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

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX MATTERS."

$45,000,000
RRC METROPOLITAN DISTRICT NO. 2
In Jefferson County, Colorado
Limited Tax General Obligation Bonds
Series 2021(3)

Dated: Date of Delivery **Due: December 1, as shown below**

RRC Metropolitan District No. 2, in Jefferson County, Colorado (the "Issuing District") is issuing its Limited Tax General Obligation Bonds, Series 2021(3) (the "Bonds"), pursuant to an Indenture of Trust to be dated as of December 17, 2021 (the "Indenture") between the Issuing District and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee"). The Trustee will also act as Registrar and Paying Agent for the Bonds. DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. *Capitalized terms used on the cover page of this Limited Offering Memorandum are defined in the Introduction herein or in "APPENDIX C—SELECTED DEFINITIONS" hereto.*

The Bonds are "cash flow" limited tax general obligations of the Issuing District secured by and payable from the Pledged Revenue, consisting of the moneys derived by the Issuing District from the following sources: (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; (iii) the Pledged Fees consisting of certain property taxes and revenues pledged by RRC Metropolitan District No. 1, in Jefferson County, Colorado (the "District No. 1") pursuant to a Capital Pledge Agreement by and between District No. 1 and the Issuing District (the "Pledge Agreement"); and (iv) any other legally available moneys which the Issuing District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Issuing District and District No. 1 (collectively, the "Districts") have each covenanted to levy a mill levy upon all taxable property within the Districts each year, consisting of ad valorem property taxes subject to a maximum mill levy as described herein. No regularly scheduled payments of principal are due on the Bonds prior to their maturity date, and any interest payments on the Bonds that are not paid when due will accrue and compound on each Interest Payment Date until sufficient Pledged Revenue is available for payment. See "THE BONDS—"Cash Flow" Nature of the Bonds" for a description of the "cash flow" nature of the Bonds. *As demonstrated in the Financial Forecast, under the base case scenario it is not anticipated that there will be any Pledged Revenue to pay principal on the Bonds until 2040. This dates represents a forecast and there is no guarantee that any payments will be made on or after such date or, further, that the Bonds will be paid prior to their termination date of December 2, 2065 (the "Termination Date"), as more particularly described below.* **Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon will be deemed paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to such date; provided that the foregoing is not to relieve the Issuing District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.**

The designation "(3)" in the title of the Bonds indicates that such bonds are being sized and priced based on an assumption that home values in the Issuing District will appreciate at an annual rate of 3% (6% biennially) throughout their term, which is *not* guaranteed to occur. See "RISK FACTORS" and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT" herein.

The Bonds are being issued in denominations of $500,000 or any integral multiple of $1,000 in excess thereof, as fully registered bonds. Interest on the Bonds is payable annually on December 1 each year, commencing December 1, 2022, at the rate set forth below.

$45,000,000 5.250% Series 2021(3) Term Bond due December 1, 2051 Price 100.000% CUSIP© 78110P AA5 [1]

The Bonds are subject to optional and mandatory redemption prior to maturity at the prices and upon the terms set forth in this Limited Offering Memorandum.

A portion of the proceeds from the sale of the Bonds will be used for the purposes of (i) financing or reimbursing a portion of the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the Development; and (ii) paying the costs of issuing the Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF INVESTMENT RISK. AS "CASH FLOW" OBLIGATIONS, REPAYMENT OF THE BONDS IS SUBJECT TO A HIGHER DEGREE OF RISK. EACH PROSPECTIVE INVESTOR IS ADVISED TO READ "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS. THE BONDS ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" AS SUCH TERMS ARE DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES, AS AMENDED.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Issuing District and accepted by the Underwriter subject to the approval of legality by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel, and the satisfaction of certain other conditions. Certain matters will be passed upon by McGeady Becher, P.C., Denver, Colorado, as General Counsel to the Issuing District. Kutak Rock LLP, Denver, Colorado, has acted as Counsel to the Underwriter and has assisted in the preparation of this Limited Offering Memorandum. North Slope Capital Advisors, Denver, Colorado, has acted as Municipal Advisor to the Issuing District in connection with the Bonds. The Bonds are expected to be available for delivery through the facilities of DTC on or about December 17, 2021.

PIPER | SANDLER

This Limited Offering Memorandum is dated December 9, 2021.

[1] None of the Issuing District, the Trustee, or the Underwriter assumes any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

RRC METROPOLITAN DISTRICT NO. 2
Jefferson County, Colorado

Board of Directors

John Cheney, President
Jonathan Beckwitt, Treasurer
Jennifer Thornbloom, Secretary
Debra Hessler, Assistant Secretary
Vacant

Municipal Advisor

North Slope Capital Advisors
Denver, Colorado

General Counsel to the Issuing District

McGeady Becher, P.C.
Denver, Colorado

Districts Accountant

Simmons & Wheeler P.C.
Englewood, Colorado

Bond Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Trustee and Paying Agent

UMB Bank, n.a.
Denver, Colorado

Underwriter

Piper Sandler & Co.
Denver, Colorado

Counsel to the Underwriter

Kutak Rock LLP
Denver, Colorado

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

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

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APPENDIX A FINANCIAL FORECAST
APPENDIX B MARKET STUDY
APPENDIX C SELECTED DEFINITIONS
APPENDIX D ECONOMIC AND DEMOGRAPHIC INFORMATION
APPENDIX E FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX F FORM OF BOND COUNSEL OPINION
APPENDIX G BOOK-ENTRY-ONLY SYSTEM
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Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Limited Offering Memorandum. Any representation to the contrary is unlawful.

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AERIAL MAPS


Denver International Airport
Downtown Denver
Denver Tech Center
25
Academy Business Park
Shopping & Restaurant Corridor
S. Wadsworth Blvd.
Dunstan Middle School
Bear Creek Golf Club
S. Kipling Pkwy.
Fox Hollow Golf Course
Schaefer Athletic Complex
W. Hampden Ave.
285
The Homestead Golf Course
Hutchinson Elementary School
Coyote Gulch Park
Tamarisk Neighborhood
Bear Creek Lake Park
Morrison Rd.
S. Indiana St.
Solterra Neighborhood
S. McIntyre St.
W. Yale Ave.
RRC
METROPOLITAN DISTRICT No. 1
Bear Creek Lake Park Visitor Center
RRC
METROPOLITAN DISTRICT No. 2
Morrison Rd.
S. Rooney Rd.
470
C-470 Bikeway
To Golden, CO
To Red Rocks Park & Amphitheatre
Bandimere Speedway
Photo Date: Nov. 4, 2021
ZoomAerialPhotos.com
303-893-3303

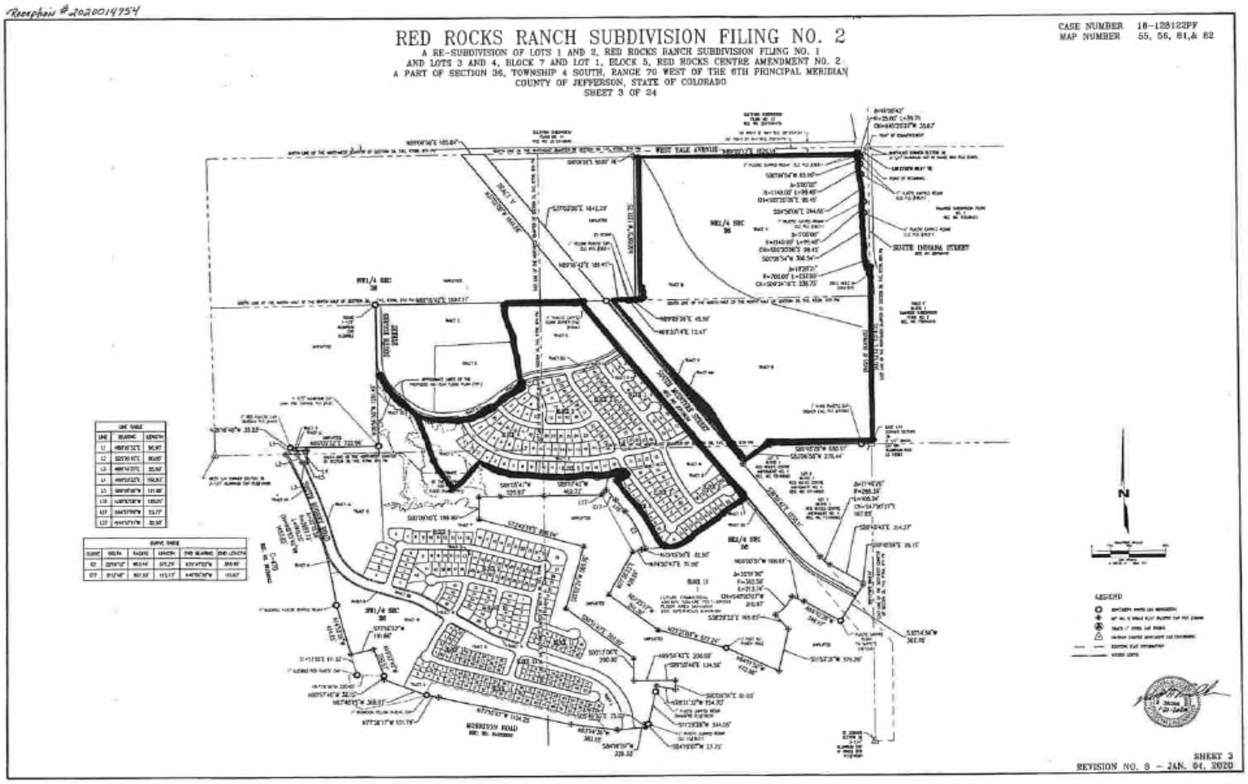

To The Rocky Mountains & Colorado Ski Resorts
70
Golden, CO
Green Mountain Park
Red Rocks Park & Amphitheatre
Thunder Valley Park
Dinosaur Ridge Visitor Center
470
W. Alameda Pkwy.
Bandimere Speedway
C-470 Bikeway
Bear Creek Ave.
Solterra Neighborhood
RRC
METROPOLITAN DISTRICT No. 2
Morrison, CO
S. Rooney Rd.
W. Yale Ave.
470
Tamarisk Neighborhood
RRC
METROPOLITAN DISTRICT No. 1
Morrison Rd.
West Metro Fire Station #9
S. McIntyre St.
To Downtown Denver
(26 minutes)
Bear Creek Lake Park Visitor Center
Photo Date: Nov. 4, 2021
ZoomAerialPhotos.com
303-893-3303

AERIAL VIDEO

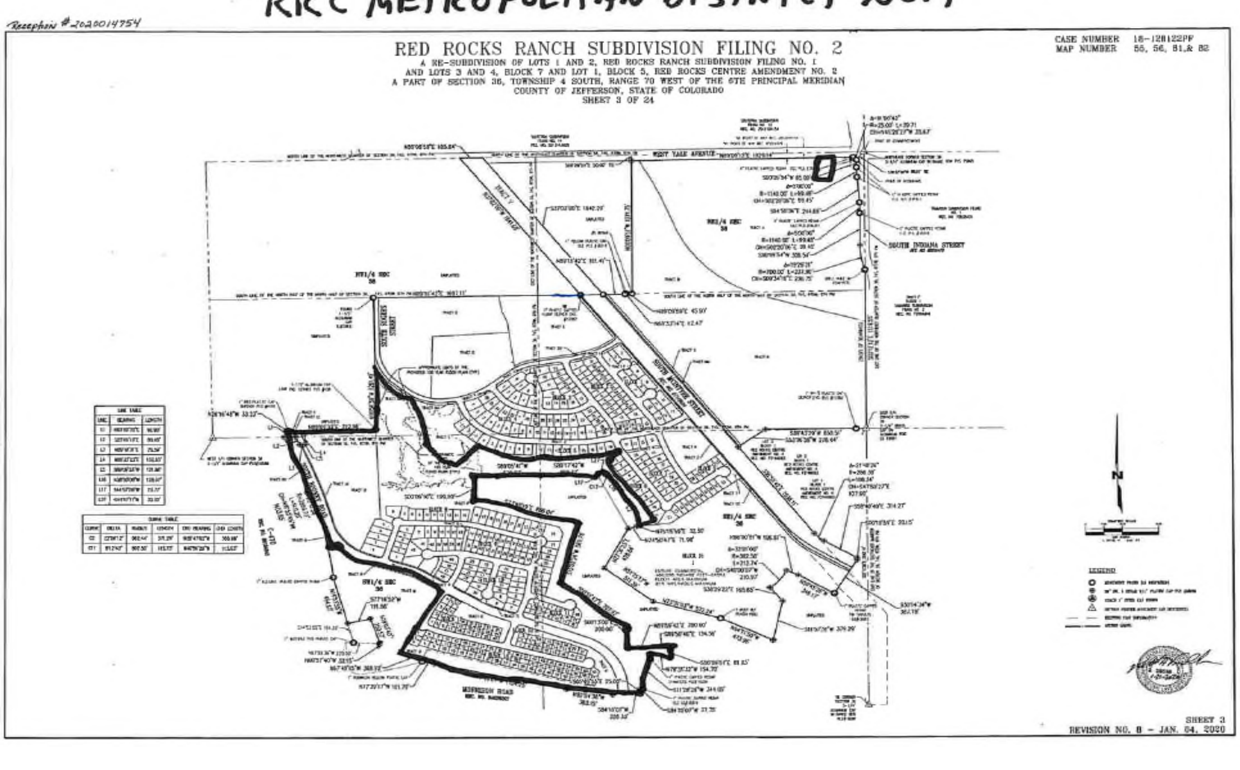
An aerial video of the Districts and the immediate vicinity was created on October 17, 2021 and may be viewed at https://vimeo.com/652927402/7a1c3d389a. The video was created for the Districts by ZOOM Aerial Photography, LLC, Centennial, Colorado, but is hosted on a third-party website over which the Districts has no control. Therefore, while the link to such video is included herein to offer prospective investors a visual depiction of the location of the Districts and the status of development in the Districts and the immediate vicinity as of the date of the video, the link and the video are neither incorporated into nor constitute part of this Limited Offering Memorandum.

