

DAKOTA RIDGE METROPOLITAN DISTRICT

8390 E CRESCENT PKWY., SUITE 300
GREENWOOD VILLAGE, COLORADO 80111

Phone: 303-779-5710

www.dakotaridgemd.com

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: July 20, 2023
TIME: 5:30 p.m.
LOCATION: Via Microsoft Teams

You can attend the meetings in any of the following ways:

1. To attend via Microsoft Teams Videoconference use the below link:
2. https://teams.microsoft.com/l/meetup-join/19%3ameeting_NWYzMmI2MTYtMjE1NC00YjA1LWJlNmMtYjRkNzljMDE0MzAy%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%229bf4c29b-a9c8-46b4-a6c0-c1ed7cba4824%22%7d
3. To attend via telephone, dial 720-547-5281 and enter the following additional information:

ACCESS:

Conference ID: 779 076 810#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
Chelsey Green		May, 2025
Lisa Albers		May, 2027
Vacant		May, 2025
Vacant		May, 2025
Vacant		May, 2025

I. ADMINISTRATIVE MATTERS

- A. Present disclosures of potential conflicts of interest.
- B. Confirm quorum, location of meeting and posting of meeting notices, and designate 24-hour posting location. Approve Agenda.
- C. Public Comment.

Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

- D. Review and consider approval of minutes from the November 2, 2022, regular board meeting (enclosure).
- E. Discuss the results of the May 2, 2023 Regular Director Election.
- F. Confirm filing Oath of Office.
- G. Discuss Board vacancy and consider appointment of eligible elector Pat Iffrig to the Board of Directors.
- H. Consider appointment of officers.

President:

Secretary: _____

Treasurer _____

Assistant Secretary: _____

Assistant Secretary: _____

II. FINANCIAL MATTERS

- A. Approve and/or ratify approval of payment of claims in the amount of \$58,078.19 (enclosure).
- B. Review and consider approval of March 31, 2023 Unaudited Financial Statements (enclosure).
- C. Review and consider approval of draft 2022 Audit (enclosure).

III. LEGAL MATTERS

- A. Ratified approval of Service Agreement with Waste Connections (enclosure).
- B. Consider Rescindment of Section 4.7 Regarding Basketball Hoops and Consider Approval of Revised Rules and Regulations (enclosure).
- C. Discuss legislative changes that may impact the District / Annual Meeting requirement.

IV. MANAGER MATTERS

- A. Other.

V. COVENANT ENFORCEMENT/DESIGN REVIEW

- A. Review and consider guidelines for Covenant Enforcement and Collection Policy.

VI. OTHER BUSINESS

A. Other

VII. ADJOURNMENT

The next regular meeting is scheduled for Wednesday, November 1, 2023 at 6:00 PM.

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
DAKOTA RIDGE METROPOLITAN DISTRICT (THE “**DISTRICT**”)
HELD
November 2, 2022

A regular meeting of the Board of Directors of the Dakota Ridge Metropolitan District (referred to hereafter as the “**Board**”) was convened on November 2, 2022, at 6:00 p.m. at the offices of CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, Colorado 80111. This Board meeting was also held virtually via Microsoft Teams and by conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Chelsey Green
Lisa Albers

Director Freeman was absent and excused.

Also, In Attendance Were:

Paula Williams, Esq.: McGeady Becher P.C.
Denise Denslow, Ashley Heidt, and Jenna Trujillo; CliftonLarsonAllen LLP (“**CLA**”)
Jarrod Walker; Meritage Homes of Colorado, Inc.

CALL TO ORDER

Director Green called the meeting to order.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The Board discussed the requirements of Colorado law to disclose any potential conflicts of interest or potential breaches of fiduciary duty of the Board of Directors to the Secretary of State. The members of the Board were requested to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with statute. It was noted by Ms. Denslow that disclosures of potential conflicts of interest were filed with the Secretary of State for all directors, and no additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Quorum, Confirmation of Meeting Location, Posting of Notice, and Agenda: Ms. Denslow confirmed the presence of a quorum.

The Board reviewed the Agenda for the meeting. Following review, upon motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the Agenda, as amended, and excused the absence of Director Freeman.

RECORD OF PROCEEDINGS

Public Comment: There were no public comments.

March 15, 2022 Special Meeting Minutes: Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the March 15, 2022 Special Meeting Minutes.

Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Denslow reviewed Resolution No. 2022-11-01 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices with the Board. Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote unanimously carried, the Board adopted Resolution No. 2022-11-01 Establishing Regular Meeting Dates, Time, and Location, and Designating Location for Posting of 24-Hour Notices, establishing their meeting dates for 2023 as June 7, 2023 at 6:00 p.m. and November 1, 2023 at 6:00 p.m.

Section 32-1-306 C.R.S. Requirements (Annual Map Filing): Following discussion, Director Green directed CLA to coordinate the annual map filing to meet the annual statutory requirements.

2023 Insurance Renewal: Ms. Denslow reviewed the insurance renewal documents from T. Charles Wilson. Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the 2023 Insurance Renewal.

Resignation of Directors Michelle Trujillo and Shannon Pachikara from the Board of Directors of the District: The Board acknowledged the resignation of Directors Michelle Trujillo and Shannon Pachikara from the Board of Directors.

Board Vacancies: The Board discussed the vacancy on the Board. It was noted that pursuant to Section 32-1-808(2)(a)(I), C.R.S., publication of a Notice of Vacancy on the Board was published in a newspaper having general circulation in the District and that no Letters of Interest from qualified eligible electors were received within ten (10) days of the date of such publication.

As such, eligible elector, Jarrod Walker, was nominated to serve on the Board. Following discussion, upon motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board appointed Jarrod Walker to fill the vacancy on the Board. The Oath of Office was administered.

RECORD OF PROCEEDINGS

Appointment of Officers: Following discussion, upon motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the following slate of officers were appointed for the District:

President: Chelsey Green
 Secretary: Jarrod Walker
 Treasurer: Melanie Freeman
 Assistant Secretary: Lisa Albers

Other: None.

FINANCIAL MATTERS

Payment of Claims: Ms. Trujillo reviewed the claims with the Board. Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the claims in the amount of \$19,348.03

September 30, 2022 Unaudited Financial Statements (the “Financial Statements”): Ms. Trujillo reviewed the financial statements with the Board. Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the September 30, 2022 Financial Statements, as presented.

Public Hearing on Amendment to 2022 Budget: Director Green opened the public hearing to consider an amendment to the 2022 Budget.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

Ms. Trujillo noted the need to amend the total expenditures in the Capital Project Fund due to the Cost Certificate Reimbursement.

Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-11-02 to Amend the 2022 Budget.

Public Hearing on 2023 Budget: Director Green opened the public hearing to consider the proposed 2023 Budget and to discuss related issues.

It was noted that Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was published

RECORD OF PROCEEDINGS

pursuant to statute. No written objections were received prior to the public hearing.

No public comments were received, and the public hearing was closed.

The Board reviewed the estimated 2022 expenditures and the proposed 2023 expenditures.

Upon motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the 2023 Budget, as discussed, and considered adoption of Resolution No. 2022-11-03 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-11-04 to Set Mill Levies (27.000 mills in the General Fund and 50.000 mills in the Debt Service Fund, for a total mill levy of 77.000 mills) (the “**Resolutions**”). Following discussion, upon vote unanimously carried, the Board adopted the Resolutions and authorized execution of the Certification of Budget. The District Accountant was directed to transmit the Certification of Tax Levies to the Board of County Commissioners of Jefferson County not later than December 15, 2022. District Counsel was directed to transmit the Certification of Budget to the Division of Local Government no later than January 30, 2023.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: Attorney Williams noted that this was not needed for the District. No further action was taken.

DLG-70 Mill Levy Certification Form: Following discussion, upon motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the DLG-70 Mill Levy Certification Form for certification to the Board of County Commissioners and other interested parties. Director Green was appointed to sign the DLG-70 Mill Levy Certification Form.

Preparation of 2024 Budget: Following discussion, upon a motion duly made by Director Green, Seconded by Director Albers and, upon vote, unanimously carried, the board gave direction for the District Accountant to prepare the 2024 budget.

Preparation of 2022 Audit: Attorney Williams discussed the statutory requirements for an audit, noting that the District will need to review the bond documents to confirm eligibility for filing an audit exemption. Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board authorized CLA to solicit proposals for an audit and appointed Director Green to make a final determination on auditor selection and execute the audit engagement letter.

RECORD OF PROCEEDINGS

Cost Certification in the amount of \$359,430 for reimbursement to Meritage Homes of Colorado, Inc.: Ms. Denslow reviewed the Cost Certification with the Board. Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board accepted the Cost Certification in the amount of \$359,430 for reimbursement to Meritage Homes of Colorado, Inc. and directed staff to prepare the requisition from the Project Fund for the reimbursement.

LEGAL MATTERS

Resolution Calling a Regular Election for Directors on May 2, 2023: Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote unanimously carried, the Board adopted Resolution No. 2022-11-05 Calling a May 2, 2023 Directors' Election which appointed Lisa Jacoby as the Designated Election Official, and authorized her to perform all tasks required for the May 2, 2023 Regular Election of the Board of Directors for the conduct of a mail ballot election.

Section 32-1-809, C.R.S. Requirements (Transparency Notice): Attorney Williams discussed the special district transparency requirements of Section 32-1-809, C.R.S. with the Board. Following discussion, the Board directed staff to post the special district transparency notice on the Special District Association website.

MANAGER MATTERS

CliftonLarsonAllen LLP Statement(s) of Work for 2023: Ms. Denslow reviewed the statements of work with the Board. Following review, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP Statement(s) of Work for 2023.

Pet Waste Removal Services: Director Green noted the need to solicit proposals for pet waste stations. Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board authorized CLA to solicit proposals, subject to review and approval by Director Green.

Trash Removal Services: Director Green noted the need to solicit proposals for trash removal services. Following discussion, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the Board authorized CLA to solicit proposals, subject to review and approval by Director Green.

