers of the Districts; and

**WHEREAS**, the District has previously issued its General Obligation Bonds, Series 2011, dated as of December 21, 2011, in the aggregate principal amount of \$7,205,000 (the “**Series 2011 Bonds**”) pursuant to that certain Resolution (the “**Series 2011 Resolution**”) of the District adopted by the Board of the District on December 2, 2011; and

**WHEREAS**, at elections of the qualified electors of the District duly called and held on November 7, 1995 (the “**1995 Election**”) and November 4, 1997 (the “**1997 Election**”) in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at each of the 1995 Election and the 1997 Election voted in favor of, *inter alia*, the issuance of debt and the imposition of taxes for the payment thereof, for the purpose of funding certain improvements and facilities, and for the purpose of refunding such indebtedness; and

**WHEREAS**, the Board of the District, based on the anticipated uses of the Series 2011 Bonds on their date of issuance, previously allocated the principal amount of the Series 2011 Bonds, as necessary, to the authorized but unissued indebtedness from the 1995 Election and the 1997 Election in accordance Series 2011 Resolution; and

**WHEREAS**, at an election of the qualified electors of the District duly called and held on November 5, 2013 (the “**2013 Election**” and together with the 1995 Election and the 1997 Election, the “**Elections**”) in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at each of the Elections voted in favor of, *inter alia*, the issuance of debt and the imposition of taxes for the payment thereof, for the purpose of funding certain improvements and facilities, and for the purpose of refunding such indebtedness, the questions relating thereto being as set forth in **Exhibit A** attached hereto with respect to the 2013 Election; and

<u>Purpose</u>	<u>Principal Amount Voted in 2013 Election</u>
Street	\$70,000,000
Safety protection	70,000,000
Parks and recreation	70,000,000
Water	70,000,000
Sewer	70,000,000
Public transportation	70,000,000
Mosquito Control	70,000,000
Intergovernmental Agreements	70,000,000
Debt refunding	70,000,000
TOTAL VOTED AUTHORIZATION	<u>\$630,000,000 plus additional voted debt relating to the Series 2011 Bonds, as defined in the related bond documentation for such Series 2011 Bonds*</u>
TOTAL AUTHORIZATION UNDER DISTRICT SERVICE PLAN	<u>\$15,000,000 plus debt relating to the Series 2011 Bonds*</u>

**WHEREAS**, the returns of the Elections were duly canvassed and the results thereof duly declared; and

**WHEREAS**, the results of the Elections were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S., within 45 days after each Election; and

**WHEREAS**, the Board of Directors of each of the District (the “**Board**”) and JMD (the “**JMD Board**” and together with the Board, the “**Boards**”) has determined that it is necessary to pay the costs of acquiring, constructing, and installing the Public Improvements set forth in more detail in **Exhibit B** attached hereto (the “**Project**”) within the Exclusion Property pursuant to the Service Plans and the Settlement Agreement, the debt for which was approved by the Elections; and

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\* It should be noted that the Service Plan for the District provides that the District shall not issue debt in excess of its total debt limit of \$20,000,000 plus the debt relating to the Series 2011 Bonds; however, the Settlement Agreement provides that, notwithstanding such provisions of the Service Plan for the District, the District shall not issue or incur any new debt in excess of \$15,000,000 in addition to the outstanding principal amount of the Series 2011 Bonds without the prior written consent of the Carr Owner (as defined in the Settlement Agreement) and, as of the date of this Pledge Agreement, the Carr Owner has not consented to any new debt in excess of \$15,000,000 in addition to the outstanding principal amount of the Series 2011 Bonds.



**WHEREAS**, the District is authorized by the Service Plan and the Settlement Agreement to incur or issue new debt in a principal amount of up to \$15,000,000 in addition to the outstanding principal amount of the Series 2011 Bonds; and

**WHEREAS**, in order to help secure repayment of the Project, the District and JMD have entered into this Pledge Agreement, pursuant to which the District has pledged District Pledged Revenue (as defined in Section 1.02 hereof) described herein to JMD for the payment of certain Financing Costs (as defined in Section 1.02 hereof) described herein relating to the Project (defined as the "**Payment Obligation**" in Section 1.02 hereof), and has covenanted to take certain actions with respect to generating such revenues and taxes, for the benefit of residents, taxpayers and owners of the real property within the boundaries of JMD; and

**WHEREAS**, based upon the foregoing, the Board of the District hereby determines to allocate the entire principal amount of the Payment Obligation (being the maximum principal amount of \$15,000,000) to the authorized but unissued indebtedness from the 2013 Election in accordance with the following; provided however, that such allocation is based upon an estimate of the use by JMD of such proceeds to finance the Project, and the actual use may vary from the following as permitted by the 2013 Election, without the necessity of amending this Pledge Agreement; and

<b>Use of Voted Authorization by District from 2013 Election for Payment Obligation</b>			
<b><u>Purpose</u></b>	<b><u>Amounts Remaining Before Issuance of Payment Obligation</u></b>	<b><u>Principal Amount of Purpose Allocated to Payment Obligation</u></b>	<b><u>Amounts Remaining</u></b>
Street	\$70,000,000	\$-0-	\$55,000,000
Safety protection	70,000,000	-0-	70,000,000
Parks and recreation	70,000,000	-0-	70,000,000
Water	70,000,000	-0-	70,000,000
Sewer	70,000,000	-0-	70,000,000
Public transportation	70,000,000	-0-	70,000,000
Mosquito Control	70,000,000	-0-	70,000,000
Intergovernmental Agreements	70,000,000	\$15,000,000	70,000,000
Debt refunding	70,000,000	-0-	70,000,000

TOTAL VOTED AUTHORIZATION	\$630,000,000	<u>\$15,000,000</u>	<u>\$615,000,000 plus additional voted debt relating to the Series 2011 Bonds, as defined in the related bond documentation for such Series 2011 Bonds*</u>
TOTAL AUTHORIZATION UNDER DISTRICT SERVICE PLAN	<u>\$15,000,000 plus debt relating to the Series 2011 Bonds*</u>	<u>\$15,000,000</u>	<u>\$-0-*</u>

**WHEREAS**, for purposes of the Colorado Municipal Bond Supervision Act, pursuant to an Interpretative Order of the Securities Commissioner of the State of the Colorado dated March 27, 2006, no registration application nor notice of claim of exemption is required for (i) a district's contractual obligation to pay or pledge funds to another political subdivision such as the obligation of the District to pay the Financing Costs as set forth herein to JMD so long as such contractual obligation is not specifically pledged as security or collateral for an issuance of securities or (ii) a district's contractual obligation to pay or pledge funds to another political subdivision such as the obligation of the District to pay the Financing Costs as set forth herein to JMD where such contractual obligation is specifically pledged as security or collateral for an issuance of securities, so long as such securities issuance is subject to the registration or exemption requirements of the Colorado Municipal Bond Supervision Act, and, as such, no registration of this Pledge Agreement shall be made by the District or JMD pursuant to the Colorado Municipal Bond Supervision Act; and