ISSUING DISTRICT AND DISTRICT NO. 1 BOUNDARIES

RRC METROPOLITAN DISTRICT NO. 2



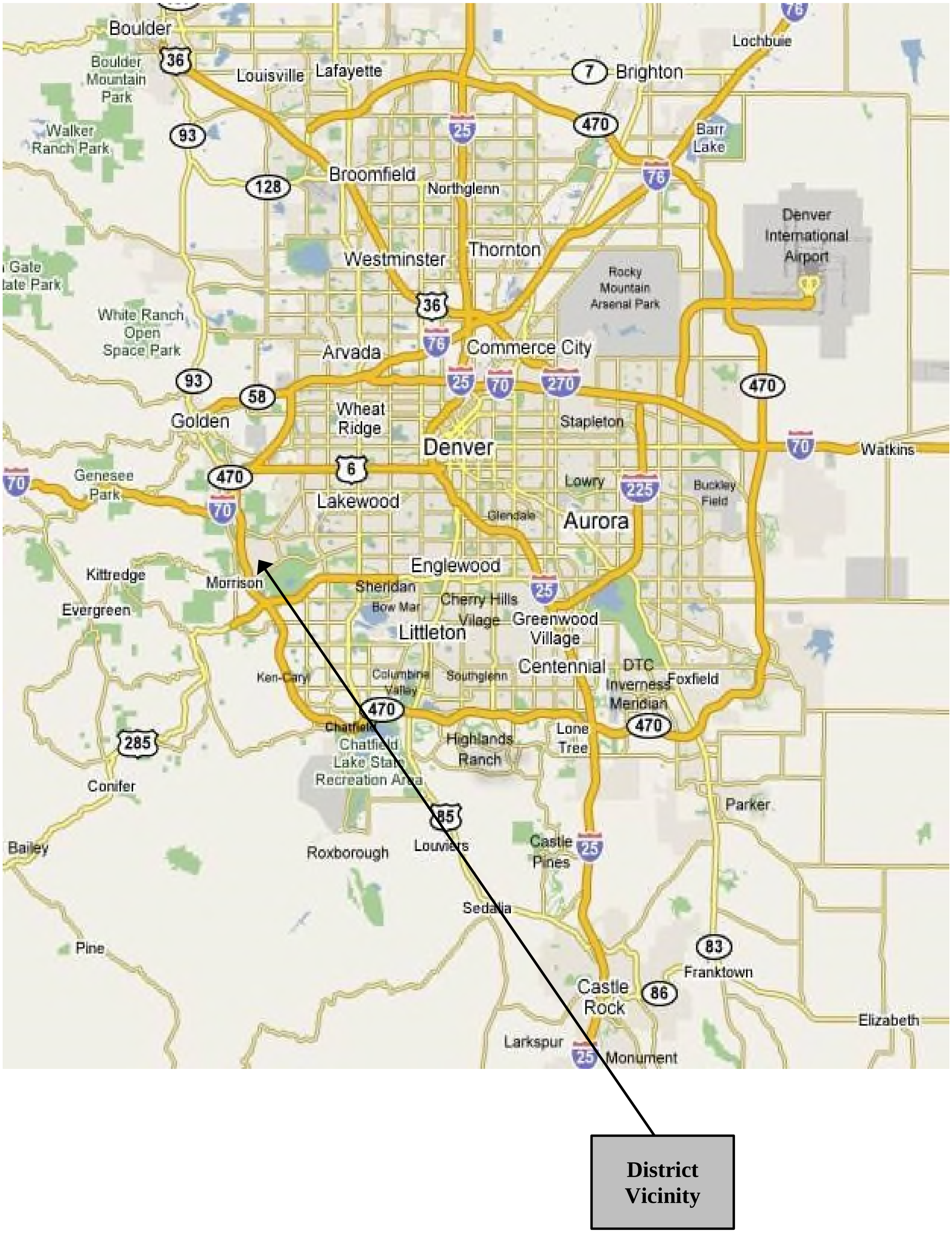
RRC METROPOLITAN DISTRICT NO. 1



RED ROCK RANCH COMMUNITY SITE PLAN

All development plans remain subject to change. There can be no assurance that the Development will be completed as shown on the map below or at all. See "THE DEVELOPMENT" and "RISK FACTORS."

REGIONAL MAP



INTRODUCTION

This Limited Offering Memorandum is furnished to prospective purchasers of $45,000,000 Limited Tax General Obligation Bonds, Series 2021(3) (the "Bonds") issued by RRC Metropolitan District No. 1 (the "Issuing District"), located in Jefferson County (the "County"), Colorado (the "State"). The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Limited Offering Memorandum has been obtained from the Districts (defined hereafter), Lennar (defined hereafter) and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Limited Offering Memorandum, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS."

Any capitalized terms not defined herein have the respective meanings set forth in APPENDIX C hereto, unless the context clearly indicates a contrary meaning.

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

Changes from Preliminary Limited Offering Memorandum......................... In addition to the interest rates and other information relating to the pricing of the Bonds set forth herein, this Limited Offering Memorandum contains certain changes from the Preliminary Limited Offering Memorandum dated December 3, 2021, including: (a) District No. 1's final certified assessed value was $228,073 (down from the preliminary assessed value of $483,117) and (b) the Issuing District's final certified assessed value was $236,449 (down from the preliminary assessed value of $500,981). The Financial Forecast reflects these changes to the assessed valuations of the vacant land in the District No. 1 and the Issuing District but still shows the Bonds paying in advance of the Maturity Date.

The Districts............................ The Issuing District and RRC Metropolitan District No. 1 ("District No. 1" and, together with the Issuing District, the "Districts") were formally organized pursuant to Orders and Decrees issued by the District Court in and for Jefferson County on November 21, 2016 and recorded on December 1, 2016. The organization of the Districts were approved by the eligible electors of the Districts voting at the elections held on November 8, 2016 (the "Issuing District Election" and "District No. 1 Election," as applicable, and together, the "Elections").

The Districts, along with RRC Metropolitan District No. 3 (which was also organized concurrently with the Districts) ("District No. 3" and together with the Districts, the "RRC Districts") were organized as part of a plan to serve the needs of the Red Rocks Ranch development, an approximately 352-acre planned residential and commercial development located in the County, east of State Highway 470 ("C-470") and north of Morrison Road (the "Red Rocks Ranch Community"). The property comprising the Issuing District and District No. 1 encompassing approximately 160 acres and 87 acres, respectively (approximately 247 acres total), is expected to be developed as a completely residential community to include approximately 951 dwelling units, comprised of 330 three story cluster homes and 621 single family detached homes (the "Development"). ***According to District officials, an exclusion is pending with respect to District No. 1 with the resulting acreage expected to be reduced by approximately two acres to approximately 85 acres***. District No. 3 encompassing the remaining approximately 34 acres of the Red Rocks Ranch Community, is expected to be developed as commercial, mixed use and residential. ***The property within District No. 3 is not included within the boundaries of the Districts, or the Development, and such property is not pledged to the payment of the Bonds; therefore, a full discussion of such property is not provided herein***. See "—The Development" below, "THE DISTRICTS," and "THE DEVELOPMENT." See also the preceding "AERIAL MAPS," "AERIAL VIDEO," "RED ROCK RANCH COMMUNITY SITE PLAN" and "REGIONAL MAP."

The Issuing District and District No. 1 operate respectively, in accordance with the authority, and subject to the limitations, of a Service Plan for RRC Metropolitan District No. 2 and a Service Plan for RRC Metropolitan District No. 1, respectively, (together, the "Service Plan") each approved by the Board of Trustees of the Town of Morrison (the "Town"), Colorado on September 6, 2016. Pursuant to Town Ordinance No. 45, recorded in the records of the County on October 4, 2018 at Reception No. 2018091375, the property comprising the RRC Districts were granted the right to disconnect from the Town (the "Disconnect Notice"). In accordance with the Disconnect Notice, on May 24, 2021, the RRC Districts filed a 45 Day Notice Pursuant to Section 32-1-207(3)(b), C.R.S., providing notice that the RRC Districts, in furtherance of their respective service plans, intend to the disconnect the property comprising the Red Ranch Rocks Development (including the Development) from the Town. Effective as of July 9, 2021 the Service Plan was modified via the Disconnect Notice process to: (a) replace all references to the "Town of Morrison" with "Jefferson County," and (b) remove all references to the City of Lakewood. ***No new Service Plan documents have been created that reflect these changes, but due to this modification the language in the Service Plan is considered to have been changed as indicated via the Disconnect Notice***. The Development is now located solely within the boundaries of Jefferson County, Colorado (the "County").

According to officials of the Districts, a consolidated Amended and Restated Service Plan for Districts is currently under review by Jefferson County, but is not expected to be approved by the County prior to issuance of the Bonds.

Pursuant to the Service Plan and Section 32-1-101, et seq., C.R.S. (the "Special District Act"), the Districts are authorized to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, telephone, satellite, and fiber-optic communications systems, and mosquito control improvements and facilities (collectively, the "Public Improvements"), within and without the boundaries of the Districts, for the use and benefit of residents within the Districts, except as specifically limited therein. See "THE DISTRICTS—Service Plan Authorizations and Limitations."

Multiple District Structure. The Issuing District, District No. 1 and District No. 3 were organized concurrently. It is anticipated that the Issuing District and District No. 1 will contain residential development and District No. 3 will contain commercial development. ***Following the approval of the Service Plan, the ownership and development of property within District No. 3 has been separated and will no longer be developed in a coordinated fashion with the property within the Districts***. Further, the RRC Districts entered into a Debt Allocation Intergovernmental Agreement dated February 4, 2020 (the "Debt Allocation IGA") setting forth the terms and conditions related to the allocation of the aggregate Debt limit authorized by the Service Plan. See "—Authority for Issuance" below, and "THE DISTRICTS—Service Plan Authorizations and Limitations," "—Material Agreements of the Districts—*Debt Allocation IGA.*"

Notwithstanding the foregoing, District No. 3 is not pledging any revenues for the payment of the Bonds and the Bonds are not an obligation of District No.3. As a result, limited information is provided herein regarding District No. 3.

It is anticipated that the Issuing District and District No. 1, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District is pursuant to intergovernmental agreements between the Districts. See "—Material Agreements of the Districts—*District No. 1 Agreements—Facilities Acquisition and Reimbursement Agreement (Lennar).*"

While residents are ultimately anticipated within the Districts, as of the date of this Limited Offering Memorandum, the population of the Districts is currently zero. The 2021 certified assessed valuations for the Issuing District and District No. 1 are $236,449 and $228,073, respectively, for a total combined 2021 certified assessed valuation of $464,522. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes" and "THE DISTRICTS."

The Development .... The Development is being developed as an entirely residential community on approximately 247-acres and is planned for a total of 951 dwelling units comprised of 330 three story cluster homes and 621 single family detached homes. All of the property comprising the Development is located within the boundaries of the Districts. See the "AERIAL MAPS," "AERIAL VIDEO," "ISSUING DISTRICT AND DISTRICT NO. 1 BOUNDARIES" and "REGIONAL MAP."

All of the planned 951 dwelling units homes are expected to be constructed by Lennar Colorado, LLC, a Colorado limited liability company ("Lennar"). As of the date of this Limited Offering Memorandum, the construction of one model home commenced within the Development on September 10, 2021. According to the Market Study, it is anticipated that the first homes will be sold and closed to homeowners in the first quarter of 2022 and that all homes within the Development will be sold and closed to homeowners by the first quarter of 2029. See "RISK FACTORS—Development Not Assured," "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY," and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT." Lennar is not obligated to construct homes within the Development in any particular timeframe or at all. No assurance is provided that the homes will be sold and closed to homeowners in the timeframe anticipated herein or at all.

As of the date of this Limited Offering Memorandum, no contracts have been executed between Lennar and homeowners for homes within the Development. See "THE DEVELOPMENT—Construction and Sales Activity." No assurance is provided that purchase and sale agreements will be executed between Lennar and homeowners in any particular timeframe or at all, and Lennar is not obligated to construct within the Development in any particular timeframe or at all.

Lennar has obtained the necessary approvals from the County to advance the Development in the manner described herein and undertook site development therefor, including site planning and engineering. All of the property planned for the Development has been zoned and is partially platted for its intended uses. It is anticipated that four additional filings will be recorded to complete the subdivision of the property comprising the Development. . See "THE DEVELOPMENT—Platting, Zoning/Land Use and Public Approvals."

All Public Improvements and private improvements will be funded and constructed by Lennar. According to Lennar, construction of Public Improvements and private improvements began in March 2020 and is anticipated to be completed by 2025. See "THE DEVELOPMENT—Status of Construction and Funding of Public and Private Improvements." As of July 1, 2021, based on information provided by Lennar, approximately 30% of Public Improvements within the Development have been completed, consisting overlot grading, sanitary sewer, storm sewer, water, concrete and asphalt.

According to Lennar, the total cost of Public Improvements and private improvements required to be constructed for the Development is estimated at approximately $102,000,000 (including approximately $50,000,000 in costs of private improvements). Of such amount, approximately $52,000,000 is estimated to constitute costs of Public Improvements eligible for reimbursement by the Issuing District. As of November 1, 2021, Lennar represents that they have expended approximately $16,000, 000 on Public Improvements. According to Lennar, the costs of Public Improvements and private improvements required for the Development will be financed by Lennar; however, no information regarding the source(s) of financing to be used by Lennar is available for inclusion herein.

Purpose .... A portion of the proceeds from the sale of the Bonds will be used for the purposes of (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. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

Authority for Issuance .... The Bonds are issued in full conformity with the constitution and laws of the State, including Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act") and Part 11 of the Special District Act; pursuant to the Elections; pursuant to an authorizing resolution adopted by the Issuing District's Board of Directors (the "Board") prior to the issuance of the Bonds (the "Bond Resolution"); and pursuant to the Indenture of Trust to be dated as of the date of issuance of the Bonds (the "Indenture") between the Issuing District and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee").

At the Issuing District Election, the Issuing District's qualified electors voting at such election approved indebtedness in the amount of $450,000,000 in the aggregate to finance certain categories of Public Improvements, and an additional $50,000,000 of indebtedness to refund certain existing debt of the Issuing District. (The same authorizations were approved by the qualified electors for District No. 1). See also "DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued and Outstanding General Obligation Debt*."

The Service Plan established a debt limit for the RRC Districts combined of $50,000,000, excluding the principal amount of any debt that has been refunded, however, the RRC Districts entered into the Debt Allocation IGA to set forth the terms and conditions related to the allocation of the aggregate Debt limit authorized by the Service Plan entered into. Pursuant to the Debt Allocation IGA, the Issuing District and District No. 1 are allocated $45,000,000, with the remaining $5,000,000 being allocated to District No. 3. The Issuing District and District No. 1 may reallocate their portion of allocated Debt upon written agreement without the additional approval of District No. 3, provided that such reallocation does not exceed the Total Debt Issuance Limitation and does not reduce the $5,000,000 allocated to District No. 3. See "THE DISTRICTS—Service Plan Authorizations and Limitations" and See "—Material Agreements of the Districts—*Debt Allocation IGA*." See also "DEBT STRUCTURE—General Obligation Debt—*Service Plan Debt Limits*."