COVENANT ENFORCEMENT/ DESIGN REVIEW

Guidelines for Covenant Enforcement and Collection Policy: This item was deferred.

Rules and Regulation Regarding Use of District Owned Property: This

RECORD OF PROCEEDINGS

item was deferred.

OTHER BUSINESS

Other: Director Albers asked about trash fees. Attorney Williams asked about website compliance.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Green, seconded by Director Albers and, upon vote, unanimously carried, the meeting was adjourned at 6:39 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

**Dakota Ridge Metro District
Claims for Approval November
3, 2022 - July 13, 2023**

<u>Process Date</u>	<u>Vendor</u>	<u>Invoice Number</u>	<u>Amount</u>
11/30/2022	CliftonLarsonAllen LLP	Multiple	\$ 2,414.83
11/30/2022	Colorado Community Media	69617	52.68
11/30/2022	Colorado Special Districts Property and Liability Pool	23PL-308-1900	2,076.00
11/30/2022	McGeady Becher P.C	1470WSep22	965.34
11/30/2022	TCW Risk Management	11758	495.00
12/5/2022	CliftonLarsonAllen LLP	Multiple	3,673.69
12/5/2022	Kimley Horn & Associates Inc.	22882368	1,043.39
12/5/2022	McGeady Becher P.C	1470WOct22	3,985.92
1/10/2023	CliftonLarsonAllen LLP	3504854	1,740.64
1/10/2023	McGeady Becher P.C	1470WNov22	1,625.00
1/26/2023	Colorado Special Districts Property and Liability Pool	23WC-308-0500	450.00
2/9/2023	CliftonLarsonAllen LLP	Multiple	4,382.19
2/9/2023	McGeady Becher P.C	1470WDec22	1,086.00
4/4/2023	CliftonLarsonAllen LLP	Multiple	10,026.05
4/4/2023	McGeady Becher P.C	Multiple	5,683.87
4/4/2023	Special District Association	2023 Dues	400.31
4/4/2023	UMB Bank N.A.	943022	4,000.00
5/23/2023	CliftonLarsonAllen LLP	Multiple	6,372.82
5/23/2023	McGeady Becher P.C	1470MMar23	2,992.31
5/23/2023	Waste Connections of Colorado Inc	6949762V311	204.00
6/21/2023	CliftonLarsonAllen LLP	3716032	2,176.27
6/21/2023	CliftonLarsonAllen LLP	3725710	994.61
6/21/2023	McGeady Becher P.C	1470MApr23	1,132.21
6/21/2023	Waste Connections of Colorado Inc	7014995V311	105.06
		Grand Total	<u><u>\$ 58,078.19</u></u>

DAKOTA RIDGE METROPOLITAN DISTRICT
FINANCIAL STATEMENTS
MARCH 31, 2023

Dakota Ridge Metro District
Balance Sheet - Governmental Funds
 March 31, 2023

	General	Debt Service	Capital Projects	Total
Assets				
Checking Account	\$ 30,033	\$ 4,000	\$ -	\$ 34,033
Colotrust	362	887	-	1,248
UMB Project Fund	-	-	560	561
Receivable from County Treasurer	117	217	-	334
Total Assets	<u>\$ 30,512</u>	<u>\$ 5,104</u>	<u>\$ 560</u>	<u>\$ 36,176</u>
Liabilities				
Accounts payable	25,475	4,000	-	29,475
Total Liabilities	<u>25,475</u>	<u>4,000</u>	<u>-</u>	<u>29,475</u>
Fund Balances	<u>5,036</u>	<u>1,104</u>	<u>560</u>	<u>6,701</u>
Liabilities and Fund Balances	<u>\$ 30,512</u>	<u>\$ 5,104</u>	<u>\$ 560</u>	<u>\$ 36,176</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Dakota Ridge Metro District
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
System development fees	\$ 34,800.00	\$ 2,857.18	\$ 31,942.82
Property taxes	18,678.00	250.75	18,427.25
Specific ownership taxes	1,307.00	347.79	959.21
Interest income	100.00	2.92	97.08
Homeowner fees	56,760.00	-	56,760.00
Total Revenue	<u>111,645.00</u>	<u>3,458.64</u>	<u>108,186.36</u>
Expenditures			
Accounting	23,000.00	12,746.18	10,253.82
County Treasurer's fee	280.00	3.77	276.23
Dues and membership	-	400.31	(400.31)
Insurance	3,000.00	3,021.00	(21.00)
District management	20,000.00	3,652.69	16,347.31
Legal	20,000.00	7,250.23	12,749.77
Election	3,000.00	1,425.95	1,574.05
Landscaping	20,000.00	-	20,000.00
Snow removal	8,000.00	-	8,000.00
Utilities	15,000.00	-	15,000.00
Trash Collection	13,000.00	-	13,000.00
Engineering	15,000.00	-	15,000.00
Contingency	5,220.00	-	5,220.00
Reserves	11,500.00	-	11,500.00
Total Expenditures	<u>157,000.00</u>	<u>28,500.13</u>	<u>128,499.87</u>
Other Financing Sources (Uses)			
Developer advance	50,000.00	26,000.00	24,000.00
Total Other Financing Sources (Uses)	<u>50,000.00</u>	<u>26,000.00</u>	<u>24,000.00</u>
Net Change in Fund Balances	4,645.00	958.51	3,686.49
Fund Balance - Beginning	2,247.00	4,077.93	(1,830.93)
Fund Balance - Ending	<u>\$ 6,892.00</u>	<u>\$ 5,036.44</u>	<u>\$ 1,855.56</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Dakota Ridge Metro District
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 34,589.00	\$ 464.35	\$ 34,124.65
Specific ownership taxes	2,421.00	644.20	1,776.80
Interest income	200.00	2.21	197.79
Total Revenue	<u>37,210.00</u>	<u>1,110.76</u>	<u>36,099.24</u>
Expenditures			
County Treasurer's fee	519.00	6.96	512.04
Paying agent fees	6,000.00	4,000.00	2,000.00
Bond interest	139,658.00	-	139,658.00
Contingency	4,691.00	-	4,691.00
Total Expenditures	<u>150,868.00</u>	<u>4,006.96</u>	<u>146,861.04</u>
Other Financing Sources (Uses)			
Developer advance	-	4,000.00	(4,000.00)
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,000.00</u>	<u>(4,000.00)</u>
Net Change in Fund Balances	(113,658.00)	1,103.80	(114,761.80)
Fund Balance - Beginning	113,658.00	-	113,658.00
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,103.80</u>	<u>\$ (1,103.80)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Dakota Ridge Metro District
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ -	\$ 6.44	\$ (6.44)
Total Revenue	<u>-</u>	<u>6.44</u>	<u>(6.44)</u>
Net Change in Fund Balances	-	6.44	(6.44)
Fund Balance - Beginning	-	554.03	(554.03)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 560.47</u>	<u>\$ (560.47)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DAKOTA RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

SERVICES PROVIDED

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by Jefferson County on September 28, 2021.

The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

REVENUES

Property Taxes

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

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

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DAKOTA RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

EXPENDITURES

Administrative and Operating Expenditures

Operating and administrative expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance and meeting expense. Estimated expenditures related to street repairs and maintenance, street lights, street sweeping, landscaping, mowing, parks and open space maintenance, utilities and snow removal were also included the General Fund budget.

County Treasurer's Fees

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

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

Debt and Leases

General Obligation Limited Tax Bonds, Series 2022A(3) (the "Series 2022A(3) Bonds"). The District issued the Series 2022A(3) Bonds on March 15, 2022, in the par amount of \$2,339,000. Proceeds from the sale of the Series 2022A(3) Bonds will be used for (a) financing or reimbursing a portion of the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the Development; and (b) paying the costs of issuing the Bonds. The Series 2022A(3) Bonds bear interest at the rate of 6.000% and are payable annually December 1, commencing December 1, 2022. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. The Series 2022A(3) Bonds mature on December 1, 2052 and are subject to mandatory redemption to the extent of available Pledged Revenues.

The 2022A(3) Bonds are secured by and payable from Pledged Revenue consisting of monies derived by the District from the following sources, net of any collection costs: (1) the Required Mill Levy, (2) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy, and (3) any other legally available monies which the District determines to be treated as Pledged Revenue. The Required Mill Levy means an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal, premium if any, and interest on the 2022A(3) Bonds as the same become due and payable but not in excess of 50.00 mills, provided however, that in the event the method of calculating assessed valuation is or was changed after January 1, 2021, the maximum mill levy will be increased or decreased to reflect such changes.