**WHEREAS**, pursuant to the provisions of Section 32-1-1101(6)(b), C.R.S., the Payment Obligation is payable from the District Required Mill Levy (as hereinafter defined), which, pursuant to the provisions of Section 32-1-1101(6)(b), C.R.S., is a limited debt service mill levy and which mill levy does not and shall not exceed fifty mills; and

**WHEREAS**, the Payment Obligation of the District made pursuant to this Pledge Agreement is issued pursuant to the provisions of Title 32, Article 1, Part 11, C.R.S., the Service Plan, the Settlement Agreement, and all other laws hereunto enabling; and

**WHEREAS**, the Board of the District specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to this Pledge Agreement and the Payment Obligation; and

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\* It should be noted that the Service Plan for the District provides that the District shall not issue debt in excess of its total debt limit of \$20,000,000 plus the debt relating to the Series 2011 Bonds; however, the Settlement Agreement provides that, notwithstanding such provisions of the Service Plan for the District, the District shall not issue or incur any new debt in excess of \$15,000,000 in addition to the outstanding principal amount of the Series 2011 Bonds without the prior written consent of the Carr Owner (as defined in the Settlement Agreement) and, as of the date of this Pledge Agreement, the Carr Owner has not consented to any new debt in excess of \$15,000,000 in addition to the outstanding principal amount of the Series 2011 Bonds.

**WHEREAS**, it has been determined by the Districts and it is hereby determined that the District shall be liable for the repayment of the Payment Obligation through the imposition of the District Required Mill Levy, subject to the adjustments and limitations set forth herein; and

**WHEREAS**, the Districts have determined and hereby determine that the execution of this Pledge Agreement and the provision of the Project are in the best interests of the Districts and the residents, property owners, and taxpayers thereof; and

**WHEREAS**, all amendments to this Pledge Agreement made pursuant hereto and not in conflict with the limits of the ballot questions, which authorized the debt represented by this Pledge Agreement, shall be deemed part of this Pledge Agreement and fully authorized by such ballot questions.

## **COVENANTS**

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

### **ARTICLE I**

#### **DEFINITIONS**

**Section 1.01. Interpretation.** In this Pledge Agreement, unless the context otherwise requires:

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

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals hereto and Section 1.02 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Pledge Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Pledge Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

**Section 1.02. Definitions.** As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Pledge Agreement shall have the respective meanings set forth in the Recitals hereto and below:

“*1995 Election*” means the election held within the District on November 7, 1995.

"*1997 Election*" means the election held within the District on November 4, 1997.

“*2013 Election*” means the election held within the District on November 5, 2013.

"*Act*" or "*Special District Act*" means Title 32, Article 1, Part 1, C.R.S.

“*Agreement*” or “*Pledge Agreement*” means this Capital Pledge Agreement and any amendment hereto made in accordance herewith.

“*Available for Public Use*” means the initial acceptance of the completed Public Improvement by the City, the District or one or more of the Jones Metro Districts, as applicable.

“*Board*” or “*Boards*” means the lawfully organized Boards of Directors of the Districts.

"*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.

“*Carr Owner*” means, for purposes of this Pledge Agreement, East Panorama Associates, LLC, or its successors, transferees and assigns.

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

“*City Council*” means the City Council for the City.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

"*County*" means Arapahoe County, Colorado.

"*C.R.S.*" means Colorado Revised Statutes, as amended.

“*District*” means Panorama Metropolitan District, City of Centennial, Arapahoe County, Colorado, and its successors and assigns.

“*District Pledged Revenue*” means the money derived by the District from the following sources being pledged pursuant to this Pledge Agreement, net of any costs of collection and any tax refunds or abatements authorized by or on behalf of the City and/or County (to the extent not previously deducted by definition):

- (a) the District Property Tax Revenues; and

(b) any other legally available moneys which the District, with the written consent of the Carr Owner, determines, in its sole discretion, to credit to JMD to finance the Project.

*"District Property Tax Revenues"* means all moneys derived from imposition by the District of the District Required Mill Levy on and after the date that the Series 2011 Bonds are no longer outstanding in accordance with the Series 2011 Resolution. District Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the City and the County. (For the avoidance of doubt, District Property Tax Revenues do not include District Specific Ownership Tax Revenues or revenue from the Operations Mill Levy.)

*"District Required Mill Levy"* means:

(a) In any tax collection year during which the Series 2011 Bonds are no longer outstanding under the Series 2011 Resolution, the District's debt service mill levy shall be the lesser of (a) 5.000 mills (subject to adjustment as set forth in clause (b) below) or (b) in the final year of the Payment Obligation, the number of mills required to generate sufficient District Property Tax Revenues to finance the Financing Costs with respect to the Project and repay in full the Payment Obligation;

(b) In the event the method of calculating assessed valuation is changed on or after January 1, 2020, the minimum and maximum mill levies provided herein shall be increased or decreased to reflect such changes to the extent permitted by law, such increases or decreases to be determined by the District 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, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

(c) Notwithstanding anything herein to the contrary, in no event may the District Required Mill Levy be established at a mill levy which is greater than 5.000 mills (subject to adjustment as set forth in clause (b) above) or which would constitute a material departure from the requirements of the Service Plan and the Settlement Agreement, 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 District 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 District Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

*"District Specific Ownership Taxes"* means the portion of 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 its imposition of the District Required Mill Levy in accordance with the provisions hereof.

*"Districts"* means the District and JMD, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of either of the Districts, if applicable.

"*Effective Date*" means the date that the District first imposes the District Required Mill Levy hereunder.

"*Elections*" means the 1995 Election, the 1997 Election and the 2013 Election.

"*Engineer*" means an engineer selected by the District to prepare a cost certification report with respect to the Public Improvements financed hereunder.

"*Exclusion Agreement*" has the meaning assigned thereto in the Recitals hereof.

"*Exclusion Effective Date*" means the date that the order of exclusion approving the exclusion with respect to the Exclusion Property issued by the District Court in and for the County is recorded in the real property records of County.

"*Exclusion Property*" has the meaning assigned thereto in the Recitals hereof.