The Issuing District intends to apply the original principal amount of the Bonds against the debt authorization obtained pursuant to the Elections and the debt authorization of the Service Plan, as described in "DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued and Outstanding General Obligation Debt*."

Security and Sources of Payment for the Bonds............ The Bonds are "cash flow" limited tax general obligations of the Issuing District, secured by and payable from and to the extent of the "Pledged Revenue" consisting of (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; (iii) the Pledged Fees consisting of certain property taxes and revenues pledged by RRC Metropolitan District No. 1, in Jefferson County, Colorado (the "District No. 1") pursuant to a Capital Pledge Agreement by and between District No. 1 and the Issuing District; (the "Pledge Agreement"); and (iv) any other legally available moneys which the Issuing District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pursuant to the Indenture, the Issuing District has covenanted to levy on all of the taxable property of the Issuing District the "Required Mill Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of the Issuing District each year in the amount of 50 mills (subject to adjustment for changes occurring after January 1, 2017, in the method of calculating assessed valuation). Pursuant to the Pledge Agreement, District No. 1 has covenanted to levy on all of the taxable property of the Issuing District the "Mandatory Capital Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of District No. 1 each year in the amount of 50 mills (subject to adjustment for changes occurring after January 1, 2017, in the method of calculating assessed valuation) See "THE BONDS—Security for the Bonds," "DISTRICTS FINANCIAL INFORMATION," and "APPENDIX A—FINANCIAL FORECAST."

For purposes of the foregoing, the Service Plan limits the mill levy imposed by the Issuing District for operation and maintenance expenses to 60 mills prior to the imposition of a Debt mill levy, and upon imposition of a Debt mill levy, no more than 10 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after January 1, 2017). The mill levy imposed by the Districts for Debt is limited to 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after occurring after January 1, 2017). See "THE DISTRICTS—Service Plan Authorizations and Limitations." The Issuing District and District No. 1 currently do not impose a separate mill levy for payment of operation and maintenance expenses; instead, in 2020 (for collection in 2021) the Issuing District and District No. 1 used revenues from their general fund mill levies of 61.230 to pay general operating expenses.

See "THE BONDS—Security for the Bonds—*Required Mill Levy—Board Determination of Adjusted Mill Levy*" for an explanation of the permitted adjustment to the maximum mill levy of 50 mills contained in the definition of Required Mill Levy in the Indenture (as set forth herein and in the definition of Required Mill Levy contained in "APPENDIX C—SELECTED DEFINITIONS") as a result of changes in the method of calculating assessed valuation since January 1, 2017.

"Pledged Fees" are defined as the moneys derived from District No. 1's Capital Revenue, as defined and imposed pursuant to the Capital Pledge Agreement, including the Mandatory Capital Levy.

See "THE BONDS—Security for the Bonds—*Specific Ownership Tax*" for a description of the Specific Ownership Tax pledged to the payment of the Bonds.

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon is to be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the Issuing District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE ISSUING DISTRICT. UNDER NO CIRCUMSTANCES SHALL ANY OF THE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE ISSUING DISTRICT. IN ADDITION, UNDER NO CIRCUMSTANCES ARE THE BONDS TO BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF LENNAR OR ANY THIRD-PARTY PROPERTY OWNERS.

"Cash Flow" Nature of the Bonds .... The Bonds are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund on each October 16 in excess of the amount required to pay interest on the Bonds due on the next succeeding interest payment date, in accordance with the terms of the Indenture, pursuant a mandatory redemption more particularly described in "THE BONDS—Redemption—*Mandatory Redemption*." Interest on the Bonds is payable on each December 1 to the extent of the Pledged Revenue available therefor, and accrued unpaid interest on the Bonds will compound annually on each December 1 until sufficient Pledged Revenue is available for payment. See also the Financial Forecast in APPENDIX A. As demonstrated in the Financial Forecast, under the base case scenario, it is not anticipated that there will be any Pledged Revenue to pay principal on the Bonds until 2040. These dates represent a forecast and there is no guarantee that any payments will be made on or after such date or, further, that the Bonds will be paid prior to their discharge date of December 2, 2065, as more particularly described below. See "RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Valuation Appreciation Report."

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon is to be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the Issuing District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.

Additional Bonds.................... The Indenture imposes limitations on the issuance of Additional Bonds (as such term is defined in the Indenture, as applicable, see APPENDIX C). Owners of the Bonds will only be permitted to enforce such limitations set forth in the Indenture. See "THE BONDS—Certain Indenture Provisions—*Additional Bonds*."

Interest Rates; Payment Provisions................................ The Bonds will bear interest at the rates per annum set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds is payable annually on December 1 each year, commencing December 1, 2022. Payments for the principal of and interest on the Bonds will be made as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Prior Redemption................... The Bonds are subject to optional and mandatory redemption as described in "THE BONDS—Redemption."

Book-Entry-Only Registration............................. The Bonds will be issued in fully registered form and will be registered initially in the name of "Cede & Co." as nominee for The Depository Trust Company, New York, New York ("DTC"), a securities depository. Beneficial ownership interests in the Bonds may be acquired through brokers and dealers who are, or who act through, participants in the DTC System (the "Participants") in principal denominations of $500,000 or any integral multiple of $1,000 in excess thereof. Persons for whom Participants acquire interests in the Bonds (the "Beneficial Owners") will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the Issuing District pursuant to the Indenture, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM" for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

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

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

Tax Status .... In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See "TAX MATTERS."

Financial Forecast .... Simmons & Wheeler P.C., Englewood, Colorado has prepared the cash flow projection schedules presented in APPENDIX A hereto (the "Financial Forecast") for the Board, for the purpose of providing information regarding the Issuing District's ability to make the annual debt service payments on the Bonds. Such Financial Forecast is based upon the Market Study (described below in "—Market Study") and the assumptions more particularly provided therein. In particular, the Financial Forecast sets forth: (a) in Exhibit II, a projection of the payment of debt service on the Bonds, based on the absorption schedule and market values presented in the Market Study, and assuming a biennial inflation rate for completed residential units of 6% (i.e., a 3% annual inflation rate, based upon estimates presented in the Assessed Value Appreciation Report) (referred to herein as the "base case"); (b) in Exhibit I-A through III-A, an alternative hypothetical projection (referred to herein as the "Slowdown Projection") based on an assumed biennial inflation rate for completed residential units of 6% (i.e., a 3% annual inflation rate), and an assumed absorption rate for the residential units that is 23% of the absorption rate reflected in the Market Study (see Note 5 of the Financial Forecast); (c) in Exhibits I-B through III-B, an alternative hypothetical projection (referred to herein as the "Alternative 2% Projection") based on the absorption schedule and market values presented in the Market Study, and assuming a biennial inflation rate for completed residential units of 2% (i.e., a 1% annual inflation rate) (see Note 5 of the Financial Forecast); and (d) in Exhibits I-C through III-C, an alternative hypothetical projection (referred to herein as the "Alternative 2% Slowdown Projection") based on an assumed absorption rate for the residential units that is 60% of the absorption rate reflected in the Market Study, and an assumed biennial inflation rate for completed residential units of 2% (i.e., a 1% annual inflation rate) (see Note 5 of the Financial Forecast).

As demonstrated in the Financial Forecast, under the base case scenario, it is not anticipated that there will be any Pledged Revenues to pay principal on the Bonds until 2035. Moreover, under the hypothetical Slowdown Projection, the Pledged Revenue will not be sufficient to pay any principal of the Bonds until 2058 but will pay the Bonds in full by the Termination Date. Under the hypothetical Alternative 2% Projection, the Pledged Revenue will not be sufficient to pay any principal of the Bonds until 2038 but will pay the Bonds in full by the Termination Date. Under the hypothetical Alternative 2% Slowdown Projection, the Pledged Revenue will not be sufficient to pay any principal on the Bonds until 2045 but shows the Bonds will be paid in full prior to the Termination Date. See "FORWARD-LOOKING STATEMENTS," "RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "APPENDIX A—FINANCIAL FORECAST" hereto.

The Market Study.................... The Issuing District retained Zonda Home, Centennial, Colorado (the "Market Consultant") to prepare a Market Analysis dated as of November 22, 2021 (the "Market Study"). The Market Study contains certain projections regarding the pace of lot sales, absorption and home values in the Development, which are based on certain assumptions more particularly set forth therein. The Market Study provides an assessment of absorption and market values based on current market conditions, which conditions are comprised solely of those specifically identified in the Market Study. See "FORWARD-LOOKING STATEMENTS," "RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land," and APPENDIX B hereto.

Assessed Value Appreciation Report.............. An analysis of the annual appreciation of residential market values in the Issuing District, dated November 4, 2021, has been prepared for the Issuing District (the "Assessed Value Appreciation Report") by King & Associates, Inc., Centennial, Colorado ("King & Associates"), and is appended in its entirety to this Limited Offering Memorandum as APPENDIX H hereto. King & Associates has projected that the actual value of homes in the Issuing District will appreciate at an annual rate of 3% (6% biennially) throughout the term of the Bonds, which assumption has been used in the Financial Forecast (defined below) to forecast the projected payment schedule of the Bonds. The designation "(3)" in the title of the Bonds indicates this 3% annual appreciation rate assumption. The Assessed Value Appreciation Report should be read in its entirety for an understanding of the methodology and the underlying assumptions contained therein. **No representation or guarantee is made that the assessed valuations set forth in the Assessed Value Appreciation Report will be realized**. For a more detailed description of such report, see "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT" herein. See also "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report."

Professionals Involved in the Offering .... Sherman & Howard L.L.C., Denver, Colorado, has acted as Bond Counsel. Kutak Rock LLP, Denver, Colorado, has acted as Underwriter's Counsel and has assisted in the preparation of this Limited Offering Memorandum. McGeady Becher, P.C., Denver, Colorado, represents the Issuing District as General Counsel. UMB Bank, n.a., Denver, Colorado, will act as the trustee, paying agent, and registrar for the Bonds. Piper Sandler & Co., Denver, Colorado, will act as the underwriter for the Bonds (the "Underwriter"). North Slope Capital Advisors, Denver, Colorado has acted as Municipal Advisor to the Issuing District in connection with the Bonds. See "MISCELLANEOUS—Underwriting" herein. Simmons & Wheeler P.C., Englewood, Colorado, serves as the Districts' accountant.

Continuing Disclosure Obligation............................... Piper Sandler & Co. (the "Underwriter") has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12). Notwithstanding such exemption, the Issuing District has, however, agreed to obtain and provide certain information to the Trustee, on a quarterly and annual basis for dissemination to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system. A form of the Continuing Disclosure Agreement setting forth such obligations is attached hereto APPENDIX E to this Limited Offering Memorandum. See "MISCELLANEOUS—Continuing Disclosure Agreement."

Financial Statements............. Due to the Districts' limited financial activity to date, no audited financial information is available for inclusion herein. In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the Issuing District's and District No. 1's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The Issuing District's and District No. 1's applications for exemption from audit for the fiscal year ended December 31, 2020 were filed with and accepted by the State Auditor.

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

Offering and Delivery Information..............................The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser of a Bond must be a "financial institution or institutional investor" (as such terms are defined in Section 32-1-103(6.5), C.R.S.). The Bonds are offered when, as, and if issued by the Issuing District and accepted by Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel, the forms of which are set forth in APPENDIX F. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about December 17, 2021, against payment therefor.

Debt Ratios .... Due to the Issuing District's recent formation and lack of development activity in the Issuing District to date, and therefore, the minimal assessed valuation thereof, no debt ratio information is provided herein. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Tax Data."

Additional Information............................ ALL OF THE SUMMARIES OF THE STATUTES, INDENTURE, RESOLUTIONS, OPINIONS, CONTRACTS, AND OTHER AGREEMENTS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries of any such documents contained herein do not purport to be complete statements thereof, and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: RRC Metropolitan District No. 2, c/o McGeady Becher, P.C., 450 E. 17th Avenue, Suite 400, Denver, Colorado, 80203, Telephone: (303) 592-4380; or Piper Sandler & Co., 1200 17th Street, Suite 1250, Denver, Colorado, 80202, Telephone: (303) 820-5865.

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, and particularly the information contained under the headings entitled "INTRODUCTION," "RISK FACTORS," "THE DISTRICTS," "THE DEVELOPMENT," "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY," and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words "estimate," "forecast," "intend," "expect," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any projection is subject to such uncertainties. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between projections and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see "RISK FACTORS."

RISK FACTORS

AN INVESTMENT IN THE BONDS IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE LIMITED OFFERING MEMORANDUM AND CAREFULLY CONSIDER ALL POSSIBLE FACTORS WHICH MAY AFFECT THEIR INVESTMENT DECISION. THE RISK FACTORS DESCRIBED IN THIS SECTION SET FORTH MANY OF THE POTENTIAL RISKS OF AN INVESTMENT IN THE BONDS THAT SHOULD BE CONSIDERED PRIOR TO PURCHASING THE BONDS BUT DOES NOT PROVIDE AN EXHAUSTIVE LIST OF SUCH FACTORS.

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

General

The purchase of the Bonds involves certain risk factors, which are discussed throughout this Limited Offering Memorandum, and each prospective investor should make an independent evaluation of all information presented in this Limited Offering Memorandum in order to make an informed investment decision. The Bonds should only be purchased by investors who can bear the continuing risk of an investment in the Bonds. Particular attention should be given to the risk factors described below, which, among others, could affect the payment of debt service on the Bonds when due.

Limited Offering; Restrictions on Purchase; Investor Suitability

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S. Moreover, the Bonds are being issued in minimum initial denominations of $500,000.

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean that the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

No Credit Rating; Risk of Investment

The Bonds do not have a credit rating from any source and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. By purchasing the Bonds, each purchaser represents that it is a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S., with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of non-rated tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds.

No Assurance of Secondary Market

No assurance can be given concerning the future existence of a secondary market for the Bonds, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold the Bonds to maturity or prior redemption. Even if a secondary market exists, as with any marketable securities, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the initial purchaser of the Bonds depending on the progress of the Development and existing real estate and financial market conditions. See also "—Restrictions on Transferability" below.