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**DAKOTA RIDGE METROPOLITAN DISTRICT
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

The Series 2022A(3) Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2027, to February 29, 2028	3.00%
March 1, 2028, to February 28, 2029	2.00
March 1, 2029, to February 28, 2030	1.00
March 1, 2030, and thereafter	0.00

The District has no operating or capital leases

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

Dakota Ridge Metropolitan District
Schedule of Cash Position
March 31, 2023
Updated as of May 4, 2023

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>	<u>Total</u>
<u>First Bank Checking</u>				
Balance as of 03/31/23	\$ 30,032.88	\$ 4,000.00	\$ -	\$ 34,032.88
Subsequent activities:				
4/3/2023 Bill.com Payables	(16,110.23)	(4,000.00)	-	(20,110.23)
<i>Anticipated activities:</i>				
<i>Anticipated bill.com payables in queue</i>	(9,365.13)	-	-	(9,365.13)
<i>Anticipated Balance</i>	<u>\$ 4,557.52</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,557.52</u>
<u>ColoTrust</u>				
Balance as of 03/31/23	\$ 361.62	\$ 886.53	\$ -	\$ 1,248.15
Subsequent activities:				
4/10/2023 Property Tax Receipt	117.30	217.27	-	334.57
4/30/2023 Interest Income	1.78	4.38	-	6.16
<i>Anticipated activities:</i>				
<i>Anticipated Balance</i>	<u>\$ 480.70</u>	<u>\$ 1,108.18</u>	<u>\$ -</u>	<u>\$ 1,588.88</u>
<u>UMB - 2022 Project Fund</u>				
Balance as of 03/31/23	\$ -	\$ -	\$ 560.47	\$ 560.47
Subsequent activities:				
<i>Anticipated activities:</i>				
<i>Anticipated Balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 560.47</u>	<u>\$ 560.47</u>
<i>Total Anticipated Balance</i>	<u>\$ 5,038.22</u>	<u>\$ 1,108.18</u>	<u>\$ 560.47</u>	<u>\$ 6,706.87</u>

Yield information: (as of 03/31/23)

ColoTrust - 4.86%

UMB - 4.94%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

DAKOTA RIDGE METROPOLITAN DISTRICT
Property Taxes Reconciliation
2023

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due To County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 338.20	\$ -	-	\$ -	338.20	0.00%	0.00%	0.97	0.00%	0.00%
February	715.10	-	319.22	-	(10.73)	-	1,023.59	1.34%	1.34%	0.04	0.00%	0.00%
March	-	-	334.57	-	-	-	334.57	0.00%	1.34%	1.41	0.00%	0.00%
April	-	-	-	-	-	-	-	0.00%	1.34%	0.74	0.00%	0.00%
May	-	-	-	-	-	-	-	0.00%	1.34%	0.96	0.00%	0.00%
June	-	-	-	-	-	-	-	0.00%	1.34%	156.53	99.43%	99.43%
July	-	-	-	-	-	-	-	0.00%	1.34%	0.99	0.00%	99.43%
August	-	-	-	-	-	-	-	0.00%	1.34%	0.97	0.00%	99.43%
September	-	-	-	-	-	-	-	0.00%	1.34%	0.97	0.00%	99.43%
October	-	-	-	-	-	-	-	0.00%	1.34%	1.02	0.00%	99.43%
November	-	-	-	-	-	-	-	0.00%	1.34%	0.83	0.00%	99.43%
December	-	-	-	-	-	-	-	0.00%	1.34%	0.90	0.00%	99.43%
\$	715.10	\$ -	\$ 991.99	\$ -	\$ (10.73)	\$ -	\$ 1,696.36	1.34%	1.34%	\$ 166.33	99.43%	99.43%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
\$ 18,678.00	35.06%	\$ 250.75	1.34%
34,589.00	64.94%	464.35	1.34%
\$ 53,267.00	100.00%	\$ 715.10	1.34%

Property Tax

General Fund
 Debt Service Fund

Specific Ownership Tax

General Fund
 Debt Service Fund

Treasurer's Fees

General Fund
 Debt Service Fund

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

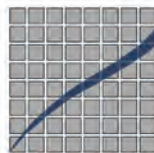
**DAKOTA RIDGE METROPOLITAN
DISTRICT
Jefferson County, Colorado**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2022

**DAKOTA RIDGE METROPOLITAN DISTRICT
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YEAR ENDED DECEMBER 31, 2022**

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Dakota Ridge Metropolitan District
Jefferson County, Colorado

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it

exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in

accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

BiggsKofford, P.C.

Colorado Springs, Colorado
May 31, 2023

BASIC FINANCIAL STATEMENTS

**DAKOTA RIDGE METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments - Unrestricted	\$ 10,231
Cash and Investments - Restricted	654
Accounts Receivable - County Treasurer	10
Property Taxes Receivable	53,267
Prepaid Expenses	2,571
Capital Assets, Not Being Depreciated:	2,103,906
Total Assets	2,170,639
LIABILITIES	
Accounts Payable	8,834
Noncurrent Liabilities:	
Due in More Than One Year	2,520,227
Total Liabilities	2,529,061
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	53,267
Total Deferred Inflows of Resources	53,267
NET POSITION	
Restricted For:	
Emergency Reserves	100
Capital	554
Unrestricted	(412,343)
Total Net Position	\$ (411,689)

See accompanying Notes to Basic Financial Statements.

**DAKOTA RIDGE METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	\$ 60,724	\$ -	\$ -	\$ -	\$ (60,724)
Interest and Related Costs on Long-Term Debt	357,067	-	-	-	(357,067)
Total Governmental Activities	\$ 417,791	\$ -	\$ -	\$ -	(417,791)
GENERAL REVENUES					
Property Taxes					2,140
Specific Ownership Taxes					147
Net Investment Income					3,815
Total General Revenues					6,102
CHANGE IN NET POSITION					(411,689)
Net Position - Beginning of Year					-
NET POSITION - END OF YEAR					\$ (411,689)

See accompanying Notes to Basic Financial Statements.

**DAKOTA RIDGE METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments - Unrestricted	\$ 10,231	\$ -	\$ -	\$ 10,231
Cash and Investments - Restricted	100	-	554	654
Accounts Receivable - County Treasurer	10	-	-	10
Property Taxes Receivable	18,678	34,589	-	53,267
Prepaid Insurance	2,571	-	-	2,571
	<u>\$ 31,590</u>	<u>\$ 34,589</u>	<u>\$ 554</u>	<u>\$ 66,733</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 8,834	\$ -	\$ -	\$ 8,834
Total Liabilities	8,834	-	-	8,834
DEFERRED INFLOWS OF RESOURCES				
Property Tax Revenue	18,678	34,589	-	53,267
Total Deferred Inflows of Resources	18,678	34,589	-	53,267
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	2,571	-	-	2,571
Restricted For:				
Emergencies (TABOR)	100	-	-	100
Capital Projects	-	-	554	554
Unassigned	1,407	-	-	1,407
Total Fund Balances	<u>4,078</u>	<u>-</u>	<u>554</u>	<u>4,632</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,590</u>	<u>\$ 34,589</u>	<u>\$ 554</u>	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				2,103,906
Long-term liabilities, including Developer advances payable and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.				
Bonds Payable				(2,339,000)
Accrued Interest Payable - Bonds				(116,950)
Developer Advance Payable				(62,510)
Developer Advance Payable - Accrued Interest				(1,767)
Net Position of Governmental Activities				<u>\$ (411,689)</u>

See accompanying Notes to Basic Financial Statements.

DAKOTA RIDGE METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 2,140	\$ -	\$ -	\$ 2,140
Specific Ownership Taxes	147	-	-	147
Interest Income	5	-	3,810	3,815
Total Revenues	<u>2,292</u>	<u>-</u>	<u>3,810</u>	<u>6,102</u>
EXPENDITURES				
General:				
Accounting	17,327	-	-	17,327
County Treasurer's Fees	32	-	-	32
District Management	12,498	-	-	12,498
Election	2,175	-	-	2,175
Engineering	6,386	-	-	6,386
Insurance	2,507	-	-	2,507
Legal	19,746	-	-	19,746
Miscellaneous	53	-	-	53
Debt Service:				
Paying Agent Fees	-	6,000	-	6,000
Bond Issue Costs	-	-	232,350	232,350
Capital Projects:				
Capital Outlay	-	-	2,103,906	2,103,906
Total Expenditures	<u>60,724</u>	<u>6,000</u>	<u>2,336,256</u>	<u>2,402,980</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(58,432)	(6,000)	(2,332,446)	(2,396,878)
OTHER FINANCING SOURCES (USES)				
Developer Advance	62,510	-	1,785,000	1,847,510
Repay Developer Advances	-	-	(1,785,000)	(1,785,000)
Bond Proceeds	-	-	2,339,000	2,339,000
Transfers from Other Funds	-	6,000	-	6,000
Transfers to Other Funds	-	-	(6,000)	(6,000)
Total Other Financing Sources (Uses)	<u>62,510</u>	<u>6,000</u>	<u>2,333,000</u>	<u>2,401,510</u>
NET CHANGE IN FUND BALANCES	4,078	-	554	4,632
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,078</u>	<u>\$ -</u>	<u>\$ 554</u>	<u>\$ 4,632</u>

See accompanying Notes to Basic Financial Statements.

DAKOTA RIDGE METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Governmental Funds \$ 4,632

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

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense, the allocation of the cost of any depreciable asset over the estimated useful life of the asset. Capital outlay, the conveyance of capital assets to other governments and depreciation expense in the current period are as follows:

Capital Outlay 2,103,906

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

Bond Issuance (2,339,000)
Developer Advances (62,510)
Developer Advance - Infrastructure (1,785,000)

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

Repayment of Developer Advances 1,785,000
Accrued Interest on Bonds - Change in Liability (116,950)
Accrued Interest on Developer Advance - Change in Liability (1,767)

Change in Net Position of Governmental Activities \$ (411,689)

**DAKOTA RIDGE METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,140	\$ 2,140	\$ -
Specific Ownership Taxes	-	147	147
Net Investment Income	-	5	5
Total Revenues	<u>2,140</u>	<u>2,292</u>	<u>152</u>
EXPENDITURES			
General:			
Accounting	20,000	17,327	2,673
County Treasurer's Fees	-	32	(32)
District Management	18,000	12,498	5,502
Election	3,000	2,175	825
Engineering	-	6,386	(6,386)
Insurance	3,000	2,507	493
Landscaping	20,000	-	20,000
Legal	25,000	19,746	5,254
Miscellaneous	-	53	(53)
Reserve	11,500	-	11,500
Snow Removal	8,000	-	8,000
Trash Collection	11,000	-	11,000
Utilities	15,000	-	15,000
Contingency	7,000	-	7,000
Total Expenditures	<u>141,500</u>	<u>60,724</u>	<u>80,776</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(139,360)	(58,432)	80,928
OTHER FINANCING SOURCES (USES)			
Developer Advances	150,000	62,510	(87,490)
Total Other Financing Sources (Uses)	<u>150,000</u>	<u>62,510</u>	<u>(87,490)</u>
NET CHANGE IN FUND BALANCE	10,640	4,078	(6,562)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 10,640</u>	<u>\$ 4,078</u>	<u>\$ (6,562)</u>

See accompanying Notes to Basic Financial Statements.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Dakota Ridge Metropolitan District (the District), a quasi-municipal corporation and a political subdivision of the state of Colorado, was organized by order and decree of the District Court for Jefferson County, Colorado recorded on September 28, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was established to provide financing for the design, acquisition, installation, construction and completion of public improvements and services, including water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation and mosquito control improvements and services.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

The statement of net position reports all financial and capital resources of the District. The difference between the assets, deferred outflow of resources, liabilities, and deferred inflow of resources of the District is reported as net position.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

The District reports the following major governmental funds:

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

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

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

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2022.