"*Financing Costs*" means the costs of financing the Project; provided, however, that such Financing Costs shall be limited to a maximum principal amount of \$15,000,000 together with interest computed thereon pursuant to Section 2.02(e) hereof.

"*Fiscal Year*" means the twelve month period beginning January 1 and ending December 31 of each year.

"*Improvements*" has the meaning set forth in the recitals hereto.

"*JMD*" means Jones Metropolitan District No. 1, City of Centennial, Arapahoe County, Colorado, and its successors and assigns.

"*JMD Board*" means the Board of Directors of JMD.

"*JMD Service Plan*" means the Service Plan for JMD approved by the Council of the City on February 10, 2020, as supplemented and amended.

"*Jones Metropolitan District No. 1*" means the Jones Metropolitan District No. 1, Centennial, Arapahoe County, Colorado and its successors and assigns.

"*Jones Metropolitan District No. 2*" means the Jones Metropolitan District No. 2, Centennial, Arapahoe County, Colorado and its successors and assigns.

"*Jones Metropolitan District No. 3*" means the Jones Metropolitan District No. 3, Centennial, Arapahoe County, Colorado and its successors and assigns.

"*Jones Metropolitan District No. 4*" means the Jones Metropolitan District No. 4, Centennial, Arapahoe County, Colorado and its successors and assigns.

"*Jones Metropolitan District No. 5*" means the Jones Metropolitan District No. 5, Centennial, Arapahoe County, Colorado and its successors and assigns.

"*Jones Metro Districts*" means, collectively, Jones Metropolitan District No. 1, Jones Metropolitan District No. 2, Jones Metropolitan District No. 3, Jones Metropolitan District No. 4, and Jones Metropolitan District No. 5.

"*Landowner*" means The Jones District, L.L.C., a Delaware limited liability company, and its successors and assigns.

"*MMD*" means the Thomson Reuters Municipal Market Data (MMD) AAA Curve or any successor yield curve thereto with respect to 30-year "AAA" rated state general obligation bonds published by Municipal Market Data, a company owned by Thomson Reuters, or any successor thereto, at 3:00 p.m. eastern standard time on a given day which generally provides the offer-side of "AAA" rated state general obligation bonds with a thirty-year maturity, as determined by Municipal Market Data, a company owned by Thomson Reuters, or any successor thereto.

"*Operations Mill Levy*" means an ad valorem property tax mill levy imposed by the District for purposes of paying for the costs associated with the administration and management of the District and the operation and management of the Public Improvements that the District operates and maintains or to pay for the operations and maintenance thereof.

"*Payment Obligation*" means the District's obligation to pay the Financing Costs of the Project in accordance with the provisions hereof, but solely from District Pledged Revenue, to the extent available.

"*Pledge Agreement Termination Date*" means the earlier of (a) the date on which all amounts due with respect to the Payment Obligation have been defeased or paid in full, (b) the date that is thirty (30) years from the first imposition by the District of the District Required Mill Levy hereunder or (c) December 31, 2055.

"*Project*" has the meaning assigned thereto in the Recitals hereof.

"*Public Improvements*" has the meaning assigned thereto in the Recitals hereof.

"*Series 2011 Bonds*" has the meaning assigned thereto in the Recitals hereof.

"*Series 2011 Resolution*" has the meaning assigned thereto in the Recitals hereof.

"*Service Plan*" means the Amended and Restated Service Plan for District approved at a public hearing on December 17, 2013, as supplemented and amended.

"*Service Plans*" means the Service Plan and the JMD Service Plan.

"*Settlement Agreement*" means that certain Settlement Agreement, dated as of December 16, 2013, by and among the District; Carr Office Park, LLC, a Delaware limited liability company; and MG Panorama LLC, a Colorado limited liability company.

"*State*" means the State of Colorado.

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

## ARTICLE II

### PAYMENT OBLIGATION

**Section 2.01. No Additional Electoral Approval Required.** The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Pledge Agreement, was approved at the Elections in accordance with law and pursuant to due notice. The performance by the Districts of the terms of this Pledge Agreement requires no further electoral approval.

#### **Section 2.02. Funding of Financing Costs Generally.**

(a) In order to finance its portion of the Project, the District hereby agrees to pay such portion of the Financing Costs as may be funded with the District Pledged Revenue available to the District, in accordance with the provisions hereof.

(b) The obligation of the District to pay the Financing Costs as provided herein shall constitute a limited tax obligation of the District payable solely from and to the extent of the District Pledged Revenue. Such District Pledged Revenue is hereby pledged by the District to JMD for the payment of Financing Costs of the Project in accordance with the provisions hereof. The Payment Obligation of the District to pay the Financing Costs of the Project as provided herein shall constitute an irrevocable lien upon the District Pledged Revenue on and after the date that the Series 2011 Bonds are no longer outstanding in accordance with the Series 2011 Resolution. The District and JMD each hereby elect to apply all of the provisions of the Supplemental Act to this Pledge Agreement and the Payment Obligation.

(c) In no event shall the total or annual obligations of the District hereunder exceed the maximum amounts permitted under the Service Plan, its electoral authority and any other applicable law. The entire Payment Obligation will be deemed defeased and no longer outstanding upon the earlier of (i) the Pledge Agreement Termination Date or (ii) payment by the District of such maximum permitted amount.

(d) Because the actual total District Pledged Revenue payable by the District hereunder cannot be determined with any certainty at this time, the District shall not be permitted to pre-pay any amounts due hereunder, unless approved by JMD; provided, however, that all District Pledged Revenue shall be paid to JMD, or as designated by JMD, in order to finance the Project.

(e) On and after the Effective Date, the Payment Obligation shall bear interest at a fixed interest rate per annum determined as set forth herein for so long as the Pledge Agreement Termination Date has not occurred; provided, however, that such interest rate borne by the Payment Obligation shall not exceed a maximum net effective interest of 18% per annum in accordance with the 2013 Election. The following procedures shall be followed to set the interest rate for the Payment Obligation: the Payment Obligation shall