Restrictions on Transferability

By their acceptance of the Bonds, each Owner acknowledges that the Bonds may be sold, transferred or otherwise disposed of only in minimum denominations of $500,000 and any integral multiple of $1,000 in excess thereof, except as otherwise provided in the Indenture. See "THE BONDS—Authorized Denominations of the Bonds."

Limited Pledged Revenue Sources; No Conversion of Bonds to Unlimited Tax Obligations; No Mortgage or Guaranty Securing Any Bonds

The Bonds are secured solely from and to the extent of the Pledged Revenue, as more particularly described herein. The primary source of District revenue pledged for debt service on the Bonds is expected to be revenue generated from ad valorem taxes assessed against all taxable property of the Districts. In no event, will the maximum mill levy cap set forth in the definition of Required Mill Levy release upon the District achieving any particular level of assessed valuation, and in no event will the Bonds become unlimited tax obligations of the Districts.

The District's ability to retire the indebtedness created by the issuance of the Bonds is dependent, in part, upon development of an adequate tax base from which the District can collect sufficient property tax revenue from the imposition of the Required Mill Levy. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "—Development Not Assured" below. The Financial Forecast (included in APPENDIX A hereto) sets forth the projected payment of debt service on the Bonds, based on assumptions concerning growth and residential home price appreciation in the District and the mill levy imposed for payment of debt service on the Bonds. See "—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report" below and "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY," and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT."

In the event that the revenue derived from the Required Mill Levy and the other components of the Pledged Revenue is insufficient to pay the scheduled principal of and/or interest on the Bonds when due, the unpaid principal will continue to bear interest, and the unpaid interest will compound as described herein until the total repayment obligation of the District for the Bonds equals the amount permitted by law, **subject to the prior discharge of the Bonds as more particularly described in "—"Cash Flow" Nature of the Bonds; Discharge of the Bonds on December 2, 2065" below**. During this period of accrual, so long as the District is enforcing collection of the Pledged Revenue, the District will not be in default on the payment of such principal and interest under the Indenture, and the Owners will have no recourse against the District to require such payments (other than to require the District to continue to assess the Required Mill Levy and collect the revenue derived from such levy and the other components of the Pledged Revenue to the extent permitted under the Service Plan and other applicable law). In addition, the District will not be liable to the Owners for unpaid principal and interest beyond the amount permitted by law and, upon payment of such permitted amount, it is possible that all Bonds may be deemed defeased. The District's electoral authorization limits the total repayment cost of indebtedness authorized at the Election for the payment of infrastructure costs to $450,000,000 in total; provided that such repayment cost is allocated among indebtedness issued to fund specific subcategories of infrastructure. See "THE BONDS—Certain Indenture Provisions—*Events of Default*" and "—*Remedies on Occurrence of Event of Default*."

The payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any real estate or other property within the District or assets of the District (other than the Pledged Revenue and the funds and accounts pledged to the Bonds in the Indenture). The Bonds are also not obligations of Lennar, or any third-party property owners and are not secured by any property or assets owned by such entities.

"Cash Flow" Nature of the Bonds; Discharge of the Bonds on December 2, 2065

The Bonds are structured as "cash flow" bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund on each November 1 in excess of the amount required to pay all interest then due on the Bonds on the Interest

Payment Date occurring in that year (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), pursuant to a mandatory redemption more particularly described in "THE BONDS—Certain Indenture Provisions—*Bond Fund; Mandatory Redemption*."

Interest on the Bonds is payable on each December 1 to the extent of the Pledged Revenue available therefor, and accrued unpaid interest on the Bonds will compound annually on each December 1 until sufficient Pledged Revenue is available for payment. See also the Financial Forecast in APPENDIX A. *As demonstrated in the Financial Forecast, under the base case scenario, while it is anticipated that there will not be sufficient Pledged Revenue to pay principal on the Bonds until 2040. These dates represent a forecast and there is no guarantee that any payments will be made on or after such dates or, further, that the Bonds will be paid prior to the Termination Date, as more particularly described below.* ***Prospective purchasers are cautioned that the payment of debt service on the Bonds presented in the Financial Forecast is only a projection, based upon the assumptions set forth therein, and failure to pay such amounts on the Bonds in accordance with such projection will not constitute an event of default under the Indenture***. See also "—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report" below.

Notwithstanding any other provision of the Indenture, after application on December 1, 2065 of all available Pledged Revenue to the payment of the Bonds, the Bonds and the lien of the Indenture securing payment thereof are to be deemed fully satisfied on the Termination Date of December 2, 2065, and on such date the Bonds are to be discharged and the Indenture is to terminate. See also "—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report" below.

No Reserve Fund or Surplus Fund

There will be no reserve fund or surplus fund securing the Bonds.

No Acceleration; No Payment Default

The Indenture provides that acceleration of the Bonds is not an available remedy for any Event of Default under the Indenture. In addition, the Issuing District's failure to pay principal and interest on the Bonds when due does not constitute an Event of Default under the Indenture so long as the Issuing District is otherwise in compliance with the Indenture covenants and other provisions relating to the Pledged Revenue. See "THE BONDS—Certain Indenture Provisions—*Events of Default*" and "*—Remedies on Occurrence of Event of Default*."

Enforceability of Bondholders' Remedies upon Default

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

America of the powers delegated to it by the federal constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies, in the interest of serving an important public purpose.

Additional Bonds

The Issuing District may issue Additional Bonds (as such term is defined in the Indenture, see APPENDIX C), without the consent of the Consent Parties of the Bonds, subject to the satisfaction of certain conditions set forth in the Indenture and described in "THE BONDS—Certain Indenture Provisions—*Additional Bonds*." The Issuing District's issuance of Additional Bonds (as defined in the Indenture, see also "APPENDIX C—SELECTED DEFINITIONS") is also subject to the limitations of the Districts' Service Plan and electoral authorization.

The issuance of Additional Bonds would potentially dilute the security available for the Bonds.

Development Not Assured

General. The repayment of the Bonds is highly dependent upon an increase in the assessed valuation of property in the Districts to provide a tax base from which ad valorem property tax revenues resulting from imposition by the Issuing District of the Required Mill Levy are to be collected. Such increase in assessed valuation is dependent upon development within the Districts, which, in turn, is subject to market demand, market conditions and a variety of other factors beyond the control of the Issuing District and Lennar.

Planned Development and Status. Development of the property within the Development will require approval of the Final Plat by the County and the completion of all of the Public Improvements and private infrastructure improvements required for the Development, as set forth in various agreements that have been executed among Lennar and the County, as applicable, and the issuance of building permits and certificates of occupancy by the County in accordance with the County Code. See "THE DEVELOPMENT—Platting, Zoning/Land Use and Public Approvals" and "—Agreements Concerning Public Improvements."

As of the date of this Limited Offering Memorandum, the construction of one model or "Show Home" commenced within the Development on September 10, 2021. According to the Market Study, it is anticipated that the first homes will be sold and closed to homeowners in the first quarter of 2022 and that all homes within the Development will be sold and closed to homeowners by the first quarter of 2029 .

Lennar owns all of the property within the Development and has executed various agreements with the County related to funding and construction of Public Improvements.

As of the date of this Limited Offering Memorandum, no purchase and sale agreements have been executed between Lennar and homeowners for homes within the Development. See "THE DEVELOPMENT—Construction and Sales Activity." No assurance is provided that purchase and sale agreements will be executed between Lennar and homeowners in any particular timeframe or at all, and Lennar is not obligated to construct homes within the Development in any particular timeframe or at all. See "THE DEVELOPMENT." See also the Financial Forecast attached in APPENDIX A hereto and the Market Study attached in APPENDIX B hereto.

Notwithstanding any of the foregoing, neither Lennar nor any owner of property within the Development is obligated to construct homes thereon in any particular timeframe or at all. The Market Study attached hereto as APPENDIX B provides an analysis of the assumed build-out schedule and product mix (including price levels) of the Development. The Assessed Value Appreciation Report attached hereto as APPENDIX H provides a home value appreciation projection. Based upon the build-out schedule and product mix (including price levels) set forth in the Market Study, the home value appreciation projection set forth in the Assessed Value Appreciation Report, and certain other assumptions specified in the Financial Forecast, the Financial Forecast included in APPENDIX A hereto provides certain forecasts of revenue of the Districts. **No assurance can be given that build-out will occur as presently planned, within the presently anticipated timeframes and resulting in the presently anticipated product values, or projected appreciation in values. All development projections, including, without limitation, the ultimate number of residential units and price levels of residential units to be constructed in the Development, are dependent on market activity, governmental regulations, general economic conditions, and other factors over which the Issuing District and Lennar have no control**. See "— Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report" below, "THE DEVELOPMENT," "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY," and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT."

Public and Private Infrastructure Improvements. According to Lennar, construction of Public Improvements and private improvements began in March 2020 and is anticipated to be completed by 2025. As of November 1, 2021, Lennar represents that approximately 30% of Public Improvements within the Development have been completed (all within Filing 2), consisting of overlot grading, sanitary sewer, storm sewer, water, concrete and asphalt.

According to Lennar, the total cost of Public Improvements and private infrastructure improvements required to be constructed for the Development is estimated at approximately $102,000,000 (including approximately $50,000,000 in costs of private infrastructure improvements). Of such amount, approximately $52,000,000 is estimated to constitute costs of Public Improvements eligible for reimbursement by the Districts (including the costs of all Public Improvements required to be constructed in accordance with the ODP, the Final Plat, the Improvements Agreement and the Mount Carbon IGA). See "THE DEVELOPMENT—Platting, Zoning/Land Use and Public Approvals," "—Agreements Concerning Public Improvements," and "—Water and Sewer."

As of November 1, 2021, Lennar represents that they have expended approximately $16,000,000 in costs of Public Improvements

It is anticipated that the net proceeds of the Bonds (estimated at $43,800,000) will be applied to reimburse Lennar in accordance with a certain Facilities Acquisition and Reimbursement Agreement (the "Lennar FARA" as more particularly defined herein) for a portion of the costs of the Public Improvements funded directly by Lennar.

The estimates of Public Improvements and private infrastructure improvements required for the Development described herein do not include the costs of vertical construction of any portion of the Development.

The estimated costs of the Public Improvements and private infrastructure improvements described herein required for the Development are based upon final engineering, an existing grading and wet utility contract, and bids received for the required infrastructure, but such estimated costs remain subject to change as development progresses. No assurance is given that the costs of Public Improvements and private infrastructure improvements necessary to serve the Development will not exceed the estimates provided herein.

The costs of Public Improvements and private infrastructure improvements are subject to many factors not within the control of the Issuing District and Lennar, including but not limited to, labor conditions, access to and cost of building supplies, energy costs, availability and costs of fuel, transportation costs, and economic conditions generally. There can be no assurance that the Issuing District or Lennar will fund such infrastructure costs or the financial resources thereof will be adequate to do so, and there can be no assurance that, if needed, Lennar would be able to obtain additional funding from outside sources. No independent investigation has been made of the financial resources of Lennar. See "THE DEVELOPMENT—Status of Construction and Funding of Public and Private Infrastructure Improvements." If the Public Improvements and private infrastructure improvements necessary to fully support all residential units within the Development are not completed as anticipated herein and, as a result, build-out of the Development is not completed in the time and manner reflected in the Financial Forecast, the assessed valuation forecasted for the Issuing District will not be realized in the manner forecasted which could have a material, adverse effect on the Issuing District's ability to repay the Bonds. See the Financial Forecast set forth in APPENDIX A hereto for the build-out projections for residential construction within the Development and the corresponding estimated assessed valuation relating to such planned development. See also the Market Study set forth in APPENDIX B.

Potential Nuisances and Environmental Matters. While all recognized environmental conditions in the Development have been remediated, and no additional investigations were recommended in the Phase I ESA (defined herein, see "THE DEVELOPMENT—Environmental Matters and Potential Nuisances"), no assurance is provided that during or subsequent to the development of the Development hazardous materials or other adverse environmental conditions will not be discovered on the property which could hinder or prohibit development. Should such a discovery occur, it is possible that the Development and marketing of the Development could be materially adversely affected and, as a result, that the Pledged Revenue may be insufficient to pay debt service on the Bonds. See "THE DEVELOPMENT—Environmental Matters and Potential Nuisances." The Development is located in close proximity to Bandimere Speedway, a quarter-mile dragstrip that hosts periodic local and national drag racing events. The facility has a seating capacity of 23,500 spectators. It is also proximate to Red Rocks Amphitheater, the Town's Wastewater Treatment Plant, State Highway C-470 and Morrison Road. As set forth in the Final Plat, it is likely that future residents of the Development may experience elevated noise, odor and light pollutions from existing sources such as Bandimere Speedway, Red Rocks Amphitheater, the Town Wastewater Treatment Plant, State Highway C-470 and Morrison Road, that may or may not be exempt from regulations. A Noise Disclosure Statement notifying future purchasers or leases of potential noise and odor impact is to be given to all potential property owners before sale of such property.

Competition With Other Developments. The Development competes with developments in surrounding areas and can be expected to compete with existing and future developments, some of which are not yet known. Such competition may adversely affect the rate of development within the Districts. See the Market Study set forth in APPENDIX B hereto.

Other Factors Affecting Rate of Development. Many unpredictable factors could influence the actual rate of development and construction of homes within the Development, including prevailing interest rates, availability of development and construction funding, economic conditions generally, development and supply of residential housing in the area, availability of mortgages, federal taxation of interest on mortgages, availability of property insurance, construction costs, labor conditions and unemployment rates, access to and cost of building supplies, limitations or moratoria on building permits, availability and costs of fuel, and transportation costs, and severe weather and acts of god, among other things. See also "—Foreclosures" below, "THE DEVELOPMENT—Competition" and "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Housing Stock" and "—Foreclosure Activity."

Tax Reform. The rate of development may also be affected by changes to the Code made in 2017 affecting individual income tax deductions and credits, including but not limited to, the deductions for interest on home mortgages and state and local taxes, and future changes to the Code that could affect the foregoing and other income tax deductions and credits. The product type ultimately constructed in the Development and resulting initial home values, and the increase (or decrease) in residential home values during the term of the Bonds as a result of such changes or potential future changes cannot be predicted and has not been assessed by the providers of the Assessed Value Appreciation Report, Market Study, or Financial Forecast.