Pooled Cash and Investments

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

Property Taxes

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

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include infrastructure (e.g., storm drainage, streets, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets which are anticipated to be conveyed to other governmental entities, as well as capital assets being constructed which the District may operate and maintain, are recorded as construction in progress. Construction in progress is not being depreciated and is not included in the calculation of Net Investment in Capital Assets component of the District's net position.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation on property that will remain assets of the District is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

Deferred Inflows of Resources

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

Equity

Net Position

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

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

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

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

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

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

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

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

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

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 10,231
Cash and Investments - Restricted	654
Total Cash and Investments	<u>\$ 10,885</u>

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

Deposits with Financial Institutions	\$ 10,293
Investments	592
Total Cash and Investments	<u>\$ 10,885</u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$10,293.

Investments

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

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

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

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2022, the District has the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	\$ <u>592</u>

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (continued)

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by *Standard & Poor's*. COLOTRUST EDGE is rated AAAs/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

NOTE 4 CAPITAL ASSETS

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

<u>By Classification</u>	<u>Balance - December 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance - December 31, 2022</u>
Capital Assets, Not Being Depreciated:				
Construction in Process	\$ -	\$ 2,103,906	\$ -	\$ 2,103,906
Total Capital Assets, Not Being Depreciated	<u>\$ -</u>	<u>\$ 2,103,906</u>	<u>\$ -</u>	<u>\$ 2,103,906</u>

No depreciation expense was recognized in 2022.

NOTE 5 LONG-TERM OBLIGATIONS

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

	<u>Balance - December 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance - December 31, 2022</u>	<u>Due Within One Year</u>
Limited Tax General Obligation Bonds:					
Senior - Series 2022A	\$ -	\$ 2,339,000	\$ -	\$ 2,339,000	\$ -
Accrued Interest on Senior - Series 2022A	-	116,950	-	116,950	-
Developer Advances - O&M	-	62,510	-	62,510	-
Developer Advances - Capital	-	1,785,000	1,785,000	-	-
Accrued Interest on Developer Advances - O&M	-	1,767	-	1,767	-
Total	<u>\$ -</u>	<u>\$ 4,305,227</u>	<u>\$ 1,785,000</u>	<u>\$ 2,520,227</u>	<u>\$ -</u>

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

The details of the District's general obligation bonds outstanding during 2022 are as follows:

General Obligation Limited Tax Bonds, Series 2022A(3) (the Bonds)

Bond Proceeds

The District issued the Bonds on March 15, 2022, in the par amount of \$2,339,000. Proceeds from the sale of the Bonds were used to pay the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the development and to pay the costs of issuing the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 6.00% per annum and are payable annually on December 1, beginning on December 1, 2022, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2052 and are subject to mandatory redemption to the extent of available Pledged Revenue.

Termination Events

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the maturity date. Unpaid interest on the Bonds compounds annually on each December 1. All of the Bonds and interest thereon shall be deemed to be paid and discharged on December 2, 2062, regardless of the amount of principal and interest paid prior to this date.

The Bonds may be subject to acceleration only pursuant to mandatory redemption provisions as described in the Indenture. The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Senior Bonds.

Events of Default of the Bonds

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture.

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on March 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
March 1, 2027 to February 29, 2028	3.00%
March 1, 2028 to February 28, 2029	2.00
March 1, 2029 to February 28, 2030	1.00
March 1, 2030 and thereafter	0.00

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 50.000 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2021) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Unused Lines of Credit

The Series 2022A Bonds do not have any unused lines of credit.

Collateral

No assets have been pledged as collateral on the Series 2022A Bonds.

Acceleration

Except as disclose above, the Series 2022A Bonds are not subject to acceleration.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Debt Authorization

At an election held November 2, 2021, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed \$45,500,000 for providing public improvements.

	Authorized November 2, 2021 Election	Authorization Used, Series 2022 Bonds	Remaining at December 31, 2022
Streets	\$ 3,500,000	\$ 935,600	\$ 2,564,400
Parks and Recreation	3,500,000	116,950	3,383,050
Water	3,500,000	584,750	2,915,250
Sanitary	3,500,000	701,700	2,798,300
Sanitary Sewer	3,500,000	-	3,500,000
Public Transportation	3,500,000	-	3,500,000
Mosquito Control	3,500,000	-	3,500,000
Safety Protection	3,500,000	-	3,500,000
Television Relay	3,500,000	-	3,500,000
Security Services	3,500,000	-	3,500,000
O&M Debt	3,500,000	-	3,500,000
Refundings	3,500,000	-	3,500,000
IGA Debt	3,500,000	-	3,500,000
Total	<u>\$ 45,500,000</u>	<u>\$ 2,339,000</u>	<u>\$ 43,161,000</u>

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to \$3,500,000. Following the issuance of the Series 2022A(3) Bonds, there is \$1,161,000 Service Plan debt authorization remaining. The limitations of the Service Plan may be modified or amended.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergencies	\$ 100
Capital	554
Total Restricted Net Position	<u>\$ 654</u>

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS

Operation Funding Agreement

On November 18, 2021, the District entered into Operation Funding Agreement (the Agreement) with Meritage Homes of Colorado Inc. (“Developer”), to repay advances made by the Developer for Operations costs of the District. Pursuant to the Operation Funding Agreement, the District has determined to provide funding for the District’s Operations Costs on behalf of or to the District consistent with the public objectives and purpose of the District. The Developer agreed to advance or expend funds on behalf of the District in maximum advance amount of \$300,000 which funds would be available to the District through December 31, 2023.

The District agreed to repay Developer for such advances plus accrued interest at the rate of 8.00%. The parties agreed and acknowledged that the Developer has incurred costs on behalf of the District prior to execution of the Agreement in anticipation that the same would be reimbursed by the District. As of December 31, 2022, the District acknowledged that the Developer has made Advances to the District in the total amount of \$62,510.

The term of this Agreement shall commence on November 18, 2021, and shall expire on December 31, 2023, unless terminated earlier by the mutual agreement of the Parties. Any obligation of Developer to advance funds will expire on March 15, 2024. Any obligation of District to reimburse Developer shall expire on December 31, 2063. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2063, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

Facilities Funding and Acquisition Agreement

On November 18, 2021, the District entered into Advance and Reimbursement and Facilities Acquisition Agreement (the FFAA) with Developer. The FFAA establishes the terms and conditions (a) upon which Developer may advance funds to or expend funds on behalf of the District for District Eligible Costs, and (b) upon which the District may make reimbursement to Developer for such advances and/or expenditures. The Parties acknowledge that the District does not presently have the funds to construct the Public Improvements, but in furtherance of the purposes of the District as expressed in the Service Plan, the FFAA provides a means by which the District may reimburse the Developer for certain Certified District Eligible Costs of Public Improvements financed and constructed by the Developer or for which the Developer advanced funds to the District to finance and construct. The District is authorized to accept any Public Improvements and/or District Eligible Costs for reimbursement.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 AGREEMENTS (CONTINUED)

Facilities Funding and Acquisition Agreement (continued)

The Developer agreed to advance funds or expend funds on behalf of the District for District Eligible Costs in one or more installments, provided that in no event shall the total amount that the Developer shall be obligated to advance to the District or expend on behalf of the District, exceed \$3,500,000 (the Maximum Advance Amount), which amount is set to be equivalent to the total debt issuance limitation set forth in the District's Service Plan since the proceeds from debt issuances are contemplated to be the source of funds for reimbursements hereunder. The Maximum Advance Amount constitutes the maximum amount that may be advanced or expended hereunder for which reimbursement may be made, notwithstanding any payment or prepayment of any portion of the funds advanced or expended pursuant to the terms hereof, unless this Agreement is further supplemented or amended.

The District agreed to repay Developer for such advances plus accrued interest at the rate of 8.00%. The parties agreed and acknowledged that the Developer has incurred costs on behalf of the District prior to execution of the Agreement in anticipation that the same would be reimbursed by the District.

The term of this Agreement shall commence on November 18, 2021, and shall expire on December 31, 2025, unless terminated earlier by the mutual agreement of the Parties. Any obligation of District to reimburse Developer shall expire on December 31, 2065. In the event the District has not reimbursed the Developer for any Developer Advance(s) made pursuant to this Agreement on or before December 31, 2065, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

At December 31, 2022, there were no outstanding amounts under this agreement.

NOTE 8 RELATED PARTIES

The Developer of the property with constitutes the District is Meritage Homes of Colorado. The majority members of the Board of Directors are employees, owners or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

**DAKOTA RIDGE METROPOLITAN DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 9 RISK MANAGEMENT

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

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 2, 2021, a majority of the District's electors authorized the District to increase property taxes up to \$3,500,000 annually to pay the District's administration and operations and maintenance expenses and capital expenses without limitation of rate and without regard to any spending, revenue raising or other limitations contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S. Additionally, the District's electors authorized the District to collect, spend or retain all revenue without regard to any limitations under TABOR.