bear interest on and after the Effective Date at the lesser of (i) a non-variable interest rate per annum equal to the MMD on the Effective Date plus 100 basis points or (ii) the net effective interest rate on the first series of bonds issued by any of the Jones Metro Districts. Interest shall not accrue on any unpaid interest with respect to the Payment Obligation and any unpaid interest shall simply be added to the amount of interest due in the succeeding year with respect to the then outstanding principal amount of the Payment Obligation. For the sake of clarity, a sample amortization schedule (the “**Sample Amortization Schedule**”) is provided for purposes of an example only and is attached hereto as Exhibit C; such Sample Amortization Schedule presumes, for purposes of example only, a fixed interest rate of 3.50% per annum with respect to the Payment Obligation. The Sample Amortization Schedule provides that, on the Effective Date, 3.50% of \$15,000,000 generates an “interest” payment of \$525,000 due on the Payment Obligation in the first year; as such, if \$685,000 of District Pledged Revenue is generated in the first year as shown in the model, \$525,000 of such District Pledged Revenue is applied to the “interest” component of the Payment Obligation and the remaining \$160,000 is applied to the “principal” component of the Payment Obligation. In the second year of repayment of the Payment Obligation set forth in the Sample Amortization Schedule, \$14,840,000 of principal remains outstanding with respect to the Payment Obligation and interest due on the Payment Obligation in the second year is calculated by multiplying \$14,840,000 by 3.50%, generating an interest payment of \$519,400 due on the Payment Obligation in the second year with the remainder of any property taxes received to be applied to reduce the principal amount of \$14,840,000 thereby. Principal and interest with respect to the Payment Obligation shall be due on each one year anniversary of the Effective Date. To the extent that any District Pledged Revenues remain in the District Account (as defined in Section 2.03(h) hereof) on the Pledge Agreement Termination Date and the conditions of Section 5.06(l) have been not been satisfied by JMD such that excess District Pledged Revenues exist which cannot be reimbursed to JMD in accordance with Section 2.03(h) hereof, any such excess amount of District Pledged Revenues in the District Account shall thereafter cease to be District Pledged Revenues hereunder and shall, instead, be applied by the District to any lawful purpose.

**Section 2.03. Imposition of District Required Mill Levy; Public Improvements Financed Hereunder.**

(a) In order to fund the Payment Obligation, the District hereby covenants and agrees, on and after the date that the Series 2011 Bonds are no longer outstanding in accordance with the Series 2011 Resolution, to impose the District Required Mill Levy, in addition to all other taxes, so long as the Payment Obligation remains outstanding, to the extent required to provide for payment of the Financing Costs in accordance with the definition of the District Required Mill Levy and subject to the limitations of Section 2.02(c) hereof. Nothing herein shall be construed to require the District to impose an ad valorem property tax levy for the payment of the Payment Obligation in excess of the District Required Mill Levy or after the Pledge Agreement Termination Date. Notwithstanding anything herein to the contrary, in no event may the District 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.

(b) The District shall provide to JMD: (i) on or before September 30 of each year, commencing September 30, 2020, the preliminary certification of assessed value for each class of property within the District, as determined by the Arapahoe County Assessor; and (ii) commencing in year 2020, no later than five business days after receipt by the District, the final certified assessed value for the District provided by the Arapahoe County Assessor (expected to be provided to the District no later than December 10 of each year).

(c) The District acknowledges that it has actively participated in the development of the calculation for determining the District Required Mill Levy. This Section 2.03 is hereby declared to be the certificate of the District to the Board of County Commissioners of Arapahoe County indicating the aggregate amount of taxes to be levied for the purposes of paying the Payment Obligation due hereunder; provided, however, that the District shall provide, within two business days thereof, to JMD a copy of the certification of tax levy annually submitted by the District to the Board of County Commissioners of Arapahoe County (expected to be provided by the District to the Board of County Commissioners of Arapahoe County no later than December 15 of each year).

(d) It shall be the duty of the District annually at the time and in the manner provided by law for the levying of the District's taxes, if such action shall be necessary to effectuate the provisions of this Pledge Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of the District to cause the appropriate officials of Arapahoe County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder in accordance with the provisions of this Pledge Agreement.

(e) Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State.

(f) The District shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

(g) Pursuant to Section 2.1(d) of the Settlement Agreement, the members of the Board of the District together with the Carr Owner hereby (i) waive the requirements set forth in Section 2.1(c) of the Settlement Agreement and the requirements set forth in the last two sentences of Section 2.1(b) of the Settlement Agreement and (ii) agree that this Pledge Agreement otherwise satisfies all obligations of the District set forth in the Settlement Agreement.

(h) Prior to JMD's award of any contract to construct the Public Improvements, JMD shall provide to the District a tabulation of the bid amounts and the contractor selected to perform the work on the Public Improvements. The District shall not remit, and JMD shall not apply, any District Pledged Revenue to finance the Project

hereunder unless the particular Public Improvements being financed as part of the Project (i) are described in Exhibit B attached hereto, (ii) have been completed in conformance with standard design requirements of the City or applicable utility jurisdiction with respect to the Public Improvements being financed hereunder, (iii) have been cost verified with respect to the amount being so reimbursed by the Engineer, and (iv) have been completed and are Available for Public Use on or prior to December 1, 2029; the District shall hold any District Pledged Revenues in a separate account (the “**District Account**”) until such time as the conditions set forth in prongs (i)-(iv) of this sentence with respect to the Public Improvements being so financed as part of the Project have been satisfied, at which time the District shall remit to JMD such District Pledged Revenue as soon as practicable. JMD shall provide any documentation required by the Engineer to the District and the Engineer as necessary to certify the costs of the Public Improvements being financed as part of the Project hereunder. For the sake of clarity, JMD may, however, be reimbursed for portions of the Public Improvements described in Exhibit B attached hereto pursuant to the procedures set forth herein as portions of such Public Improvements are completed by JMD; it is not necessary that all of the Public Improvements described in Exhibit B attached hereto be completed by JMD in order for JMD to be reimbursed by the District hereunder for any portion of the Public Improvements described in Exhibit B attached hereto which otherwise meet prongs (i)-(iv) of this subsection; provided further, however, that JMD shall not be reimbursed for the costs of any Public Improvements listed in Exhibit B until Road Segments A and B as described in items 1 and 2 of Exhibit B have been completed and are Available for Public Use. To the extent that any District Pledged Revenues remain in the District Account on the Pledge Agreement Termination Date and the conditions of Section 5.06(l) have been not been satisfied by JMD such that excess District Pledged Revenues exist which cannot be reimbursed to JMD in accordance with this Section 2.03(h), any such excess amount of District Pledged Revenues in the District Account shall thereafter cease to be District Pledged Revenues hereunder and shall, instead, be applied by the District to any lawful purpose.