Certain Risks Related to COVID-19

In General. The spread of the coronavirus disease 2019 ("COVID-19") has altered the behavior of individuals and businesses in a manner that in many respects has had significant negative effects on global, national, and local economies. State and local governments, including the State of Colorado (the "State"), have announced orders, recommendations and other measures intended to slow the spread of COVID-19, impacting both business and individuals. These COVID-19 measures are changing rapidly. *On July 8, 2021, Colorado Governor Jared Polis issued Executive Order D 2021 122, which rescinded all previous executive orders issued due to COVID-19 and implemented provisions related to the State's recovery from the COVID-19 pandemic emergency. As a result, no information is provided herein with respect to previous executive orders related to COVID-19.*

The full extent of the impact of COVID-19 on the economy is uncertain at this time and may be substantial and long-lasting. It is unknown how extensive the spread of the COVID-19 will be in the State and elsewhere; what the governmental, public and private response thereto will be; or whether new COVID-19 restrictions will be put into place. These things may change rapidly. The Issuing District cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) what effect the COVID-19 pandemic will continue to have on global, national, and local economies; or (iii) the impact the COVID-19 pandemic will have on the Pledged Revenue.

There can be no assurance that the spread of COVID-19 and the implementation of any new restrictions on a local, State and national level, and public and private reaction thereto, will not materially impact the local, State and national economies and, accordingly, there is no guarantee that such occurrences will not adversely affect the amount of the Pledged Revenue available for payment of the Bonds, or the timing of the receipt of the Pledged Revenue, and such adverse effects may be material.

It is impossible to predict and therefore this Limited Offering Memorandum (including the appendices hereto) cannot fully address the various types or the magnitude of the effects that COVID-19 may create globally, nationally, statewide and locally, including with respect to the Pledged Revenue. Prospective purchasers of the Bonds should note that this Limited Offering Memorandum (including the appendices hereto) provides information as of the dates stated herein and does not reflect updates on the matters described herein including, without limitation, the potential effects of COVID-19, and such updates could be adverse.

Effects of COVID-19 Orders on Property Taxes. In response to the COVID-19 pandemic, Colorado Governor Polis previously issued Executive Orders, and the State legislature has passed legislation, permitting the suspension or waiver of delinquent interest on property taxes for a period of time, and imposing certain limitations on evictions and foreclosures.

On June 28, 2021, Colorado Governor Jared Polis signed Senate Bill 21-279 ("SB 21-279"). SB 21-279 allows a board of county commissioners or the city council of any city and county, with approval of the elected county treasurer, to reduce, waive, or suspend interest accrued on delinquent property tax payments for any period of time between June 16, 2021 and September 30, 2021. Such legislation is similar to legislation that was passed in 2020 (House Bill 20-1421, which has since expired). SB 21-279 further provides that if a local taxing jurisdiction (such as the Issuing District) is unable to meet bond payment obligations due to, and within the period, of the waiver or reduction of the interest rate, such jurisdiction is to provide notice to the applicable county and in such case, the applicable county is required to advance property tax amounts to the local taxing jurisdiction to pay bonded indebtedness or monthly operations costs. Such advance may not exceed 90% of the property tax due to the local taxing jurisdiction and may not exceed the shortfall. SB 21-279 is to be automatically repealed on December 31, 2021. Jefferson County has waived delinquent property tax interest from June 16, 2021 through September 15, 2021.

It is not possible to know whether Governor Polis will issue additional executive orders authorizing county treasurers to extend payment deadlines and waive interest, or whether the Colorado Legislature will enact similar legislation in the future. Additionally, it is unknown whether the State Governor, the State legislature, or any other governmental official or entity, will take any further actions suspending or limiting foreclosure proceedings or evictions relating to real property.

The Pledged Revenue pledged to the payment of the Bonds is derived primarily from ad valorem property taxes. Significant delays in the receipt of property taxes or material decreases in the amount of tax revenue received by the Districts would affect the security for the Bonds. There can be no assurance that the Pledged Revenue will continue at prior or existing levels, and there is no guarantee that reductions in ad valorem property tax revenue will not occur. Further, such decreases could be material. Further, it is possible that the economic impact of COVID-19 could cause, among other things: (a) the assessed value of property in the Districts to decrease, and (b) the development of undeveloped property in the Districts to slow from what is projected or to stop entirely. Either event could materially reduce the Pledged Revenue for the Bonds.

See also "FORWARD-LOOKING STATEMENTS."

Financial Condition of Lennar

There has been no independent investigation of and no representation is made in this Limited Offering Memorandum regarding the financial soundness of Lennar or of the managerial capability of the foregoing to develop and/or market (as applicable) the property within the Development as planned. Moreover, the financial circumstances of Lennar may change from time to time. Development within the Districts is dependent upon the ability of Lennar to implement the development plan contemplated herein, as described above in "—Development Not Assured." Furthermore, neither Lennar is under a binding obligation to develop property within the Districts as planned, nor is there any restriction on the right of Lennar, or any other property owner to sell any or all of its property within the Districts or to withdraw completely from the Development. Prospective investors are urged to make such investigation as deemed necessary concerning the financial soundness of Lennar and their ability to implement the plan of Development as described herein.

Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report

The Issuing District has retained (a) Zonda Advisory, Centennial, Colorado ("Market Consultant"), to prepare a market analysis and absorption forecast for the Development dated November 22, 2021 (the "Market Study"); (b) King & Associates, Inc., Denver, Colorado ("King & Associates") to prepare a report on certain historical and projected appreciation trends dated November 4, 2021 (the "Assessed Value Appreciation Report"); and (c) Simmons & Wheeler P.C., Englewood, Colorado ("Simmons") to prepare the Issuing District's "Forecasted Statement of Sources and Uses of Cash" dated as of November 30, 2021 (the "Financial Forecast").

Financial Forecast. The Financial Forecast (in APPENDIX A hereto) projects the payment of debt service on the Bonds, based on the absorption schedule and market values presented in the Market Study, and the other assumptions more particularly described in the Financial Forecast. In particular, the Financial Forecast sets forth: (a) in Exhibits I through III, a projection of the payment of debt service on the Bonds, based on the absorption schedule and market values presented in the Market Study, and assuming a biennial inflation rate for completed residential units of 6% (i.e., a 3% annual inflation rate, based upon estimates presented in the Assessed Value Appreciation Report) (referred to herein as the "base case"); (b) in Exhibits I-A through III-A, an alternative hypothetical projection (referred to herein as the "Slowdown Projection") based on an assumed biennial inflation rate for completed residential units of 6% (i.e., a 3% annual inflation rate), and an assumed absorption rate for the residential units that is 23% of the absorption rate reflected in the Market Study (see Note 5 of the Financial Forecast); and (c) in Exhibits I-B through III-B, an alternative hypothetical projection (referred to herein as the "Alternative 1% Projection") based on the absorption schedule and market values presented in the Market Study, and assuming a biennial inflation rate for completed residential units of 2% (i.e., a 1% annual inflation rate) (see Note 5 of the Financial Forecast).

As demonstrated in the Financial Forecast, under the base case scenario, it is not anticipated that there will be any Pledged Revenue to pay principal on the Bonds until 2035. Moreover, under the hypothetical Slowdown Projection, the Pledged Revenue will not be sufficient to pay any principal of the Bonds until 2058 but will pay the Bonds in full by the Termination Date. Under the hypothetical Alternative 2% Projection, the Pledged Revenue will not be sufficient to pay any principal on the Bonds until 2038 but the Bonds will be paid in full prior to the Termination Date. Under the hypothetical Alternative 2% Slowdown Projection, the Pledged Revenue will not be sufficient to pay any principal on the Bonds until 2045 but will pay the Bonds in full by the Termination Date. See "FORWARD-LOOKING STATEMENTS," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "APPENDIX A—FINANCIAL FORECAST" hereto.

These dates represent a forecast and there is no guarantee that any payments will be made on or after such date or, further, that the Bonds will be paid prior to their discharge date of December 2, 2065, as more particularly described below. **Prospective purchasers are cautioned that the payment of debt service on the Bonds presented in the Financial Forecast is only a projection, based upon the assumptions set forth therein, and failure to pay such amounts on the Bonds in accordance with such projection will not constitute an event of default under the Indenture.**

If the absorption schedule or market values set forth in the Market Study are not realized, then the Bonds may not be repaid.

Actual rates of development will be affected by many factors. The Financial Forecast is also based, in part, on certain other important assumptions more particularly described in the Financial Forecast. While Lennar has stated that it believes the absorption schedule and market values in the Financial Forecast to be reasonable, no assurance can be given that the actual rate of development and market values will be as presented in the Financial Forecast.

The Financial Forecast does not reflect any changes to the assessment ratio as a result of the passage of SB 21-293 (defined and described below in "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land"). As described below, any changes to the assessment ratio as a result of SB 21-293 are not anticipated to affect the amount of revenue derived from the Required Mill Levy due to language in the definition of Required Mill Levy requiring adjustment thereof in the event of changes in the method of calculating assessed valuation.

Market Study. The Market Study set forth in APPENDIX B hereto contains certain projections regarding the pace of lot sales, absorption and home values in the Development, which are based on certain assumptions more particularly set forth therein. The Market Study provides an assessment of absorption and market values based on current market conditions, which conditions are comprised solely of those specifically identified in the Market Study. The Market Study does not address or evaluate other factors which could impact whether the Development proceeds as contemplated therein, including the availability of funding, the receipt of entitlements, the completion of required infrastructure, and other matters described in "—Development Not Assured" above and any changes in the residential assessment ratio, described in "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land."

Assessed Value Appreciation Report. The Assessed Value Appreciation Report is attached hereto as APPENDIX H and should be read in its entirety. In the Assessed Value Appreciation Report, King & Associates has examined residential market value trends in Jefferson (Jefferson County) metropolitan statistical area and the County and provided a home value appreciation projection. King & Associates projects that the actual value of homes will appreciate at an annual rate of 3%. As explained in "Financial Forecast" below, this projected 3% annual rate of appreciation is assumed (as a 6% biennial inflation rate) in the "base case" scenario of the Financial Forecast and has been used by Simmons in the preparation of the projected payment schedule of the Bonds presented in Exhibits I through III (the "base case") and in Exhibits I-A through III-A (the "Slowdown Projection") of the Financial Forecast (see Notes 1 and 5 of the Financial Forecast). In the title of such bonds, the designation "2021(3)" indicates this 3% appreciation rate assumption.

The Assessed Value Appreciation Report is based on key assumptions and, like any forecast, is inherently subject to variations in the assumed data. Past increases in assessed value are not a guarantee that assessed values will increase in the future. Further, assessed values are likely to decrease in certain future years, even if the overall trend of assessed values is to increase in the future. Actual results will vary from those projected, and such variations may be material. See "FORWARD-LOOKING STATEMENTS."

The information presented in "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY," and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT" inherently is subject to variations between the assumptions and actual results and those variations could be material. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" below and "FORWARD-LOOKING STATEMENTS."

The Financial Forecast, Market Study, and Assessed Value Appreciation Report attached as APPENDIX A and APPENDIX B and APPENDIX H, respectively, hereto are an integral part of this Limited Offering Memorandum. Investors are encouraged to read the entire Limited Offering Memorandum, including the Financial Forecast, Market Study, and Assessed Value Appreciation Report to obtain information essential to the making of an informed investment decision.

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

The owners of the Bonds are dependent upon the assessed value of property within the District providing an adequate tax base from which ad valorem tax revenues are collected for the payment of debt service on the Bonds. The assessed value of property within the District is determined by multiplying the "actual value" of the property by an assessment rate, and the "actual value" of the property is determined by the County Assessor, all as more particularly described under "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes." Assessed valuations may be affected by a number of factors beyond the control of the Districts. For example, property owners are allowed each year by State law to challenge the valuations of their property, and no assurance can be given that owners of property in the Development will not do so. Under certain circumstances, State statutes permit the owners of vacant residential property to apply to the County Assessor for discounted valuation of such property for ad valorem property tax purposes, and in certain circumstances, multi-family projects can qualify for an exemption from property taxation (although no multi-family units are planned within the Development). Should the actions of property owners result in lower assessed valuations of property in the Development, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of finished lots and homes may be reduced if market prices decline due to economic factors. See also "—Foreclosures" below. Furthermore, property used for tax-exempt purposes, which could include multi-family projects owned by charitable or not-for-profit organizations (none are currently anticipated within the Development), is not currently subject to taxation.

In addition, the projected assessed value of property in the District set forth in the Financial Forecast is based on certain assumptions as to the manner in which various properties will be assessed by the County Assessor. While these assumptions are based on information provided by the County Assessor, no assurance is given that any particular methodology presently used by the County Assessor to determine the actual value of property will continue to be used in the future. Any change in the methodology by which the actual value of property is determined could adversely affect the assessed value of property in the District and the property taxes that may be generated thereby. Changes occurred in the method of calculating assessed valuation in the State for tax year 2017 and 2019 to comply with the requirements of the Gallagher Amendment, which generally requires that the statewide residential assessed values comprise approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*." The residential assessment ratio had remained at 7.96% since the 2003 levy year; however, the 2017 Colorado General Assembly approved a decrease in the residential assessment rate to 7.20% for property tax years commencing on and after January 1, 2017, and the 2019 Colorado General Assembly approved a decrease in the residential assessment rate to 7.15% for property tax years commencing on and after January 1, 2019.

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

SB 21-293 and Initiative 27. On June 23, 2021, Colorado Governor Jared Polis signed Senate Bill 21-293 ("SB 21-293"), enacted by the Colorado General Assembly partially in response to a citizen initiative ("Initiative 27") that has been approved for inclusion on the November 2021 statewide ballot. Initiative 27 is one of several initiatives proposing changes to existing real property assessment ratios that were submitted to the Colorado Secretary of State by the same Colorado-based tax reform advocacy group following the effectiveness of the Gallagher Amendment Repeal.

Absent statutory changes made by SB 21-293, Initiative 27 would have permanently reduced the assessment ratio for commercial property from the current 29% to 26.4% and permanently reduced the assessment ratio for residential property from the current 7.15% to 6.5% (subject to in each case future action by the General Assembly and to future such citizen initiatives). SB 21-293 changes the language of the statutory sections in which such current ratios appear so that if Initiative 27 was approved by State voters, (a) the reduction in the commercial property assessment ratio would instead apply only to lodging property (a new subclass of commercial property), and (b) the reduction in the residential property assessment ratio would only apply to multifamily residential property (a new subclass of residential property***). However, Initiative 27 was not approved by State voters***, therefore, the effect of SB 21-293 will be a reduction in the assessment rate for multifamily residential property to 6.8% (stated as a percentage of "actual" value, as determined by the county assessor) for the 2022 and 2023 property tax years only.