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

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

SUPPLEMENTARY INFORMATION

**DAKOTA RIDGE METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original And Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES			
General:			
Bond Interest	\$ 88,199	\$ -	\$ 88,199
Paying Agent Fees	4,000	6,000	(2,000)
Transfer to the Town of Frederick	-	-	-
Contingency	2,801	-	2,801
Total Expenditures	<u>95,000</u>	<u>6,000</u>	<u>89,000</u>
NET CHANGE IN FUND BALANCE	(95,000)	(6,000)	89,000
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	393,908	6,000	(387,908)
Total Other Financing Sources (Uses)	<u>393,908</u>	<u>6,000</u>	<u>(387,908)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	298,908	-	(298,908)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 298,908</u>	<u>\$ -</u>	<u>\$ (298,908)</u>

**DAKOTA RIDGE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest Income	\$ -	\$ -	\$ 3,810	\$ 3,810
Other Revenue	-	758,908	-	(758,908)
Total Revenues	-	758,908	3,810	(755,098)
EXPENDITURES				
Capital Projects:				
Capital Outlay	2,000,000	2,758,908	2,103,906	655,002
Cost of Issuance	252,700	252,700	232,350	20,350
Total Expenditures	2,252,700	3,011,608	2,336,256	675,352
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,252,700)	(2,252,700)	(2,332,446)	(79,746)
OTHER FINANCING SOURCES (USES)				
Developer Advances	2,000,000	2,000,000	1,785,000	(215,000)
Repay Developer Advances	(1,988,392)	(1,988,392)	(1,785,000)	203,392
Transfers to Other Fund	(393,908)	(393,908)	(6,000)	387,908
Bond Proceeds	2,635,000	2,635,000	2,339,000	(296,000)
Total Other Financing Sources (Uses)	2,252,700	2,252,700	2,333,000	80,300
NET CHANGE IN FUND BALANCE	-	-	554	554
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 554	\$ 554

OTHER INFORMATION

DAKOTA RIDGE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022

\$2,339,000 Limited Tax General Obligation Bonds Series 2022A(3) Dated March 15, 2022 Principal Due December 1 Interest Rates 6.000% Payable June 1 and December 1			
Year Ending December 31,	Principal	Interest	Total
2023	\$ -	\$ 8,790	\$ 8,790
2024	-	72,142	72,142
2025	-	142,173	142,173
2026	-	150,944	150,944
2027	-	150,944	150,944
2028	-	160,240	160,240
2029	-	160,240	160,240
2030	-	170,095	170,095
2031	-	170,095	170,095
2032	-	180,540	180,540
2033	-	180,540	180,540
2034	-	191,613	191,613
2035	-	191,613	191,613
2036	-	203,349	203,349
2037	-	203,349	203,349
2038	-	215,790	215,790
2039	4,000	210,852	214,852
2040	89,000	140,100	229,100
2041	95,000	134,760	229,760
2042	113,000	129,060	242,060
2043	121,000	122,280	243,280
2044	143,000	115,020	258,020
2045	151,000	106,440	257,440
2046	176,000	97,380	273,380
2047	187,000	86,820	273,820
2048	214,000	75,600	289,600
2049	228,000	62,760	290,760
2050	259,000	49,080	308,080
2051	274,000	33,540	307,540
2052	285,000	17,100	302,100
Total	\$ 2,339,000	\$ 3,933,249	\$ 6,272,249

Amounts shown are forecasted. The Bonds are cash flow bonds and have no fixed principal or interest payment schedule.

DAKOTA RIDGE METROPOLITAN DISTRICT
SCHEDULE OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Tax Levy	Mills Levied		Total Property Taxes		Percent Collected to Levied
		General	Debt Service	Levied	Collected	
2021	\$ -	0.000	0.000	\$ -	\$ -	N/A
2022	27,798	77.000	0.000	2,140	2,140	100.00
Estimated for the Year Ending December 31, 2023	\$ 691,783	27.000	50.000	\$ 53,267		

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

**CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION
(UNAUDITED)**

**DAKOTA RIDGE METROPOLITAN DISTRICT
DEBT TO ASSESSED VALUATION RATIO
DECEMBER 31, 2022**

Property Class	"Actual" Valuation	Assessed Valuation	Percentage of Total Assessed Valuation
Vacant Land	\$ 2,309,928	\$ 669,882	96.83%
State Assessed	75,521	21,901	3.17%
Total	<u>\$ 2,385,449</u>	<u>\$ 691,783</u>	<u>100.00%</u>

Source: Jefferson County Assessor's Office

SERVICE AGREEMENT FOR WASTE MANAGEMENT SERVICES

THIS SERVICE AGREEMENT FOR WASTE MANAGEMENT SERVICES (“**Agreement**”) is entered into and effective as of the 1st day of February, 2023, by and between **DAKOTA RIDGE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **WASTE CONNECTIONS OF COLORADO INC.**, a Delaware corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

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

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District and further represents and warrants that the District has authority to bind and hereby does bind the District residents to the terms of this Agreement.

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

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

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

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

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

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

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

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

1.2 Limitations on Authority.

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

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

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

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

1.5 Work Product. **"Work Product"** shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain

reproducible copies of any non-privileged test results and logs which it obtains and shall make them available for the District's use, and shall provide such non-privileged copies to the District upon request at reasonable commercial printing rates.

II. COMPENSATION

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

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

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

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

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on January 1, 2028. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination.

(a) The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least ninety (90) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least ninety (90) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

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

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

IV. INDEMNIFICATION AND INSURANCE

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

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

(a) Liability Insurance Coverage.

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

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property

Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

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

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

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

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

V. MISCELLANEOUS

5.1 Waste Materials. The waste materials to be collected and disposed of by the Consultant pursuant to this Agreement consist of all solid waste (including recyclable materials) generated or collected by District residents within the District (the "**Waste Materials**"); provided, however, that the term Waste Materials specifically excludes, and District residents shall not deposit in the Consultant's equipment or place for collection by the Consultant, any radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or hazardous material as defined by applicable federal, state or local laws or

regulations (“**Excluded Waste**”). District residents shall comply with any description of and/or procedures with respect to removal of contaminants or preparation of recyclable materials as reasonably provided by the Consultant. In the event that any recyclable materials furnished to the Consultant by District residents are, due to presence of contaminants, rejected by a recycling facility or otherwise are determined by the Consultant not to be resalable or to have a reduced resale value, the Consultant may, in addition to its other remedies, require the District to pay the Consultant, as liquidated damages and not as a penalty, the charges incurred by the Consultant (plus overhead and profit) for hauling, processing and/or disposal of such materials and for the reduction in resale value of such materials. The Consultant shall deliver properly prepared recyclable materials furnished to the Consultant by District residents to a recycling facility owned and/or operated by the Consultant or an affiliate of the Consultant or a third party that the Consultant understands will recycle the materials (“**Third Party Facility**”); provided, however, that the Consultant shall not be responsible for and has not made any representation to the District regarding the ultimate recycling of such recyclable materials by a Third Party Facility. District residents must place Waste Materials in the waste containers provided by the Consultant and must place the containers within six (6) feet from the street. The Consultant will collect the Waste Materials from the containers which are timely placed for collection within six (6) feet from the street. The Consultant shall not have any obligation to collect any Waste Materials placed outside of such containers.

5.2 Title. The Consultant shall acquire title to the Waste Materials when they are loaded into the Consultant's truck. Title to and liability for any Excluded Waste shall remain with the District and/or the District's residents.

5.3 Responsibility for Equipment. Any equipment furnished hereunder by the Consultant shall remain the property of the Consultant; however, the District's residents shall have care, custody and control of the equipment while at their locations. Each District resident and the District shall be responsible for all loss or damage to the equipment (except for normal wear and tear or for loss or damage resulting from the Consultant's handling of the equipment) and for its contents. District residents shall not overload (by weight or volume), move, alter or install any devices on the equipment, and shall not manually or mechanically compact any materials inside the equipment. Each District resident and/or the District shall pay additional charges each time that a container is overloaded (by weight or volume). Each District resident shall use the equipment only for its proper and intended purpose. District residents must provide unobstructed access to the equipment on the scheduled collection day. If the equipment is inaccessible so that the regularly scheduled pick-up cannot be made, the Consultant will promptly notify the District resident or the District and afford a reasonable opportunity to provide the required access; however, the Consultant reserves the right to charge an additional fee for such inaccessibility and/or delay or any additional collection service required by the failure to provide such access. The word “equipment” as used in this Agreement shall mean all containers used for the storage of Waste Materials, and such other on-site devices as may be specified on the first page of this Agreement.

5.4 Damage to Pavement. The District warrants that the District's pavement, curbing or other driving surface or any right of way reasonably necessary for the Consultant to provide the services described herein are sufficient to bear the weight of all of the Consultant's equipment and vehicles reasonably required to perform such services. The Consultant will not be

responsible for damage to any such pavement, curbing, driving surface or right of way, except as may be caused by the Consultant's willful misconduct or negligence, and the District agrees to assume all liabilities for any such damage, which results from the weight of Consultant's vehicles providing service at District's location.

5.5 Excused Performance. Except for the payment of amounts owed hereunder, neither Party hereto shall be liable for its failure to perform or delay in its performance hereunder due to contingencies beyond its reasonable control including, but not limited to, strikes, riots, compliance with laws or governmental orders, inability to access a container, fires, inclement weather and acts of God, and such failure shall not constitute a breach under this Agreement. For the avoidance of doubt, however, a law or government order, ordinance or award establishing an exclusive franchise or similar right for a service provider in the Consultant's service area shall not excuse the District's performance hereunder.

5.6 Assignment. The Consultant shall not assign any of its rights or delegate any of its duties hereunder to any person or entity. Any purported assignment or delegation in violation of the provisions hereof shall be void and of no effect.

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

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

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

5.10 Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the State District Court in and for the County of Jefferson, Colorado.