#### **Section 2.04. Payment and Application of District Pledged Revenue.**

(a) Subject to the completion of the Public Improvements in accordance with Section 2.03(h) hereof, the District hereby agrees to remit to JMD as soon as practicable (but in no event later than the fifteenth day of the calendar month immediately succeeding the calendar month in which such District Pledged Revenue is received by the District), upon receipt, all revenues comprising the District Pledged Revenue, which District Pledged Revenue shall be applied by JMD to finance the Project. JMD will ensure that any District Pledged Revenues received from the District hereunder are applied to Financing Costs. Any District Pledged Revenue remitted to JMD in excess of the Payment Obligation shall be refunded to the District within 60 days of the Pledge Agreement Termination Date. Such District Pledged Revenue shall be paid by the District in lawful money of the United States of America by check mailed or delivered, or by wire transfer, or such other method as may be mutually agreed to by the District and JMD.

(b) The District hereby covenants that all property tax revenue collected by the District from the District Required Mill Levy shall be designated as District Pledged Revenue in the Fiscal Year that it is collected.

**Section 2.05. Effectuation of Pledge of Security, Current Appropriation.** The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of the District in each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Pledge Agreement shall in any manner be construed as limiting or impairing the obligation of the District to levy ad valorem property taxes, or as limiting or impairing the obligation of the District to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the Payment Obligation hereunder.

In addition, and without limiting the generality of the foregoing, the obligations of the District to transfer funds as described herein for each payment described herein shall survive any court determination of the invalidity of this Pledge Agreement as a result of a failure, or alleged failure, of any of the directors of the District or JMD to properly disclose, pursuant to State law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of meetings of the District and JMD as set forth in their official minutes.

**Section 2.06. Limited Defenses; Specific Performance.** The District understands and agrees that its obligations hereunder are absolute, irrevocable and unconditional except as specifically stated herein, and so long as any obligation of the District hereunder remains unfulfilled and JMD has not committed an Event of Default, the District agrees that notwithstanding any fact, circumstance, dispute or any other matter, it will not assert any rights of setoff, counterclaim, estoppel or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, JMD, or impair the ability of JMD to receive payments due hereunder. Notwithstanding that this Pledge Agreement specifically limits defenses and claims of the District, in the event that the District believes that it has valid defenses, setoffs, counterclaims or other claims other than specifically permitted by this Section 2.06, it shall, nevertheless, so long as JMD has not committed an Event of Default, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

**Section 2.07. Future Exclusion of Property.** The parties agree that this Pledge Agreement constitutes “indebtedness” as contemplated by Section 32-1-503, C.R.S. Any property excluded from the District after the date hereof (including, but not limited to, the Exclusion Property) shall remain liable for the imposition of (a) any debt service mill levy relating to the Series 2011 Bonds for so long as such bonds are outstanding under the Series 2011 Resolution and (b) the District Required Mill Levy and payment of the proceeds thereof in accordance with the provisions hereof, to the same extent as such property would otherwise remain liable for the debt of the District, as provided in Section 32-1-503, C.R.S.; provided, however, that the District and JMD hereby agree and acknowledge that, pursuant to the Settlement Agreement, the Exclusion Property shall not be liable for any new indebtedness of the District after the Exclusion Effective Date other than this Pledge Agreement. In the event that

any court order providing for the exclusion of property from the District does not so provide and specifically indicate the liability of such excluded property for the obligations set forth herein, the District hereby agrees to take all actions necessary to have such court order amended by the court and to cause the property owners of such excluded property to covenant to assume all responsibilities under this Pledge Agreement, which covenants shall run with the land and shall be in a form satisfactory to the District and JMD.

**Section 2.08. Additional Covenants.**

(a) Without the prior consent of JMD and fulfilling any conditions required under the Settlement Agreement and its Service Plan, the District will not issue or incur any additional obligations payable in whole or in part from, or constituting a lien upon any portion of the District Pledged Revenue and the District Required Mill Levy.

(b) At least once a year, each of the Districts will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and each of the Districts shall use its best efforts to have such audit report or application for audit exemption completed no later than September 30 of each calendar year. The foregoing covenant will apply notwithstanding any different time requirements for the completion of such audit or application for audit exemption under State law. In addition, at least once a year in the time and manner provided by law, each of the District and JMD will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time and manner provided by law.

(c) The District shall maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Payment Obligation.

(d) JMD shall keep and maintain, or cause to be kept and maintained, accurate records and accounting entries reflecting all funds received from the District and the use(s) of such funds, including quarterly unaudited financial statements reflecting the information contained in the accounting records and the audit specified in 2.08(b) hereof.

**Section 2.09. Operations Mill Levy.** The District may impose an Operations Mill Levy in accordance with the Service Plan and Settlement Agreement, and the District may retain the revenues from such Operations Mill Levy separate and apart from the pledge and lien of this instrument. Any other revenues of the District which are not District Pledged Revenue may be pledged, spent, or otherwise committed for any lawful purpose of the District in its sole and absolute discretion.

**ARTICLE III**

**REPRESENTATIONS AND WARRANTIES**

**Section 3.01. Representations and Warranties of the Districts.** Each of the District and JMD hereby makes the following representations and warranties with respect to itself:

(a) It is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State.

(b) It has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Pledge Agreement. Its execution, delivery and performance of this Pledge Agreement has been duly authorized by all necessary action.

(c) It is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect its ability to perform its obligations hereunder. The execution, delivery and performance by it of this Pledge Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting its operations or activities in a manner that could reasonably be expected to result in a material adverse effect, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of its revenues or other assets pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which it is a party other than the lien and encumbrance created by the terms of this Pledge Agreement or which purports to be binding upon it or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect.

(d) It has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by it of this Pledge Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which it is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official which is pending or, to the best of its knowledge threatened, in connection with any of the transactions contemplated by this Pledge Agreement nor, to the best of its knowledge is there any basis therefor, wherein an unfavorable decision, ruling or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of it to perform its obligations under, this Pledge Agreement.

(f) This Pledge Agreement constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

## ARTICLE IV

### EVENTS OF DEFAULT AND REMEDIES

**Section 4.01. Events of Default.** The occurrence or existence of any one or more of the following events shall be an “**Event of Default**” hereunder, and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The District fails or refuses to impose the District Required Mill Levy or to remit the District Pledged Revenue as required by the terms of this Pledge Agreement;

(b) any representation or warranty made by any party in this Pledge Agreement proves to have been untrue or incomplete in any material respect when made and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party breaches or fails in the performance of any other of its covenants, agreements or understandings in this Pledge Agreement, and such breach or failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to any of the parties hereto;

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) hereof and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(e) JMD or the District commences proceedings for dissolution or consolidation with another metropolitan district during the term of this Agreement.