Additionally, for the 2022 and 2023 property tax years only, and without regard to the success or failure of Initiative 27, SB 21-293 reduces (a) the assessment ratio applicable to single-family residential property from 7.15% to 6.95%, and (b) the assessment ratio applicable to agricultural property and renewable energy production property (two new subclasses of commercial property) from 29% to 26.4%.

Any decrease in the residential assessment ratio will reduce the assessed valuation of residential properties (assuming the actual value of such properties remains static), and is expected to result in a decrease in revenues generated from the imposition of ad valorem property taxes on such residential properties, absent an increase in the number of mills imposed to make up for such loss in revenues. The Required Mill Levy is required to adjust in the event of a change in the method of calculating assessed valuation (including a change in the residential assessment rate, as described above) as more particularly specified in the definition thereof as described herein, and therefore, the amount of revenue derived therefrom is not expected to change as a result of any such change in the residential assessment ratio. See "THE BONDS—Security for the Bonds." See also "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY" and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT."

The Financial Forecast does not reflect any changes to the assessment ratio as a result of the passage of SB 21-293. As described above, any changes to the assessment ratio as a result of SB 21-293 are not anticipated to affect the amount of revenue derived from the Required Mill Levy due to language in the definition of Required Mill Levy requiring adjustment thereof in the event of changes in the method of calculating assessed valuation.

Foreclosures

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

Property owned by a lending institution as a result of foreclosure is typically resold in the market at a depressed price, resulting in a decrease in assessed valuation of the foreclosed property. In addition, a home foreclosure may have an immediate and/or long—term effect of depressing home prices in the surrounding area. The number of foreclosed homes reentering the market at lower prices may result in a reduction of demand for new construction housing, including property within the Development. Increased foreclosure rates could also cause lenders to tighten their lending practices and decrease their approvals of home loans, making it more difficult for potential homebuyers to finance home acquisitions. Such changes in lending practices could have an impact on the rate of home sales within the Development. See also "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity."

Enforcement of Tax Collection by County

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

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

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

See also "—Certain Risks Related to COVID-19—*Effects of COVID-19 Orders on Property Taxes*."

Taxpayer Concentration

As of the date of this Limited Offering Memorandum, Lennar owns the majority of the property within the Districts. Future sales of property within the District may result in certain buyers becoming major taxpayers in the Districts. Until such time as the concentration of property ownership within the District changes, the generation of Pledged Revenue will be dependent upon a limited number of taxpayers for timely payment of property taxes. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Tax Data—*The Districts Taxpayers*."

Property taxes on land are not personal obligations of Lennar, or any other property owner. No party has guaranteed the payment of the principal of or interest on the Bonds, and no financial information regarding Lennar or any other entity which may develop property within the Development is provided in this Limited Offering Memorandum. See also "—Development Not Assured" and "—Financial Condition of Lennar " above.

Directors' Private Interests

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State by members of the Board prior to taking any official action relating to the Bonds, all members of the Board have potential or existing personal or private interests relating to the issuance or delivery of the Bonds and/or the expenditure of the proceeds thereof as a result of their informal or formal business relationships with Lennar. See also "THE DEVELOPMENT—Lennar."

Legal Constraints on Districts' Operations

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

Limited Operating History

The Districts were organized in November 2016. According to the County Assessor, the certified assessed valuations for the Issuing District and District No. 1 are $236,449 and $228,073, respectively, for a total combined 2021 certified assessed valuation of $464,522. Until the Districts' assessed valuation increases to sufficient levels to generate tax revenues to pay operational and debt service expenses, which is not guaranteed to occur, the Districts expect to pay operational expenses from advances made by Lennar under the Operating Reimbursement Agreement; provided that Lennar is not under any obligation to provide advances pursuant to the Operating Reimbursement Agreement but may do so in its sole discretion if requested by the Districts (see "—Payment of Operation and Maintenance Expenses" below and "THE DISTRICTS—Material Agreements of the Districts—*District No. 1 Agreements—Operation Funding Agreement (Lennar)*").

Payment of Operation and Maintenance Expenses

The Service Plan limits the mill levy that can be imposed by the Districts for operations and debt service to 60 mills (subject to adjustment for changes occurring after January 1, 2017 in the method of calculating assessed valuation). See "THE DISTRICTS—Service Plan Authorizations and Limitations."

Pursuant to the Indenture, the Districts are required to impose an amount equal to 50 mills subject to adjustment for changes occurring after January 1, 2017 in the method of calculating assessed valuation, as more particularly described in "THE BONDS—Security for the Bonds—*Required Mill Levy*."

District No. 1 is also expected to receive certain advances from Lennar, in accordance with the Operating Reimbursement Agreement, to fund operation and maintenance expenses; provided that Lennar is not under any obligation to provide advances pursuant to the Operating Reimbursement Agreement but may do so in its sole discretion if requested by the Issuing District. There is no assurance that Lennar will provide advances in the amount or timing required by the Issuing District or at all. See "THE DISTRICTS—Material Agreements of the Districts—*District No. 1 Agreements—Operation Funding Agreement (Lennar)*."

Future Changes in Law

Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Issuing District or Lennar.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "Service") has a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the Issuing District, for the purpose of determining whether the Service agrees (a) with the determination of Bond Counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the Issuing District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could be expected to adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Indenture does not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. Owners of the Bonds should note that, if the Service audits the Bonds, under current audit procedures the Service will treat the Issuing District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the Issuing District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the Issuing District, the Underwriter, or Bond Counsel is obligated to pay or reimburse an owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

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

Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any potential proposed or pending legislation, regulatory initiatives or litigation.

THE BONDS

Description

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

Sources of Payment

The Bonds are "cash flow" limited tax general obligations of the Issuing District secured by and payable solely from and to the extent of the Pledged Revenue, consisting of (i) the Required Mill Levy; (ii) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; (iii) the Pledged Fees consisting of certain property taxes and revenues pledged by RRC Metropolitan District No. 1, in Jefferson County, Colorado (the "District No. 1") pursuant to a Capital Pledge Agreement by and between District No. 1 and the Issuing District; (the "Pledge Agreement"); and (iv) any other legally available moneys which the Issuing District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pursuant to the Indenture, the Issuing District has covenanted to levy on all of the taxable property of the Issuing District the "Required Mill Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of the Issuing District each year in the amount of 50 mills (subject to adjustment for changes occurring after January 1, 2017, in the method of calculating assessed valuation). Pursuant to the Pledge Agreement, District No. 1 has covenanted to levy on all of the taxable property of the Issuing District the "Mandatory Capital Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of District No. 1 each year in the amount of 50 mills (subject to adjustment for changes occurring after January 1, 2017, in the method of calculating assessed valuation) See "THE BONDS—Security for the Bonds," "DISTRICTS FINANCIAL INFORMATION," and "APPENDIX A—FINANCIAL FORECAST."

For purposes of the foregoing, the Service Plan limits the mill levy imposed by the Issuing District for operation and maintenance expenses to 60 mills prior to the imposition of a Debt mill levy, and upon imposition of a Debt mill levy, no more than 10 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after January 1, 2017). The mill levy imposed by the Districts for Debt is limited to 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after occurring after January 1, 2017). See "THE DISTRICTS—Service Plan Authorizations and Limitations." The Issuing District and District No. 1 currently do not impose a separate mill levy for payment of operation and maintenance expenses; instead, in 2020 (for collection in 2021) the Issuing District and District No. 1 used revenues from their general fund mill levies of 61.230 to pay general operating expenses.

"Pledged Fees" are defined as the moneys derived from District No. 1's Capital Revenue, as defined and imposed pursuant to the Capital Pledge Agreement, including the Mandatory Capital Levy.

See "APPENDIX C—SELECTED DEFINITIONS" for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum. See also "—Security for the Bonds" below.

“Cash flow” Nature of the Bonds

The Bonds are structured as “cash flow” bonds, meaning that there are no scheduled payments of principal thereof prior to the final maturity date. Rather, principal on the Bonds is payable annually on each December 1 from, and to the extent of, Pledged Revenue on deposit, if any, in the Bond Fund on each October 16 in excess of the amount required to pay interest on the next succeeding interest payment date, in accordance with the terms of the Indenture, pursuant to a special mandatory redemption more particularly described in “—Redemption—*Mandatory Redemption*” below and “—Certain Indenture Provisions—*Bond Fund; Mandatory Redemption.*” Interest on the Bonds is payable on each December 1 to the extent of the Pledged Revenue available therefor, and accrued unpaid interest on the Bonds will compound annually on each December 1 until sufficient Pledged Revenue is available for payment. See also the Financial Forecast in APPENDIX A.

As demonstrated in the Financial Forecast, under the base case scenario it is not anticipated that there will be any Pledged Revenue to pay principal on the Bonds until 2040. The Financial Forecast is based on certain assumptions more particularly set forth therein. There is no assurance that Pledged Revenue will be sufficient to make payment on the Bonds as projected in the Financial Forecast, or ever. See also the Financial Forecast, attached as APPENDIX A hereto, and “RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report.”

However, notwithstanding any other provision in the Indenture, in the event that any amount of principal or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on December 2, 2065 (the “Termination Date”), the Bonds and the lien of the Indenture securing payment thereof will be deemed discharged, and the estate and rights thereby granted will cease, terminate, and be void.

Authorized Denominations of the Bonds

The Bonds are being issued in “Authorized Denominations,” defined in the Indenture to mean the amount of $500,000 or any integral multiple of $1,000 in excess thereof; provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bonds may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

Payment of Principal and Interest

The Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Pledged Revenue available therefor on each December 1, commencing December 1, 2022.

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

Notwithstanding anything in the Indenture to the contrary, in the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on the Termination Date, the Bonds and the lien of the Indenture securing payment thereof are to be deemed discharged, regardless of the amount of principal and interest paid prior to the Termination Date; provided, however, that the foregoing is not to relieve the Issuing District of the obligation to impose the Required Mill Levy each year prior to the Termination Date and apply the Pledged Revenue in the manner required in the Indenture.

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

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

Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of $1,000, on December 1, 2026 and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest thereon to the date of redemption, together with a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
December 1, 2026 through November 30, 2027	3.00%
December 1, 2027 through November 30, 2028	2.00%
December 1, 2028 through November 30, 2029	1.00%
December 1, 2029 and thereafter	0.00%

Mandatory Redemption. The Bonds also are subject to mandatory redemption from Pledged Revenue, if any, on deposit in the Bond Fund, as more particularly described in "—Certain Indenture Provisions—*Bond Fund; Mandatory Redemption*" below.

Redemption Procedure and Notice. If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds are to be redeemed to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Bonds are to be redeemed only in integral multiples of $1,000. In the event a Bond is of a denomination larger than $1,000, a portion of such Bonds may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Bond is to be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $1,000. In the event a portion of any Bond is redeemed, the Trustee is to, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

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

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

Security for the Bonds

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

Definition of Required Mill Levy. The Indenture defines "Required Mill Levy" as follows, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

> (a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Issuing District each year in the amount of 50 mills less the number of mills necessary to pay any unlimited mill levy debt, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. For the avoidance of doubt, the Issuing District may take into account revenues generated from the Mandatory Capital Levy (as defined in the Capital Pledge Agreement), and any PILOT revenues, in the determination of its Required Mill Levy.

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

PILOT. The Indenture provides PILOT is an agreement or other arrangement which provides for a tax equivalency payment or similar payment in lieu of taxes against any property which would be subject to the Required Mill Levy or the Mandatory Capital Levy (as defined in the Capital Pledge Agreement) that would have been payable to the Issuing District (including, without limitation, any such payments owed by District No. 1 pursuant to the Capital Pledge Agreement) but for the fact that it is classified by the county assessor as exempt from ad valorem property taxation, which agreement or other arrangement complies with the requirements set forth in Treasury Regulation §1.141-4I(5).

Board Determination of Adjusted Mill Levy. The mill levy of 50 mills referenced in subparagraph (a) of the definition of Required Mill Levy above is the maximum mill levy permitted by the Service Plan for the payment of general obligation bonds of the Issuing District; provided, however, that pursuant to the Service Plan, such maximum mill levy is subject to adjustment for changes occurring in the method of calculating assessed valuation since January 1, 2017. The Issuing District currently does not impose a separate mill levy for payment of operation and maintenance expenses; instead, in 2020 (for collection in 2021) the Issuing District used revenues from their general fund mill levies of 61.230 to pay general operating expenses. See "THE DISTRICTS—Service Plan Authorizations and Limitations."

See "RISK FACTORS—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*."

Covenant To Impose the Required Mill Levy. The Indenture provides that for the purpose of paying the principal of, premium if any, and interest on the Bonds the Issuing District covenants to cause to be levied on all of the taxable property of the Issuing District, in addition to all other taxes, direct annual taxes in each of the years 2022 to 2050, inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 2050) in the amount of the Required Mill Levy. Nothing in the Indenture is to be construed to require the Issuing District to levy an ad valorem property tax in an amount in excess of the Required Mill Levy.

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

Notwithstanding anything in the Indenture to the contrary, in the event that any amount of principal or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor on the Termination Date, the Bonds and the lien of the Indenture securing payment thereof are to be deemed discharged, regardless of the amount of principal and interest paid prior to the Termination Date; provided, however, that the foregoing is not to relieve the Issuing District of the obligation to impose the Required Mill Levy each year prior to the Termination Date and apply the Pledged Revenue in the manner required in the Indenture. See "RISK FACTORS—"Cash Flow" Nature of the Bonds; Discharge of the Bonds on December 2, 2065."

District No. 1 Capital Revenue: the following moneys or, as applicable, the moneys derived by District No. 1 from the following sources:

(a) the Mandatory Capital Levy;

(b) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Mandatory Capital Levy; and

(c) any PILOT (as defined in the Indenture) revenues received from any PILOT recorded against District No. 1's property.

"*Mandatory Capital Levy*" is defined in the Pledge Agreement to have the following meaning, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(a) Subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Pledge District each year in the amount of 50 mills less the number of mills necessary to pay any unlimited mill levy debt, or such lesser mill levy which will be sufficient to pay all of the principal of and interest on the Bonds, or any Refunding Obligations thereof, in full for so long as the Bonds, or any Refunding Obligations thereof, are outstanding in accordance with the terms of the Indenture; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such mill levy increases or decreases to be determined by the Pledge District's Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy is neither diminished nor enhanced as a result of such changes. For the avoidance of doubt, the Pledge District may take into account revenues generated from the Required Mill Levy imposed by District No. 2, and any PILOT revenues, in the determination of its Mandatory Capital Levy.