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

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

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

To District: Dakota Ridge Metropolitan District
c/o CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-265-7910
Email: denise.denslow@claconnect.com
Attn: Denise Denslow

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

To Consultant: Waste Connections of Colorado Inc.
5500 Franklin Street
Denver, CO 80216
Phone: (303) 288-2100
Email: Monalisa.young@wasteconnections.com
Attn: Monalisa Young

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

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

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

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

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

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

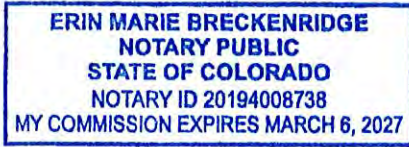
5.19 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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



Consultant:
WASTE CONNECTIONS OF
COLORADO INC.

By: Margherita L. Young
Its: Sales Rep.

STATE OF COLORADO)
) ss.
COUNTY OF ADAMS)

The foregoing instrument was acknowledged before me this 7 day of MARCH, 2023, by MARGHERITA L. YOUNG, as Sales Rep of Waste Connections of Colorado Inc.

Witness my hand and official seal.

My commission expires: MARCH 6, 2027

Erin Breckenridge
Notary Public

District:
DAKOTA RIDGE METROPOLITAN
DISTRICT

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by Lisa Albers, as President of Dakota Ridge Metropolitan District.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A SCOPE OF SERVICES

Services

The Consultant shall provide waste management services to the District. In doing so, the Consultant shall retrieve trash once per week and recycling materials once every other week.

Additional Notes

- Waste Connections shall provide Waste Connections Containers, which are the only containers to be used.
- The price set out in **Exhibit B** to the Agreement is all inclusive, including fuel surcharges.
- Service Days: to be determined at a later date and memorialized by the Parties to the Agreement via Change Order.
- Prices will not increase for the first year of the Agreement. Beginning on February 1, 2024, and on each subsequent February 1st thereafter, all of the rates set forth herein shall automatically increase by an amount equal to the increase in the CPI-U during the Prior Rolling Twelve-Month Period. The “Prior Rolling Twelve-Month Period” shall be calculated by establishing the CPI-U on each December 1st as compared to the immediately preceding December 1st during every year of this Agreement. For purposes of this Agreement, the term “CPI-U” shall mean the Consumer Price Index published by the U.S. Department of Labor, Bureau of Labor Statistics, for All-Urban Consumers: United States, All Items (1982-84 = 100).
- The Consultant observes the following Holidays: New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving, and Christmas.
 - Services will run on a one-day delay if the Holiday falls on a weekday.

**EXHIBIT B
COMPENSATION**

Service	Container Size	Service Level	Monthly Price Per Home	Total Monthly Price
73 Homes	96 Gallon Trash Container	1 Pickup Per Week	\$17.00	\$1,241.00
73 Homes	96 Gallon Recycle Container	1 Pickup Every Other	<i>Included in trash pickup</i>	<i>Included in trash pickup</i>

Additional Notes

- Additional containers may be requested by homeowners for a \$4.00 fee to be paid by the resident.
- Replacement cost for damaged containers: \$65.00
- Bulk items picked up on day of service: \$15 per item, paid for by resident.

EXHIBIT C
FORM OF CHANGE ORDER

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

CHANGE IN SCOPE OF SERVICES (describe):

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

APPROVED:	APPROVED:
By: _____	By: _____
District	Consultant

DAKOTA RIDGE METROPOLITAN DISTRICT
RULES AND REGULATIONS OF DAKOTA RIDGE

The Board of Directors of the Dakota Ridge Metropolitan District hereby declares that the following Rules and Regulations of Dakota Ridge (“**Rules and Regulations**”) have been prepared and adopted to provide for the administration and operation of the Dakota Ridge community, including, but not limited to, design review, use of Units within Dakota Ridge and use of facilities of the District including the dog park, parks and open space.

The Board of Directors hereby expressly reserve the right to make any lawful addition and/or revisions in these Rules and Regulations when and as they may become advisable to properly manage the District and to promote the peace, health, safety and welfare of the people residing in the District. These Rules and Regulations are supplementary to, and are not to be construed as, any abridgement of any lawful rights of the Board as outlined in the Colorado Revised Statutes governing Special Districts.

Adopted this 3rd day of April, 2023.

DAKOTA RIDGE METROPOLITAN DISTRICT

By: DocuSigned by:
Chelsey Green
E587D322DCBD4B1...

President

Attest:

DocuSigned by:
Lisa Albers
9FDEA79E2DF640E...

Secretary

DAKOTA RIDGE METROPOLITAN DISTRICT
RULES AND REGULATIONS OF DAKOTA RIDGE

The Board of Directors of the Dakota Ridge Metropolitan District hereby declares that the following Rules and Regulations of Dakota Ridge (“**Rules and Regulations**”) have been prepared and adopted to provide for the administration and operation of the Dakota Ridge community, including, but not limited to, design review, use of Units within Dakota Ridge and use of facilities of the District including the dog park, parks and open space.

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Adopted this 3rd day of April, 2023.

DAKOTA RIDGE METROPOLITAN DISTRICT

By: DocuSigned by:
Chelsey Green
E587D322DCBD4B1...

President

Attest:

DocuSigned by:
Lisa Albers
9FDEA79E2DF640E...

Secretary

**RULES AND REGULATIONS
FOR
DAKOTA RIDGE COMMUNITY**

AS OF December 1, 2022

1. **RULES FOR EXTERIOR DESIGN IMPROVEMENTS**

- A. Design Review and Approval is needed for exterior changes, such as installing solar panels, see Section 4. Design Guidelines for further details.
- B. **CHANGES TO FRONT YARD LANDSCAPING IS PROHIBITED.** Front yard landscaping is maintained by Dakota Ridge Metropolitan District. Changes to the landscaping could impact the common irrigation system. Property owners who alter front yard landscaping may be responsible for corrections and repairs to any damages.

2. **RULES FOR MAINTENANCE RESPONSIBILITY**

- A. Exterior Building and Roof Maintenance is the responsibility of the property owners as established in the Party Wall Declarations recorded on each fee simple lot.
- B. Rear yard aprons and rock mulch (the area between your garage and paved street) is the responsibility of the property owner to maintain.
- C. No Unit shall be permitted to fall into disrepair including, but not limited to, missing shingles, failure to maintain landscaping, worn and/or falling fencing and other damage to any Improvements on any Unit. All Units, including Improvements and landscaping thereon, shall be kept and maintained by the Owners thereof in a clean, safe, attractive and in good condition. No trash, litter, junk, boxes, containers, bottles, cans, furniture, implements or machinery shall be permitted to remain upon any Unit except as necessary during the period of construction. Lawns must be watered and maintained. Houses must be painted and repaired.
- D. Unless otherwise maintained by Dakota Ridge Metropolitan District (“the District”), maintenance, repair and upkeep of each Unit shall be the responsibility of the homeowner.
- E. Common areas of the community shall be maintained by the Dakota Ridge Metropolitan District, as applicable. Management should be contacted for any maintenance issues that need to be addressed.

COMPANY NAME AND ADDRESS	PHONE	CONTACT	E-MAIL
Clifton Larson Allen LLP 8390 E. Crescent Parkway, Suite 300 Greenwood Village, CO 80111	303-779-5710	District Manager	Denise.denslow@clacconnect.com

3. RESTRICTIONS AND USE

3.1 GENERAL

- A. No noxious, offensive or illegal activity shall be carried on upon any Unit, nor shall anything be done or placed thereon which is or may become a nuisance or which is or may cause an unreasonable embarrassment, disturbance or annoyance to others.
- B. No light shall be emitted from any Unit which is unreasonably bright or causes unreasonable glare, and no sound or odor shall be emitted from any Property which would reasonably be found by others to be noxious or offensive.
- C. No activity shall be conducted on and no improvement shall be constructed on any Property which is or might be unsafe or hazardous to any person or property. No firearms of any description shall be discharged within the Community, including but not limited to those which may be used for the explosion of cartridges, or any air gun, gas-operated gun or spring weapon, or any instrument or bow made for the purpose of throwing or projecting missiles of any kind by any means whatsoever.
- D. Only fires lighted in an enclosed outdoor fireplace, an interior fireplace, or a barbecue unit while attended and in use for cooking or heating purposes are permitted (open fire pits are not permitted).
- E. Unsightly conditions, structures, facilities, equipment, and objects, including snow removal equipment and garden or maintenance equipment, are not allowed on any Unit, except when actually in use.
- F. No tent, shack, temporary structure or temporary building shall be placed upon any Unit, except with the prior written consent of the Design Review Committee.
- G. Residential sites cannot be used for commercial or government purposes, other than "Home Occupations" as defined in Section 21 of the Zoning Resolution adopted by Jefferson County, Colorado.

3.2 GARAGE SALES

Approval is not required. Garage, patio, porch, or lawn sales may be held on any Unit only in accordance with the following guidelines. The Owner or resident of any Unit may conduct such a sale for up to three (3) consecutive days not more than twice in any calendar year if (a) the items sold are only his own personal property, furniture, and furnishings, not acquired for purposes of resale; (b) such sale is held at such time and in such manner as not to unreasonably disturb any other resident of the area; and (c) such sale is held in full compliance with the requirements of all applicable law.

3.3 VEHICULAR PARKING, STORAGE, AND REPAIRS

Parking upon any District property shall be regulated by the District. Property generally includes streets/alleyways and guest facility parking slots.

Parking, storing, servicing or repairing commercial vehicles, recreational vehicles, mobile homes, boats, campers, trailers, watercraft, or other oversized vehicles, in accordance with applicable motor vehicle registration laws, or any inoperative vehicles, shall be permitted only if the vehicle is completely enclosed within a garage.

No motor vehicle may impede the safe and efficient use of streets within the Community by residents, obstruct emergency access to/from the Community or interfere with the reasonable needs of other residents to use their driveway, streets, or guest parking within the Community.

3.3.1 Recreational Vehicles

All types of “recreational vehicles,” including but not limited to trailers, camping trailers, boat trailers, hauling trailers, boats, or accessories thereto, self-contained motorized recreational vehicles, motorhomes, detached camper units, snowmobiles, race cars, watercraft, or house trailers, are prohibited from parking anywhere within the Community unless parked within an enclosed garage.