**Section 4.02. Remedies for Events of Default.** Upon the occurrence and continuance of an Event of Default, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the

terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

## ARTICLE V

### MISCELLANEOUS

**Section 5.01. Pledge of District Pledged Revenue.** The creation, perfection, enforcement and priority of the pledge of the District Pledged Revenue to secure or pay the Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Pledge Agreement. The District Pledged Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing or further act. The lien of such pledge shall be valid, binding and enforceable as against all persons having claims of any kind in tort, contract or otherwise against the District irrespective of whether such persons have notice of such liens.

**Section 5.02. No Recourse against Officers and Agents.** Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of Directors of the District, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty or otherwise. By the acceptance of this Pledge Agreement and as a part of the consideration hereof, each of the District and JMD specifically waives any such recourse.

**Section 5.03. Conclusive Recital.** Pursuant to Section 11-57-210 of the Supplemental Act, this Pledge Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this Pledge Agreement after its delivery for value.

**Section 5.04. Limitation of Actions.** Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution or delivery of this Pledge Agreement shall be commenced more than 30 days after the authorization of this Pledge Agreement.

**Section 5.05. Notices.** Except as otherwise provided herein, all notices, consents or approvals required or permitted to be given under this Pledge Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, or air freight, to the following addresses:

To the District:

Panorama Metropolitan District  
c/o McGeady Becher P.C.  
450 East 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203  
Attention: MaryAnn McGeady  
Facsimile: 303-592-4385  
E-mail: mmcgeady@specialdistrictlaw.com



To JMD: Jones Metropolitan District No. 1  
c/o McGeady Becher P.C.  
450 East 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203  
Attention: MaryAnn McGeady  
Facsimile: 303-592-4385  
E-mail: mmcgeady@specialdistrictlaw.com

To the Carr Owner: East Panorama Associates, LLC  
c/o EverWest Real Estate Investors  
1099 18<sup>th</sup> Street, Suite 2900  
Denver, Colorado 80202  
Attention: Krystal Arceneaux  
E-mail: krystal.arceneaux@everwest.com

All notices or documents delivered or required to be delivered under the provisions of this Pledge Agreement shall be deemed received one day after hand delivery or three days after mailing. Any of the District, JMD or the Carr Owner by written notice so provided may change its respective address to which future notices shall be sent.

**Section 5.06. Miscellaneous.**

(a) This Pledge Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Pledge Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Pledge Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Pledge Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Pledge Agreement.

(b) If any term or provision of this Pledge Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Pledge Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Pledge Agreement. If any provision or part thereof of this Pledge Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) It is intended that there be no third party beneficiaries of this Pledge Agreement, except for the Carr Owner and any trustee or other allowable assignee described in Section 5.06(d) hereof. Nothing contained herein, expressed or implied, is intended to give to any person other than the parties hereto and the Carr Owner (with respect to any claim that adversely affects the property of the Carr Owner) any claim, remedy or right under or pursuant hereto, and any agreement, condition, covenant or term

contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) This Pledge Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties; provided, however, that JMD may assign any and all District Pledged Revenue received hereunder to any one or more of the Jones Metro Districts and/or any other entity created to be the issuer of bonds used to finance public improvements within the boundaries of the Jones Metro Districts and/or any trustee utilized in connection with such bond issuance; provided, however, that any such transfer or assignment shall also require an opinion of Bond Counsel that such assignment or transfer is permitted hereunder together with any other documentation which Bond Counsel may require in order to give such opinion.

(e) This Pledge Agreement shall be governed by and construed under the applicable laws of the State.

(f) This Pledge Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing, must be approved by the Carr Owner (which approval shall not be unreasonably withheld) and must be executed by all parties and is subject to the limitations and requirements of the Settlement Agreement and the Exclusion Agreement.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Pledge Agreement, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the District or JMD is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Pledge Agreement.

(h) Each party has participated fully in the review and revision of this Pledge Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Pledge Agreement. The language in this Pledge Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Pledge Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) The District and JMD shall have the right to access and review each other's records and accounts, on reasonable times during each of the District's and JMD's regular office hours, for purposes of determining compliance by such Districts with the terms of this Pledge Agreement. Such access shall be subject to the provisions of Public Records Act of the State contained in Article 72 of Title 24, C.R.S. In the event of disputes or

litigation between the parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

(k) The District and JMD each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and transfers as may reasonably be required for the performance of their obligations hereunder.

(l) In accordance with Section 2.03(h) hereof, JMD shall design, construct and acquire the Public Improvements described in Exhibit B attached hereto to serve the Exclusion Property in an amount that equals or exceeds \$15,000,000 on or before December 1, 2029; provided, however, that to the extent that any District Pledged Revenues remain in the District Account on the Pledge Agreement Termination Date and the conditions of this Section 5.06(l) have been not been satisfied by JMD with respect to a particular Public Improvement such that excess District Pledged Revenues exist which cannot be reimbursed to JMD in accordance with Section 2.03(h) hereof, any such excess amount of District Pledged Revenues in the District Account shall thereafter cease to be District Pledged Revenues hereunder and shall, instead, be applied by the District to any lawful purpose.

(m) At the time of execution of this Pledge Agreement, the District shall deliver to JMD an opinion of Bond Counsel that the Pledge Agreement is enforceable against the District subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

(n) For purposes of retiring the Series 2011 Bonds pursuant to the Settlement Agreement and the Series 2011 Resolution, the District hereby agrees not to refund the Series 2011 Bonds in a manner that would extend the maturities of such bonds.

**Section 5.07. Effective Date and Termination Date.** This Pledge Agreement shall become effective as of the date first written above and shall remain in effect until the Pledge Agreement Termination Date occurs.

[Remainder of Page Left Intentionally Blank]

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

**PANORAMA METROPOLITAN DISTRICT**

\_\_\_\_\_  
President

ATTESTED:

\_\_\_\_\_  
Assistant Secretary

**JONES METROPOLITAN DISTRICT NO. 1**

\_\_\_\_\_  
President

ATTESTED:

\_\_\_\_\_  
Assistant Secretary

[Signature Page 1 of 2 to Panorama MD Capital Pledge Agreement]

Section 2.03(g) of this Capital Pledge Agreement is hereby acknowledged by and consented to by the undersigned members of the Board of the District and East Panorama Associates, LLC, a Delaware limited liability company, as the Carr Owner, pursuant to Section 2.1(d) of the Settlement Agreement.