(b) Notwithstanding anything herein to the contrary, in no event may the Mandatory Capital Levy be established at a mill levy which would cause the Pledge District to derive tax revenue in any year in excess of the maximum tax increases permitted by the Pledge District's electoral authorizations or the Total Debt Issuance Limit to the extent limited by the Districts' Service Plan, and if the Mandatory Capital Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the Pledge District's electoral authorization or the Total Debt Issuance Limit to the extent limited by the Districts' Service Plan, the Mandatory Capital Levy shall be reduced to the point that such maximum tax increase is not exceeded.

***Specific Ownership* Tax.** "Specific Ownership Tax" is defined in the Indenture to mean the specific ownership tax which is collected by the county and remitted to the Issuing District pursuant to Section 42-3-107, C.R.S., or any successor statute. Only the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy and the Mandatory Capital Levy is pledged to the payment of the Bonds. As described herein, the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy and the Mandatory Capital Levy is pledged to the payment of the Bonds, and the portion of the Specific Ownership Tax that is collected as the result of the mills imposed by the Districts for operations and maintenance is anticipated to be applied to operational costs of the Districts. For additional information concerning the Specific Ownership Tax, see "DISTRICTS FINANCIAL INFORMATION—Specific Ownership Taxes."

Certain Indenture Provisions

The following is a description of certain provisions of the Indenture and is subject in all respects to the more specific provisions of the Indenture. See "APPENDIX C—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

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

(a) the Project Fund; and

(b) the Bond Fund.

Project Fund

In General. So long as no Event of Default is to have occurred and be continuing, the Trustee is to disburse funds from the Project Fund in accordance with requisitions in substantially the form set forth in the Indenture, signed by the Issuing District Representative or the President or Vice President of the Issuing District. The Trustee may rely conclusively upon any such requisition received and is to have no obligation to make an independent investigation in connection therewith.

Termination of Project Fund. Upon the receipt by the Trustee of a resolution of the Issuing District determining that all Project Costs have been paid, any balance remaining in the Project Fund is to be credited to the Bond Fund. In addition, upon the Trustee's receipt of written notice of the Issuing District's determination that the funds in the Project Fund exceed the amount necessary to pay all Project Costs, such excess amount is to be credited to the Bond Fund in the amounts determined by the Issuing District. The Project Fund is to terminate at such time as no further moneys remain therein.

Events of Default. Upon the occurrence and continuance of an Event of Default, the Trustee will cease disbursing moneys from the Project Fund, but instead is to apply such moneys in the manner provided by the Indenture.

Flow of Funds. The Issuing District is to transfer all amounts comprising Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the Issuing District; provided, however, that in the event that the total amount of Pledged Revenue received by the Issuing District in a calendar month is less than $50,000, the Pledged Revenue received during such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the Issuing District (i.e., no later than April 15th for Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any Additional Bonds, the Issuing District is to also transfer or make available to the Trustee all moneys pledged to the payment of such Additional Bonds which are derived from ad valorem taxes of the Issuing District or Specific Ownership Taxes, and any such moneys are to constitute part of the Trust Estate. IN NO EVENT IS THE ISSUING DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE. To the extent permitted by law, the Trustee is to apply the Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) the priorities established below are intended to create a tiered "waterfall" structure in which no Pledged Revenue flows to a lower priority until all of the higher priorities have been fully funded as provided therein; (b) when credits to more than one fund, account, or purpose are required at any single priority level, such credits are to rank *pari passu* with each other, and (c) when credits are required to go to funds or accounts which are not held by the Trustee under the Indenture, the Trustee may rely upon the written instructions of the Issuing District with respect to the appropriate funds or accounts to which such credits are to be made.

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

SECOND: To the credit of the Bond Fund, the amounts required by the Indenture, as described below under "*—Bond Fund; Mandatory Redemption*," and to the credit of any other similar fund or account established for the payment of the principal of, premium if any, and interest on any additional Parity Bonds, including any sinking fund, reserve fund, or similar fund or account established in connection with such additional Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of such additional Parity Bonds; and

THIRD: To the credit of any other fund or account as may be designated by the Issuing District, to be used for any lawful purpose (including without limitation the payment of any Subordinate Bonds), any Pledged Revenue remaining after the payments and accumulations set forth above.

Bond Fund; Mandatory Redemption. Pursuant to the Indenture, the Bond Fund is established and held as an account of the Trustee.

Credit of Pledged Revenue. For so long as the Bonds are the only Parity Bonds then Outstanding, all Pledged Revenue received by the Trustee is to be credited to the Bond Fund until the amount therein is sufficient to fully pay, satisfy, and discharge all of the Bonds. If any Parity Bonds other than the Bonds are issued, the Issuing District will so inform the Trustee in writing, and thereafter the Pledged Revenue is to be allocated between the Bonds and such other Parity Bonds on a *pro rata* basis, in accordance with the relative outstanding principal amounts of such issues.

Use of Moneys. Moneys in the Bond Fund are to be used by the Trustee solely to pay the principal of and interest on the Bonds, in the following order:

FIRST: to the payment of interest due in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: to the extent any moneys are remaining in the Bond Fund after the payment of such interest, to the payment of the principal of the Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Bond Fund are insufficient for the payment of the principal of and interest due on the Bonds on any due date, the Trustee is to apply such amounts on such due date as follows:

FIRST: the Trustee is to pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond.

SECOND: the Trustee is to apply any remaining amounts to the payment of the principal of as many Bonds as can be paid with such remaining amounts, such payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment are to be selected by lot from the Bonds the principal of which is due and owing on the due date.

Mandatory Redemption. On each October 16th, the Trustee is to determine the amount credited to the Bond Fund and, to the extent the amount therein is in excess of the amount required to pay interest on the Bonds due on the next succeeding interest payment date (including current interest, accrued but unpaid interest, and interest due as a result of compounding, if any), the Trustee is to promptly give such notice of redemption and take such other actions as necessary to redeem as many Bonds as can be redeemed with such excess moneys. Such redemptions are to be made by the Trustee on each December 1, and amounts insufficient to redeem at least one Bond in the denomination of $1,000 will be retained in the Bond Fund. The mandatory redemption provided in the Indenture is to be made by the Trustee without further instruction from the Issuing District and notwithstanding any instructions from the Issuing District to the contrary. Notwithstanding anything in the Indenture to the contrary, it is understood and agreed that borrowed moneys are not to be used for the purpose of redeeming principal of the Bonds pursuant to this paragraph.

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

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

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

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

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

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

(f) The Issuing District covenants to use its best efforts to cooperate with District No. 1 to establish the amount of the Required Mill Levy and the Mandatory Capital Levy (as defined in the Capital Pledge Agreement) such that the combined amount of revenues received from such mill levies are sufficient to pay, when due, the principal of, and premium if any, and interest on the Bonds.

(g) The Issuing District is not to: impose any rates, tolls, fees, penalties, or other charges on vacant lots or other undeveloped property within its boundaries which exceed the rates, tolls, fees, penalties, or other charges applicable to developed residential lots; or intentionally engage in any other action or omission that may could materially adversely affect the amount of the Issuing District's Pledged Revenues or delay the timing of the Issuing District's transfer to the Trustee as soon as may be practicable after the receipt thereof, in accordance with the procedures herein and as described above under the section of the Indenture entitled "Flow of Funds."

(h) The Issuing District covenants and agrees to comply with the terms and provisions of the Capital Pledge Agreement and to promptly notify the Trustee whenever the Issuing District has reason to believe that any material provision of the Capital Pledge Agreement has been violated by the Issuing District or any party thereto. In the event of a violation of any provision of the Capital Pledge Agreement which materially affects the security for the Bonds, as determined by Counsel to the Issuing District or by the Trustee, the Issuing District is, in cooperation with the Trustee, to use its reasonable efforts to diligently and promptly enforce the provisions of the Capital Pledge Agreement and, in doing so, shall pursue all rights and remedies, including, but not limited to, litigation, which the Issuing District may have as a result of any such violation.

(i) In the event the Pledged Revenue is insufficient or is anticipated to be insufficient to pay the principal of, and the premium if any, and interest on the Bonds by their date of maturity, the Issuing District shall use its reasonable efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such insufficiency.

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

Permitted Refunding Bonds. The Issuing District may issue Permitted Refunding Bonds (generally defined in the Indenture as Bonds issued for refunding or refinancing purposes; see APPENDIX C) at such time or times, in such amounts, and on such terms and conditions as may be determined by the Issuing District in its absolute discretion.

Parity Bonds. The Issuing District may issue Parity Bonds only if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then Outstanding.

Subordinate Bonds. The Issuing District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the Issuing District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

(a) The maximum mill levy which the Issuing District promises to impose for payment of the Subordinate Bonds is not higher than the maximum Required Mill Levy less the mill levy required to be imposed for the payment of any Parity Bonds;

(b) Such Subordinate Bonds shall be payable as to both principal and interest on an annual basis on or after December 15th of each calendar year, and the failure to make a payment when due on such Subordinate Bonds shall not constitute an event of default under the resolution, indenture or other documents authorizing the issuance of such Subordinate Bonds; and

(c) No amounts can be payable on the Subordinate Bonds so long as any Bonds are Outstanding.

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

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

(a) the Issuing District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;

(b) the Issuing District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the Issuing District in the Indenture, the Capital Pledge Agreement or the Bond Resolution, other than as described in the paragraph (a) above, and fails to remedy the same after notice thereof pursuant to the Indenture; or

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

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due is not to, of itself, constitute an Event of Default under the Indenture. WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE INDENTURE, THE ISSUING DISTRICT *ACKNOWLEDGES* AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS IN THE INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE ISSUING DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE INDENTURE. THE ISSUING DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS THEREOF WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE BONDS. IN NO EVENT SHALL ANY PROVISION OF THE INDENTURE BE INTERPRETED TO PERMIT THE ISSUING DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

The Trustee is to give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee, of all Events of Default known to the Trustee (as determined pursuant to the Indenture), within 90 days after the occurrence of such Event of Default unless such Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default under paragraph (b) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is to be given by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the Issuing District, and the Issuing District is to have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Indenture provides that the Trustee may *pursue* the following rights and remedies:

> *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the Issuing District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Indenture to, the Trustee.
>
> *Suit for Judgment.* The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Bonds, the Bond Resolution, the Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.
>
> *Mandamus or Other Suit.* The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the Owners.

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

If any Event of Default under paragraph (a) above (under "*—Events of Default*" above) is to have occurred and if requested by the Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee is to be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by Counsel, is to deem most expedient in the interests of the Owners; provided that the Trustee at its option is to be indemnified as in the Indenture.

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

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

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

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

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

Indenture Supplements Requiring Consent. Except for supplemental indentures delivered pursuant to "*—Indenture Supplements Not Requiring Consent*" above, and subject to the provisions of the Indenture, the Consent Parties with respect to a majority (or for modifications of provisions thereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding are to have the right, from time to time, to consent to and approve the execution by the Issuing District and the Trustee of such indenture or indentures supplemental thereto as are to be deemed necessary or desirable by the Issuing District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing contained in the Indenture is to permit, or be construed as permitting: (a) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon; (b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due; (c) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or (d) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

Discharge of Lien.

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

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

Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to the Indenture, nor principal or interest payments on any such Federal Securities is to be withdrawn or used for any purpose other than, and is to be held in trust for, the payment of the principal of, premium if any, and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, is to, to the extent practicable, be reinvested subject to the provisions of the Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of, premium if any, and interest on the Bonds. Prior to the investment or reinvestment of such moneys or such Federal Securities as provided in the Indenture, the Trustee may require and may rely upon: (a) an opinion of nationally recognized municipal bond Counsel experienced in matters arising under Section 103 of the Tax Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Indenture; and (b) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of, premium if any, and interest on the Bonds when due.

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

Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of the Indenture as provided therein, the Trustee is to continue to fulfill its obligations as bond registrar and paying agent under the Indenture until the Bonds are fully paid, satisfied, and discharged.

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

General. Proceeds from the sale of the Bonds will be used for the purposes of: (i) financing or reimbursing a portion of the costs of acquiring, constructing, and/or installing certain public infrastructure to serve the Development, and (ii) funding the costs of issuing the Bonds.

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

Sources:	
Bonds Par Amount	$45,000,000
Total	$45,000,000
Uses:	
Deposit to Project Fund	$43,840,000
Costs of issuance, including underwriting discount [1] and contingency	1,160,000
Total	$45,000,000

[1] See "MISCELLANEOUS—Underwriting."
Source: The Underwriter

Forecasted Debt Service Payments

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

TABLE I
Forecasted Debt Service Payments [1, 2, 3]

Year	Principal	Interest	Annual Total
2022	$ --	$ 23,027	$ 23,027
2023	--	205,940	205,940
2024	--	689,080	689,080
2025	--	1,239,617	1,239,617
2026	--	1,903,270	1,903,270
2027	--	2,541,142	2,541,142
2028	--	3,195,702	3,195,702
2029	--	3,454,457	3,454,457
2030	--	3,777,746	3,777,746
2031	--	3,783,474	3,783,474
2032	--	4,010,721	4,010,721
2033	--	4,010,721	4,010,721
2034	--	4,251,605	4,251,605
2035	272,000	3,979,291	4,251,291
2036	2,159,000	2,348,220	4,507,220
2037	2,272,000	2,234,873	4,506,873
2038	2,662,000	2,115,593	4,777,593
2039	2,801,000	1,975,838	4,776,838
2040	3,236,000	1,828,785	5,064,785
2041	3,406,000	1,658,895	5,064,895
2042	3,888,000	1,480,080	5,368,080
2043	4,093,000	1,275,960	5,368,960
2044	4,630,000	1,061,078	5,691,078
2045	4,873,000	818,003	5,691,003
2046	5,470,000	562,170	6,032,170
2047	5,238,000	274,995	5,512,995
Total	$45,000,000	$54,700,283	$99,700,283

[1] Assumes no optional redemptions prior to maturity. Figures have been rounded and may not total.