3.3.2 Inoperable Vehicles

No inoperable automobiles or vehicles of any kind shall be stored or parked on a Unit unless parked or stored within a garage.

3.3.3 Oversized and Commercial Vehicles

Oversized vehicles (defined as any vehicle which cannot fit into a garage on the Unit) and commercial vehicles cannot be parked in guest facility parking slots for more than 24 hours. Commercial vehicles shall be defined as a whether marked or unmarked, any flatbed, utility bed vehicle, modified body, panel truck, sprinter van and/or a vehicle required by the Department of Transportation to have a Commercial Vehicle License. This restriction, however, shall not restrict trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Community, or any Improvements located thereon, nor shall such restriction prohibit vehicles that may be otherwise parked as a temporary expedient for loading, delivery, or emergency.

3.3.4 Vehicle Maintenance and Repair

No activity, including maintenance, repair, rebuilding, dismantling, repainting, or servicing of any kind of vehicle, trailer, or boat, may be performed, or conducted outside of the garage on the Unit. Notwithstanding, minor repairs may be performed outside of a garage, provided they may be completed the day commenced, there is no damage (i.e., oil, residue) to paved areas, and all equipment and parts are removed upon completion of the work. No vehicles may

be left unattended on jack or jack stands. Any Owner or other Person undertaking any such activities shall be solely responsible for, and assumes all risks of, such activities, including adoption and utilization of all necessary safety measures, precautions, and ventilation. The foregoing restrictions shall not be deemed to prevent washing and polishing of any a vehicle on a Unit, together with those activities normally incident and necessary to such washing and polishing.

3.4 TRASH CONTAINERS

Trash containers may be placed on the street for pickup after 5:00 p.m. on the evening prior to the day that such trash is to be picked up. Trash containers must be properly stored the evening of pickup.

No garbage, refuse, rubbish, or cuttings of any kind shall be deposited on any street, road or on any Unit, unless placed in a suitable container and suitably located, and in no event shall garbage, refuse, rubbish, or cuttings be deposited, even temporarily for the purposes of pick up on the sidewalks in front of any Unit. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. No garbage cans, trash cans or receptacles shall be maintained in an exposed or unsightly manner, and when not placed out for pickup must be stored in an enclosed garage or otherwise screened from view from the ground level of any other Unit or the street, meaning that such garbage cans, trash cans or receptacles are stored on the side of the house and behind the wing fence.

3.5 ANIMALS

In no event may any Owner engage in the commercial breeding of animals on any portion of the Community, and in no event will any Owner keep any animals other than common household pets within the Unit.

No person or household shall own or have custody of more than:

- (1) Four (4) dogs of more than four (4) months of age;
- (2) Four (4) cats of more than four (4) months of age;
- (3) Four (4) rabbits of more than four (4) months of age; or (4) A total of four (4) dogs, cats, and/or rabbits of more than four (4) months of age in any combination.

Chickens and honey bees are not deemed to be common household pets and are not permitted to be kept on any Unit.

Pet Supervision: Except in designated "dog off-leash" parks, and subject to the rules and regulations of said dog off-leash park, no pets shall be allowed on any District of the District's parks or other District property unless restrained and controlled by a leash no longer than six (6) feet. All pet waste on all District property and parks must be cleaned

up and disposed of properly. Owners will be held responsible for any litter, waste, mess or damage created by their pets and for any offensive or prolonged noises created by their pets.

3.6 **VEGETATION**

Owners may not engage in any activities that materially disturb or destroy the vegetation, wildlife or air quality within the Community, or which use excessive amounts of water.

4. **DESIGN GUIDELINES – EXTERIOR IMPROVEMENTS**

4.1 **GENERAL**

The following is a listing, in alphabetical order, of a wide variety of specific types of Improvements which Owners typically consider installing, with pertinent information as to each. Unless otherwise specifically stated, drawings or plans for a proposed Improvement must be submitted to the Design Review Committee (DRB) and written approval of the DRB obtained before the Improvements are made. In some cases, where it is specifically so noted, an Owner may proceed with the Improvements without advance approval if the Owner follows the stated guideline. In some cases, where specifically stated, some types of Improvements are prohibited. DRB review and approval is required on any external items not be listed below.

A Design Review Request form must be submitted to management for review. The Design Review Request form with instructions for submittal is attached as Exhibit 1.

4.2 **ACCESSORY BUILDINGS**

Prohibited.

4.3 **ADDRESS NUMBERS**

Approval is required to replace, alter or relocate existing address numbers, unless the address numbers are replaced using the same style, color and type of number currently on the residence.

4.4 **AIR CONDITIONING EQUIPMENT**

Approval is required for all air conditioning equipment including evaporative coolers (swamp coolers) and attic ventilators installed after the initial construction.

Approval is not required for replacement of existing air conditioning equipment with like equipment located in the same location as the equipment being replaced.

No heating, air conditioning, air movement (e.g. swamp coolers) or refrigeration equipment shall be placed or installed on rooftops, or extended from windows.

4.5 ANTENNAE/SATELLITE DISHES

4.5.1 General Provisions

"Permitted Antennas" are defined as (a) an antenna which is less than one meter in diameter and is used to receive direct broadcast satellite service, including direct-to-home satellite services, or is used to receive or transmit fixed wireless signals via satellite; (b) an antenna which is less than one meter in diameter and is used to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instruction television fixed services, and local multipoint distribution services or is used to receive or transmit fixed wireless signals other than via satellite; (c) an antenna which is designed to receive broadcast television broadcast signals; or (d) other antennas which are expressly permitted under applicable federal statutes or regulations. In the event a Permitted Antenna is no longer expressly permitted under applicable federal statutes or regulations, such antenna will no longer be a Permitted Antenna for purposes of this Section. Installation of Permitted Antennas shall not require the approval of the ARC.

- A. All Permitted Antennas shall be installed with emphasis on being as unobtrusive as possible to the Community. To the extent that reception is not substantially degraded or costs unreasonably increased, all Permitted Antennas shall be screened from view from any street and nearby Lots to the maximum extent possible, and placement shall be made in the following order of preference:
- (1) Inside the structure of the house, not visible from the street
 - (2) Rear yard or side yard, behind and below the fence line
 - (3) Rear yard or side yard, mounted on the house, in the least visible location below roofline
 - (4) Side yard in front of wing fence, screened by and integrated into landscaping
 - (5) Back rooftop
 - (6) Front yard screened by and integrated into landscaping
- B. If more than one (1) location on the Lot allows for adequate reception without imposing unreasonable expense or delay, the order of preference described above shall be used, and the least visible site shall be selected.
- C. Permitted Antennas shall not encroach upon common areas or any other Owner's property.

4.5.2 **Installation of Antennae/Satellite Dishes**

- A. All installations must comply with all applicable building codes and other governmental regulations, and must be secured so they do not jeopardize the safety of residents or cause damage to adjacent properties. Any installation must strictly comply with FCC guidelines.
- B. All Permitted Antennas shall be no larger, nor installed more visibly, than is necessary for reception of an acceptable signal.
- C. Owners are responsible for all costs associated with the Permitted Antenna, including but not limited to costs to install, replace, repair, maintain, relocate, or remove the Permitted Antenna.
- D. All cabling must be run internally when feasible, must be securely attached, and must be as inconspicuous as possible. Permitted Antennas, masts and any visible wiring may be required to be painted to match the color of the structure to which they are attached. The Owner should check with the installer/vendor for the appropriate type of paint.
- E. All other antennas, not addressed above, are prohibited.

4.6 **BARBECUE/GAS GRILLS**

Approval is not required. All barbecue grills, smokers, etc. must be stored in the rear yard or within an enclosed structure, not visible from the front of the home.

4.7 **BASKETBALL BACKBOARDS**

No basketball backboards shall be attached to the garage, front or side of unit. Only portable basketball backboards shall be allowed if the following guidelines are met:

- A. Portable units cannot be placed in the public rights of way, streets, sidewalks or street lawns, or common areas.
- B. Location must be in the driveway, at least half of the length of the driveway away from the street, or in the side or rear yard.
- C. Portable basketball backboards may be left out when not in use only if the backboard, hoop, and net are in good repair. Portable basketball backboards that are not in good repair, including the hoop and net, must be stored out of sight when not in use and may not be left out for more than 24 hours.
- D. Permanent garage or pole mounted basketball hoops are not permitted.

4.8 **BIRDHOUSES AND BIRD FEEDERS**

Approval is not required, subject to the following limitations. If installed in the rear yard and the size is limited to one foot by two feet, no approval is required. No more than three of each of a birdhouse or bird feeder shall be installed on any Lot. Birdhouses or bird feeders may not be mounted on a pole.

4.9 **DOORS**

Approval is not required for an already existing main entrance door to a home if the material matches or is similar to existing doors on the house and if the color is generally accepted as a complimentary color to that of existing doors on the house.

Complementary colors would be the body, trim or accent colors of the house or white (for storm/screen doors).

- A. Storm Doors. Approval is not required for storm doors as long as the door is complimentary with the color scheme of the home. Owners wishing to utilize a different color must first obtain approval.
- B. Security Doors and Windows. All security or security-type doors and windows must be approved prior to installation.

4.10 **FLAGS/FLAGPOLES**

Approval is required for any freestanding flagpole.

Approval is not required for flagpoles mounted to the front of the residence provided that the flags displayed thereon (if other than an American Flag) are temporary in nature and are only displayed on holidays or in celebration of specific events. They must not be placed earlier than thirty (30) days prior to the start of the particular holiday/event or celebration and must be removed no later than thirty (30) days following the particular holiday/event or celebration. Under no circumstance may the height of the flagpole exceed the height of the roofline of the residence. Flag size cannot exceed five (5) feet in length and three (3) feet in width.