**East Panorama Associates, LLC**, a Delaware limited liability company, as the Carr Owner

By \_\_\_\_\_  
Authorized Signatory

**Board members of the District:**

By \_\_\_\_\_  
Name \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_

By \_\_\_\_\_  
Name \_\_\_\_\_

[Signature Page 2 of 2 to Panorama MD Capital Pledge Agreement]

**EXHIBIT A**

**BALLOT QUESTIONS OF THE DISTRICT FROM THE 2013 ELECTION**

[See attached]

## **EXHIBIT B**

### **PUBLIC IMPROVEMENTS**

The Public Improvements and the costs thereof include (i) the design/consultant costs, construction costs, insurance and bonding costs, fee and permitting costs, and completion costs of the streets, storm drainage, sewer and water lines, traffic signs, and landscaping installed within the rights-of-way for the following street segments and (ii) certain off-site street and signalization improvements and related traffic fees paid to the City as described in Exhibit B-1:

1. East Panorama Circle from South Chester Street to Panorama Circle extended (designated as Road Segment A on Exhibit B-2 attached hereto), which shall be completed in conformance with the location and design of Road Segment A as outlined in the 2nd Amendment to the Jones District Regulating Plan recorded in Arapahoe County, Colorado, on February 10, 2020 at Reception No. E0017420.

2. Panorama Circle extended from East Panorama Circle to Panorama Circle at its terminus in the District (designated as Road Segment B on Exhibit B-2 attached hereto), which shall be completed in conformance with the location and design of Road Segment B as outlined in the 2nd Amendment to the Jones District Regulating Plan recorded in Arapahoe County, Colorado, on February 10, 2020 at Reception No. E0017420.

3. Panorama Circle extended from East Panorama Circle to East Mineral Avenue (designated as Road Segment I on Exhibit B-2 attached hereto);

4. The easterly extension of East Panorama Circle from Panorama Circle extended to Dayton Street (designated as Road Segment D on Exhibit B-2 attached hereto);

5. Dayton Street from the existing RTD public plaza on Parcel 13 south to the southern boundary of the Jones Metro Districts (designated as Road Segments E, K and N on Exhibit B-2 attached hereto), except for any plaza improvements constructed on Parcel 12 as depicted on Exhibit B-2 attached hereto;

6. East Mineral Avenue from South Chester Street to Dayton Street (designated as Road Segments H and J on Exhibit B-2 attached hereto); and

7. If the costs of the Public Improvements listed in paragraphs 1-6 hereof do not equal or exceed the maximum Financing Costs secured by the Payment Obligation, the off-site street and signalization improvements and related traffic fees paid to the City as described in Exhibit B-1 may be financed hereunder.

**EXHIBIT B-1**

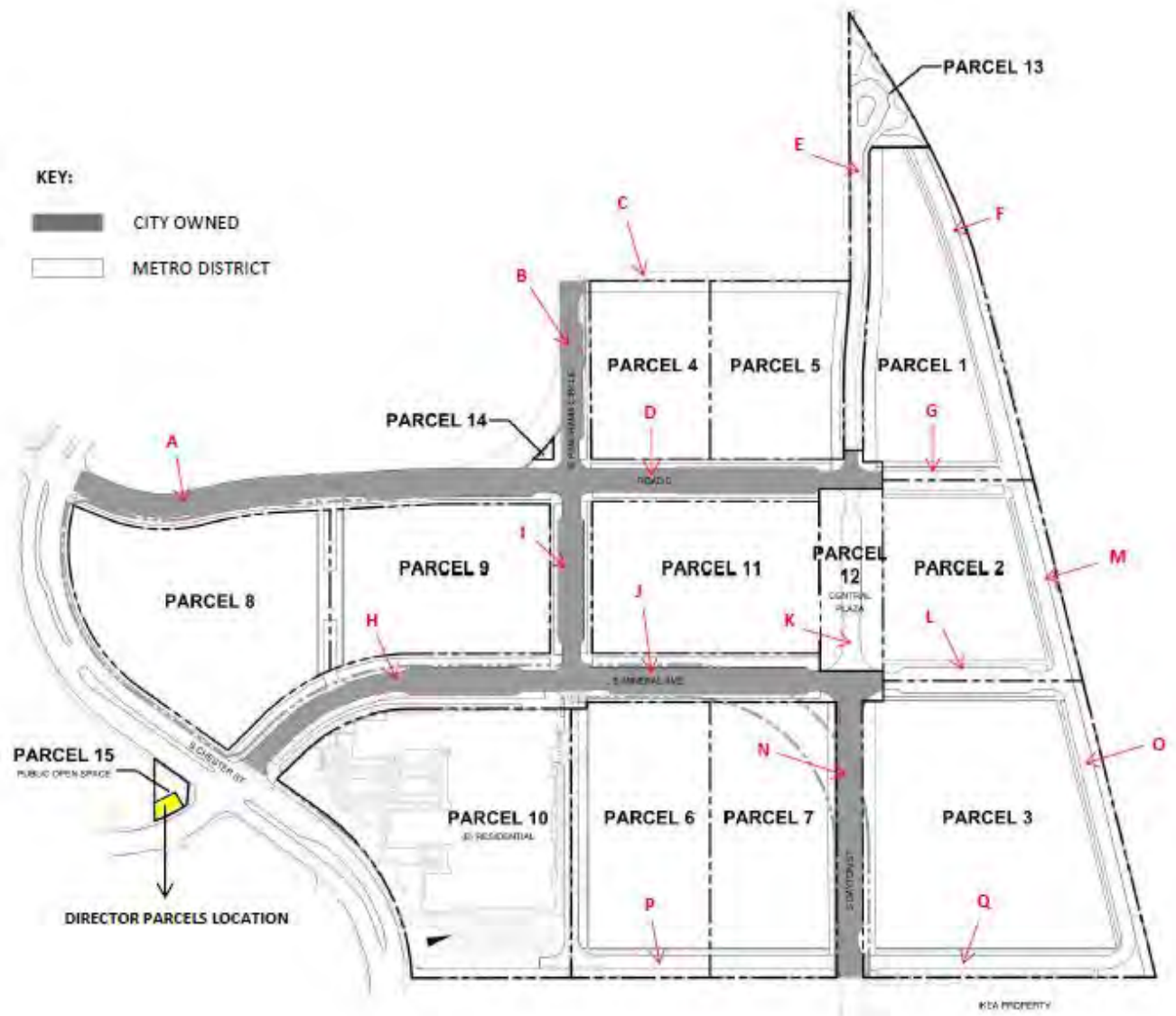
Intersection	Recommended Improvements	2019 Background (A)	2040 Background (B)	2040 w/ Jones District** (C)	Trips from Jones Development (D)	Maximum contribution for Jones Growth (E)	ECE (F)	Zone Designation	Jones Anticipated Portion
		ADT*	ADT*	ADT*	Change in ADT (C-B)	(D/B)			
Dry Creek & Yosemite (#1)	<ul style="list-style-type: none"> <li>3 Eastbound through lanes</li> <li>3 Westbound through lanes</li> </ul>	8809	9560	10660	1100	11.5%	\$ 1,803,000	1	\$ 207,458
Dry Creek & Chester (#2)	<ul style="list-style-type: none"> <li>Westbound triple left turn lanes</li> <li>Northbound free right turn lane</li> <li>Eastbound free right turn lane</li> </ul>	9096	10102	12931	2829	28.0%	\$ 1,948,700	2	\$ 545,721
Panorama & Chester (#6)	<ul style="list-style-type: none"> <li>Southbound dual left turn lanes</li> <li>Add receiving lane in East leg</li> </ul>	3795	4215	7042	2827	67.1%	\$ 563,500	2	\$ 377,939
Mineral Cr. & Chester (#7)	<ul style="list-style-type: none"> <li>Traffic signal</li> </ul>	2187	2429	4544	2115	87.1%	\$ 440,000	2	\$ 363,121
Mineral Ave & Chester (#8)	<ul style="list-style-type: none"> <li>Traffic signal</li> </ul>	2262	2513	4162	1649	65.6%	\$ 440,000	2	\$ 288,723
Otero & Chester (#14)	<ul style="list-style-type: none"> <li>Traffic signal</li> </ul>	2323	2578	4683	2295	88.6%	\$ 440,000	2	\$ 389,992
County Line & Quebec (#15)	<ul style="list-style-type: none"> <li>3 Eastbound through lanes</li> <li>3 Westbound through lanes</li> <li>Northbound free right turn lane</li> </ul>	11509	12669	13694	825	6.4%	\$ 1,942,300	1	\$ 124,516
County Line & Yosemite (#16)	<ul style="list-style-type: none"> <li>Southbound free right turn lane</li> </ul>	8196	9099	10035	936	10.3%	\$ 780,600	1	\$ 78,242
County Line & Chester (#17)	<ul style="list-style-type: none"> <li>Southbound triple left turn lanes</li> <li>Southbound free right turn lane</li> </ul>	7396	8213	10496	2205	27.8%	\$ 886,600	2	\$ 241,660
									\$ 2,637,371