American Flags: Owners shall be permitted to display an American flag in accordance with the Federal Flag Code and as follows:

- A. The flag shall be no larger than three (3) feet by five (5) feet.
- B. The flag may be displayed in a window or from a flagpole projecting horizontally from a location on the front of the dwelling.
- C. Flags and/or flagpoles shall be replaced as necessary in order to prevent wear and tear.

- D. Flags may not be illuminated without prior written approval of the ARC. Any request for lighting must detail the type and location of lighting. Lighting shall be placed so as not to disturb Owners of neighboring Lots.

An Owner or resident may display a service flag bearing a star denoting the Owner's or resident's or his family member's active or reserve U.S. military service during a time of war or armed conflict. The flag may be displayed on the inside of a window or door of the home on the Lot. The flag may not be larger than nine (9) inches by sixteen (16) inches.

4.11 LIGHTS AND LIGHTING

Approval is not required for replacing existing lighting, including coach lights, with the same or similar lighting style and color as originally installed.

Approval is required to modify or add exterior lighting.

Approval is required to install motion detector spotlights, spotlights, floodlights or ballasted fixtures (sodium, mercury, multi-vapor, fluorescent, metal halide, etc.).

- A. Considerations will include, but may not be limited to, the visibility, style and location of the fixture.
- B. Exterior lighting for security and/or other uses must be directed at the ground and house, whereby the light cone stays within the property boundaries and the light source does not cause glare to other properties (bullet type light fixtures are recommended).
- C. Ground lighting along walks must be maintained in a working and slightly manner. Low-voltage or solar powered ground lighting fixtures which are typically affixed by stakes or similar posts are to be maintained in good aesthetic repair, be functional, not be a tripping or other physical hazard along pedestrian pathways, and remain generally vertical in their presentation.
- D. Holiday lighting and decorations do not require approval. It is required that they not be installed more than thirty (30) days prior to the holiday. They shall be removed within thirty (30) days following the holiday.

4.12 ORNAMENTS/ART AND FLOWER POTS – FRONT LANDSCAPE/YARD

Approval is not required for yard ornaments. Up to three (3) small (less than 24 inches in height) front yard ornaments may be installed in the front yard without approval, as long as the ornament is installed at ground level and the color and design integrate into the landscape. Approval is required for any other yard ornaments.

Approval is not required for hand watered pots placed on patios/stoops/porches or within the front yard. Pots placed in front yard cannot interfere with District maintenance.

Property owners may need to relocate pots if landscape contractor has concerns with locations if placed near ground landscape. The District's drip irrigation in the front yard cannot be altered to water pots, hand watering is required.

4.13 **OVERHANGS/SUNSHADES/AWNINGS- CLOTH OR CANVAS**

Approval is required. An overhang should be an integral part of the house or patio design. The color must be the same as, or generally recognized as, a complementary color to the exterior of the residence. A swatch of material to be used must be provided with the review submittal.

4.14 **PAINTING**

Approval is not required if color and/or color combinations are identical to the original manufacturer color established on the home and/or accessory improvement. Property owners must coordinate with attached units to keep paint application uniform across the entire building exterior. Any changes to the color scheme must be submitted for approval and must conform to the general scheme of the Community.

4.15 **PAVERS / REAR APRON**

Approval is required to change rear apron (space between garage and alleyway/street) from rock mulch to pavers.

4.16 **ROOFING MATERIALS**

Approval is required for all roofing materials other than those originally used by the Builder. Property owners must coordinate with attached units if necessary to replace or repair roof. See Party Wall Declarations for further details.

4.17 **SECURITY DEVICES**

Approval is not required. Security devices, including cameras and alarms, must be selected, located and installed so as to be an integral part of the house and not distract from the home's architecture and appearance. Cameras and housing sirens, speaker boxes, conduits and related exterior elements should be unobtrusive and inconspicuous. Such devices should be located where not readily visible and should be a color that blends with or matches the surface to which it is attached.

4.18 **SIGNS**

Approval is not required for one (1) temporary sign advertising property for sale or lease or one (1) open house sign, which shall be no larger than five (5) square feet and which are conservative in color and style; one (1) yard/garage sale signs which is no larger than 36" x 48"; and/or burglar alarm notification signs, ground staked or window mounted which are no larger than 8" x 8". Such signs may be installed in the front yard or on the back yard fence of the Lot.

Political signs (defined as signs that carry a message intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue) may be displayed within the boundaries of an Owner's or resident's Lot without approval, political signs shall not exceed 36" by 48" in size.

Approval is required for all other signs. No lighted sign will be permitted unless utilized by the Developer and/or a Builder.

4.19 **SOLAR ENERGY DEVICES**

Approval is required in order to review aesthetic conditions and location. Solar panels may not be placed along the attached units party wall (shared wall). Attached unit(s) have to sign off on location if within 1ft of the shared wall and roof line. Photovoltaic (PV) Solar panels must lay flat on the roof, meet all applicable safety, building codes and electrical requirements, including solar panels for thermal systems (solar water heaters). The DRB is allowed to request changes as long as they don't significantly increase the cost or decrease the efficiency of the proposed device and panels. Please also see Colorado Law C.R.S. 38-30-168, which governs the review and the Owner's installation of such devices.

4.20 **WINDOWS: TINTING, SECURITY BARS, WELL COVERS, ETC.**

Approval is required for any visible window tinting. Highly reflective and/or dark tinting is considered too commercial for residential applications and is not permitted.

Approval is required for security bars and may not be approved on second story windows and other windows visible to the street

5. RULES AND REGULATIONS FOR USE OF DISTRICT FACILITIES, INCLUDING DOG PARK

5.1 **DOG OWNERS AND ATTENDEES**

All individuals who access the Dog Park are legally responsible for the actions and behavior of any dog(s) under their care at all times. Dog waste must be cleaned up IMMEDIATELY by the dog's owner. Dog waste bags are available at the entrance of each yard. Owners must be within the Dog Park and supervising their dog(s) at all times with a leash readily available. Owners should fill any holes their dog digs. Limit three (3) dogs per person per visit. All children under the age of 14 must be accompanied by an adult. Pet treats and food are not allowed inside the Dog Park.

5.2 **DOG RULES**

Dogs must remain leashed at all times when outside of the Dog Park. Leashes may be removed once inside the Dog Park. No aggressive dog(s) allowed. Aggressive dogs should be leashed and removed immediately. Dogs in heat and puppies under 4 months

of age are not allowed in the Dog Park. All dogs must wear a collar with a current rabies tag and identification. Excessive barking is not allowed. Dogs should be under voice control by their owner at all times.

5.3 **PROHIBITED ITEMS**

The following items are prohibited from entering the Dog Park:

- (1) HUMAN AND DOG FOOD & TREATS
- (2) GLASS CONTAINERS
- (3) DOGS IN HEAT
- (4) SICK DOGS
- (5) AGGRESSIVE DOGS
- (6) PUPPIES UNDER 4 MONTHS OLD

ALL DOG OWNERS/ATTENDEES THAT FAIL TO COMPLY WITH THESE RULES WILL BE ASKED TO LEAVE BY THE BRIGHTON CROSSINGS MANAGER OR LAW ENFORCEMENT OFFICERS.

5.4 **PROHIBITED ACTIVITIES ON DISTRICT FACILITIES AND DOG PARK**

The following activities are prohibited within District owned facilities and Dog Park:

- a. Place or post signs.
- b. Camp overnight.
- c. Enter or remain in the Parks or Dog Park after such facilities are closed as indicated on the posted hours of operation.
- d. Deposit, leave or bury refuse, trash or litter except in designated trash receptacles.
- e. Install any structure, including but not limited to, tents, booths, stands, awnings, tree houses, rope swings, inflatable amusements or canopies, except that temporary awnings and umbrellas for shade are permitted as long as such structures are not left unattended and are removed when the User leaves.
- f. Operate remote control or control-line devices in the air, on or in the water, or on the ground.
- g. Use any amplified sound system that produces audible sound beyond 25 feet.
- h. Stick or place any handbill, poster, placard, sticker, or painted or printed matter on any public building, fence, power or light or telephone pole, or any other public structure.
- i. Smoke, except in designated smoking areas of provided.

- j. Play or practice golf or archery.
- k. Bring into, possess, or have any glass bottle or container.
- l. Discharge explosives or fireworks or operate launch model rockets or other devices which may have an explosive charge.
- m. Conduct any private enterprise.
- n. Park motor vehicles overnight.
- o. Sell, serve, dispense, possess or consume any alcoholic beverages.
- p. Block, close off, or impair access to any trails or facilities.
- q. Hunt, shoot, kill, injure, trap or maim any animal.
- r. Permit any livestock to graze.
- s. Destroy, vandalize, deface or damage any buildings, structures, signs, equipment, fences, gates or locks regulating access.
- t. Enter, without authorization, those areas and facilities posted or otherwise designated as closed to the general public.
- u. Dispose of trash.
- v. Remove, cut down, and disfigure rocks, trees, shrubs or other features of the natural environment.
- w. Build a fire.
- x. Operate unauthorized motor vehicles.
- y. Possess a weapon, unless authorized pursuant to C.R.S. 18-12-214, or any air rifle, spring-gun, bow and arrow, sling, paintball gun, air soft gun or any other weapon.

EXHIBIT 1

Design Review Request Form & Instructions

DAKOTA RIDGE METRO DISTRICT – ARCHITECTURAL REQUEST FORM

8390 E Crescent Pkwy, Suite 300 • Greenwood Village, CO 80111 • 303-779-5710

Please contact DesignReview@CLACoconnect.com to submit your request or with questions.	
Homeowner Name	Phone Number
Address	
Email Address	
My request involves the following type of improvement, please describe:	
Planned Completion Date _____	
I understand that I must receive approval in order to proceed. I understand that approval does not constitute approval of the local building department and that I may be required to obtain a building permit. I agree to complete improvements promptly and within the Design Guideline standards after receiving approval.	
Owner Signature	