\* ADT is Average Daily Traffic

\*\* This assumes full buildout in 2030 per the TIS



# EXHIBIT B-2



**EXHIBIT C**

**SAMPLE AMORTIZATION SCHEDULE PRESUMING 3.50% PER ANNUM  
INTEREST RATE ON \$15,000,000 MAXIMUM PRINCIPAL PAYMENT OBLIGATION**

[See attached]

## MEMORANDUM

To: Dan Metzger, Jones District, LLC and Krystal Arceneaux, Everwest Real Estate Investors

From: Jones Metropolitan District No. 1

Date: June 12, 2020

Re: Proposed Funding and Reimbursement Agreement/Jones MD 1, Jones and Everwest/Road A and Road B

The purpose of this Memorandum is to set forth the terms of a proposed Funding and Reimbursement Agreement between the Jones Metropolitan District No. 1, Jones and Everwest (“**FRA**”). A draft of the proposed FRA will be prepared for your review upon receipt of confirmation that these terms are acceptable to you.

**Parties:** Jones Metropolitan District No. 1 (the “**District**”)

Jones District, LLC (“**Jones**”)

Everwest Real Estate Investors (“**Everwest**”)

**Purpose:** To provide for completion of the construction of Road A and Road B in the segments indicated on a drawing to be attached to the FRA (“**Road A and Road B**”) on or before December 31, 2028 (the “**Completion Deadline**”).

### **The District Commitment:**

1. To issue Bonds to fund the design and construction of Road A and Road B within twelve (12) months of execution of the FRA (the “**Funding Deadline**”) and to complete the construction of Road A and Road B in accordance with plans and specifications approved by the City of Centennial (the “**City**”) on a schedule that will result in the preliminary acceptance of Road A and Road B on or before the Completion Deadline.

2. The District shall commit the first use of the proceeds in the project fund from its first issuance of Bonds to fund the design and construction of Road A and Road B and shall encumber funds in the project fund in an amount determined by the District’s engineer to be sufficient to complete the design and construction of Road A and Road B (the “**Encumbered Funds**”) by the Funding Deadline.

3. The District shall provide written notice to Jones and Everwest of its issuance of the Bonds, and its Encumbrance of the Funds and the Schedule for Construction of Road A and Road B, as defined below, within ten (10) days of closing on the issuance of the Bonds and Encumbrance of the Funds (the “**Funding Notice**”).

4. The District shall commit to initiate and pursue the completion of Road A and Road B on the schedule contained in the Funding Notice which construction shall begin no later than six (6) months after the issuance of the District Bonds and shall conclude with the preliminary acceptance of Road A and Road B by the City by no later than ten (10) months after the initiation of construction (the “**Schedule for Construction**”).

5. Jones and Everwest shall have whatever remedies are available in equity and in law to compel the completion of Road A and Road B on the Schedule for Construction provided in the Funding Notice.

**Step-In Rights:**

6. Both Jones and Everwest, shall have the right, but not the obligation, to step-in and advance the funds to the District to fund the design and construction of Road A and Road B if the District has not issued the Bonds, Encumbered the Funds and delivered the Funding Notice to Jones and Everwest by the Funding Deadline.

7. The first of either Jones or Everwest (the “**Developers**”), to deliver written notice to the District, which notice must be received by the District prior to the Completion Deadline, of its intent to step-in and advance the funds to the District to fund the completion of the design and construction of Road A and Road B (the “**Developer Advance Commitment Notice**”) shall be entitled to the reimbursement from the first Bond issuance of the District in an amount equal to the funds advanced, plus simple interest accruing at the annual rate of four (4%) percent from the date of deposit of the funds with the District through the date of repayment, so long as the funds advanced to the District are sufficient to complete the design and construction of Road A and Road B through final acceptance by the City of Road A and Road B (the “**Developer Advance**”).

8. The Parties acknowledge the District has entered into a Pledge Agreement with the Panorama Metropolitan District of even date herewith (the “**Pledge Agreement**”). Until such time as the District has issued Bonds and repaid the Developer Advance, the District shall use any funds received from the Panorama Metropolitan District from the Pledge Agreement to repay the Developer that provided the Developer Advance to the District for the completion of the design and construction Road A and Road B.

9. The FRA will terminate upon the last to occur of the following: (a) the District’s completion of Road A and Road B or (b) the District’s reimbursement of any Developer Advance.

Dan Metzger, Jones District, LLC and Krystal Arceneaux, Everwest Real Estate Investors  
June 12, 2020  
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