[2] Principal and interest on the Bonds are payable solely from and to the extent of Pledged Revenue. There are no scheduled principal payments on the Bonds until final maturity. The amounts set forth herein reflect the projected payments on the Bonds as set forth in the Financial Forecast, based upon the assumptions more particularly set forth therein. No assurance is given that the level of Pledged Revenue projected in the Financial Forecast will be achieved, or that payment of the principal of or interest on the Bonds will be paid as set forth in this table. Failure to pay the amounts set forth above with respect to the Bonds will not constitute an event of default under the Indenture. See "THE BONDS—"Cash Flow" Nature of the Bonds" and the Financial Forecast attached as APPENDIX A hereto.

[3] Even through the final maturity is December 1, 2051, the Financial Forecast projects a final payment in 2047.

Source: The Underwriter and the Financial Forecast

THE DISTRICTS

Organization and Description

The Districts are quasi-municipal corporations and political subdivisions of the State created pursuant to the Special District Act for the purpose of financing and constructing the Public Improvements and for dedicating, when appropriate, such Public Improvements to the County or to such other entity as appropriate for the use and benefit of the Districts' residents and property owners. The organization of the Issuing District and District No. 1 was approved by the eligible electors of the Districts voting at the elections held on November 8, 2016 (as previously defined, the "Issuing District Election" and "District No. 1 Election," as applicable, and together, the "Elections"). The orders for the organization of the Issuing District and District No. 1 were entered by the District Court in and for Jefferson County on November 21, 2016 and recorded in the real property records of the County on December 1, 2016 at Reception Nos. 2016126553 and 2016126551, respectively. Formation of the Issuing District and District No. 1 was preceded by the Town's approval of a Service Plan for RRC Metropolitan District No. 1 and a Service Plan for RRC Metropolitan District No. 2, respectively, both approved by the Town on September 6, 2016 (as previously defined, the "Service Plan"). See "—Service Plan Authorizations and Limitations" below.

The RRC Districts were organized as part of a plan to serve the needs of the Red Rocks Ranch Community, an approximately 352-acre planned residential and commercial development located in the County, east of State Highway C-470 and north of Morrison Road. The property encompassing the Issuing District and District No. 1 encompassing approximately 160 and 87 acres, respectively (approximately 247 acres total), which comprises the Development and is included within the Red Rocks Ranch Community, is expected to be developed as a completely residential development, expected to include single family homes, a large splash pad with shade structures and restroom facility, a multi-use field, multiple pocket parks and an amphitheater and pavilion. ***According to District officials, an exclusion is pending with respect to District No. 1 with the resulting acreage expected to be reduced by approximately two acres to approximately 85 acres***. District No. 3 encompassing the remaining approximately 34 acres of the Red Rocks Ranch Community, is expected to be developed as commercial, mixed use and residential, however, subsequent to the approval of the Service Plan, the ownership and development of property within District No. 3 has been separated and will no longer be developed in a coordinated fashion with the property within the Districts. ***The property within District No. 3 is not included within the boundaries of the Districts, or the Development, and such property is not pledged to the payment of the Bonds; therefore, a full discussion of such property is not provided herein***. See "THE DEVELOPMENT." See also the preceding "AERIAL MAPS," AERIAL VIDEO," "RED ROCK RANCH COMMUNITY SITE PLAN" and "REGIONAL MAP."

Pursuant to the Service Plan and Section 32-1-101, et seq., C.R.S. (the "Special District Act"), the Districts are authorized to provide for the design, acquisition, construction, installation, and financing of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, telephone, satellite, and fiber-optic communications systems, and mosquito control improvements and facilities (collectively, the "Public Improvements"), within and without the boundaries of the Districts, for the use and benefit of residents within the Districts, except as specifically limited therein. See "—Service Plan Authorizations and Limitations" below.

While residents are ultimately anticipated within the Districts, as of the date of this Limited Offering Memorandum, the population of the Districts is currently zero. According to the County Assessor, the 2021 certified assessed valuations for the Issuing District and District No. 1 are $236,449 and $228,073, respectively, for a total combined 2021 certified assessed valuation of $464,522. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes."

Multiple District Structure

The RRC Districts were organized concurrently pursuant to separate elections and service plans. It is anticipated that the Issuing District and District No. 1 will contain residential development and District No. 3 will contain commercial development. Following the approval of the Service Plan, the ownership and development of property within District No. 3 has been separated and will no longer be developed in a coordinated fashion with the property within the Districts. Further, the foregoing, the amount of Debt authorization pursuant to the Service Plan has been reallocated among the RRC Districts pursuant to an intergovernmental agreement. See "—Service Plan Authorizations and Limitations" and "—Material Agreements of the Districts—*Debt Allocation IGA*" below.

District No. 3 is not pledging any revenues for the payment of the Bonds and the Bonds are <u>not</u> an obligation of District No.3. As a result, limited information is provided herein regarding District No. 3.

It is anticipated that the Issuing District will finance, own, acquire, operate any or all of the Public Improvements and that District No. 1 will serve as the financing district. The nature of the functions and services to be provided by each District is pursuant to an intergovernmental agreement between the Districts.

Capital Pledge Agreement

The Issuing District and District No. 1 (but not District No. 3) have entered into the Capital Pledge Agreement. Under the Capital Pledge Agreement, the Districts determined that each shall be liable for the repayment of the Bonds generally in accordance with their relative assessed valuations, and that such allocation is fair and is reasonably related to the relative benefit that the residents, property owners, and taxpayers of both Districts from the Project. Pursuant to which District No. 1 pledges to impose the Mandatory Capital Levy in each year, commencing in December 20__ (for collection in 20__). Under the Pledge Agreement, District No. 1 pledges to pay to the Issuing District the Pledge District Capital Revenue. See "THE BONDS—Security for the Bonds."

Powers

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

Pursuant to the Special District Act, special districts each have the power: to have a perpetual existence, to have and use a corporate seal, to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business affairs of the district; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the special district; to waive or amortize all or part of any such fees or extend the time period for paying all or part of such fees for property within the district; to furnish services and facilities within and without the boundaries of the special district and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the special district and to accept gifts and conveyances made to the special district; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the special district. Special districts also have the power to provide covenant enforcement and design review services and safety services if permitted by the service plan.

Each special district also has the power, subject to constitutional and statutory limitations, to certify a levy for collection of ad valorem taxes against all taxable property of such special district. See "DISTRICTS FINANCIAL INFORMATION—Ad Valorem Property Taxes."

Inclusion and Exclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property or exclusion of real property under certain circumstances. After its inclusion, the included property is subject to all of the taxes and charges imposed by the special district and is to be liable for its proportionate share of existing bonded indebtedness of the special district. After its exclusion, the excluded property is no longer subject to the special district's operating mill levy, and is not subject to any debt service mill levy for new debt issued by the special district. The excluded property, however, remains subject to the special district's debt service mill levy for that proportion of the special district's outstanding indebtedness and the interest thereon existing immediately prior to the effective date of the exclusion order. Boundary changes resulting from property included or excluded to or from the special district prior to the first day of May of each year are reflected in the special district's assessed valuation and are subject to the ad valorem property tax levy of the special district for that assessment year. Inclusion or exclusions that occur after May 1 are considered in the following assessment year.

Boundaries of the Districts. Upon their creation, the Districts each encompassed approximately 2.4 acres (the "Initial District Boundary"). The Service Plan identifies an additional 355.1 acres (the "Inclusion Area" and, together with the Initial District Boundary, the "Service Area") which may be included within the boundaries of the RRC Districts upon petition of the property owners.

There have been two orders for inclusion since the Districts' formation: (i) an Order for Inclusion approved by the Jefferson County Court on June 22, 2021 and recorded with the Jefferson County Clerk and Recorder on June 22, 2021 at Reception No. 2021094290, which included approximately 87 acres to the boundaries of the Issuing District; and (ii) an Order for Inclusion approved by the Jefferson County Court on June 22, 2021 and recorded with the Jefferson County Clerk and Recorder on June 22, 2021 at Reception No. 2021094291, which included approximately 160 acres to the boundaries of the Issuing District. Pursuant to the foregoing orders for inclusion, the current combined acreage of the Districts is approximately 247 acres. ***According to District officials, an exclusion is pending with respect to District No. 1 with the resulting acreage expected to be reduced by approximately two acres to approximately 85 acres***.

Pursuant to the Service Plan, the Districts are authorized to include within their boundaries any property within the Service Area without the prior written consent of the County, so long as the property to be included is located within the County and the property within the including District is all within the County. Any inclusions of area located outside of the Service Area must have prior written consent of the County if the property to be included is located within the County.

Consolidation with Other Districts. Two or more special districts may consolidate into a single district upon the approval of a district court and of the electors of each of the consolidating special districts. The district court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation.

Dissolution of the Districts. The Special District Act allows a special district board of directors to file a dissolution petition with a district court. The district court must approve the petition if the special district's plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district's voters. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness. Pursuant to the Service Plan, the Districts anticipate filing a petition for dissolution upon receiving an independent determination from the County stating that the purposes for which the Districts were created have been accomplished. Dissolution is specifically conditional upon the County's approval of conveyance of any Issuing District or District No. 1 owned facilities to entities other than the County. In no event is a dissolution to occur until the Districts have provided for the payment or discharge of all outstanding indebtedness and other financial obligations.

Service Plan Authorizations and Limitations

Pursuant to the Service Plan, the Issuing District and District No. 1 have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations set forth therein, as described below, and in an intergovernmental agreement among the RRC Districts with respect to the provision of the public infrastructure and services. See "—Material Agreements of the Districts" below. *The authorizations and limitations of the Service Plan may be modified or amended with the approval of the County, and as otherwise provided in the Special District Act.*

On May 24, 2021, the RRC Districts filed a 45 Day Notice Pursuant to Section 32-1-207(3)(b), C.R.S., providing notice that the RRC Districts, in furtherance of their respective service plans, intend to the disconnect the property comprising the Red Rocks Ranch Community (including the property comprising the Development) from the Town (as previously, the "Disconnect Notice"). Effective as of July 9, 2021 the Service Plan were modified via the Disconnect Notice process to: (a) replace all references to the "Town of Morrison" with "Jefferson County," and (b) remove all references to the City of Lakewood. No new Service Plan documents have been created that reflect these changes, but due to this modification the language in the Service Plan is considered to have been changed as indicated via the Disconnect Notice. The Development is now located solely within the boundaries of Jefferson County, Colorado (the "County").

The Service Plan, the Special District Act and the Elections authorizes the Issuing District and District No. 1 to provide for the design, acquisition, construction, installation, and financing (to the extent permitted in the Service Plan) of certain water, sanitation, street, safety protection, park and recreation, transportation, television relay and translation, telephone, satellite, and fiber-optic communications systems, and mosquito control improvements and facilities, within and without the Service Area, for the use and benefit of residents within the Districts. With certain limitations as set forth in the Service Plan, it is anticipated that all Public Improvements are to be dedicated to the County, or other appropriate jurisdiction or owners' association in a manner consistent with the development plans approved by the County, other rules and regulations of the County, and applicable provisions of the County's development code. The Districts are specifically authorized under the Service Plan to provide ongoing operations and maintenance of mosquito control improvements if such improvements are not conveyed to an owners' association. Pursuant to the Service Plan, the Districts are also authorized to provide ongoing operations and maintenance of any Public Improvements that are not conveyed to and accepted by the County, which may include storm drainage, streets, safety protection, park and recreation, and transportation improvements. All water and sanitation improvements are expected to be conveyed to Mount Carbon Metropolitan District ("Mount Carbon") for the purposes of ongoing ownership, operation and maintenance. In the event that Mount Carbon cannot or will not accept the water and sanitation improvements, then such improvements will be conveyed directly to the County, unless otherwise agreed to in a written amendment to the Mount Carbon IGA (as defined herein). See "THE DEVELOPMENT—Water and Sewer." All Public Improvements are to be provided in accordance with all County, Issuing District and District No. 1 standards and specifications and all applicable standards and specifications of any existing entity that the Districts will overlap. The Service Plan also authorizes the Districts to provide covenant enforcement and design review services only if revenues used to provide such services are derived from the area in which the service is furnished.

The Service Plan limits the RRC Districts' issuance of bonds or other obligations for the payment of which the Districts have promised to impose an ad valorem property tax mill levy and/or collect fee revenue (collectively, "Debt") to an aggregate principal amount of $50,000,000 (the "Total Debt Issuance Limitation"), however, the RRC Districts entered into an Intergovernmental Agreement Regarding Debt Allocation dated February 4, 2020 (as previously defined, the "Debt Allocation IGA") to set forth the terms and conditions related to the allocation of the aggregate Debt limit authorized by the Service Plan. Pursuant to the Debt Allocation IGA, the Issuing District and District No. 1 are allocated $45,000,000, with the remaining $5,000,000 allocated to District No. 3. The Issuing District and District No. 1 may reallocate their portion of allocated Debt upon written agreement without the additional approval of District No. 3, provided that such reallocation does not exceed the Total Debt Issuance Limitation and does not reduce the $5,000,000 allocated to District No. 3. See "—Material Agreements of the Districts—*Debt Allocation IGA*" below and also "DEBT STRUCTURE—General Obligation Debt—*Service Plan Debt Limits*."

The principal amount of any Debt that has been refunded is excluded from such Debt limitation. The Districts are subject to a "Maximum Debt Mill Levy" of 50 mills to be used for the repayment of Debt; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. If the total amount of aggregate Debt is equal to or less than 50% of the Districts' assessed valuation, either on the date of issuance or at any time thereafter, the Maximum Debt Mill Levy may be such amount as is necessary to pay the debt service on such Debt, without limitation of rate. The Districts are also subject to a "Maximum Operating Mill Levy" for administrative expenses and for operations and maintenance. The Maximum Operating Mill Levy may not exceed 60 mills prior to the imposition of a Debt mill levy, and upon imposition of a Debt mill levy, no more than 10 mills; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement; the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2017, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

The Districts reserve the right to supplement revenues with additional revenue sources as permitted by law, which may include the assessment of fees, rates, tolls, penalties or charges. Under the Service Plan, each of the Districts may impose and collect fees as a source of revenue for payment of operations and maintenance. In addition, each of the Districts may impose and collect fees as a source of revenue for repayment of debt and capital costs, however such fees may only be imposed prior to the issuance of a Certificate of Occupancy. In no event is the Issuing District or District No. 1 to receive or spend revenue derived from a public improvement fees ("PIF"), which is defined as a fee imposed on sales transactions or lodging transactions created by a private property owner by covenant recorded on real property, without the prior written approval of the County.

The Issuing District and District No. 1 also anticipate that Lennar will advance funds to pay the organization costs of the Districts and costs for constructing and installing Public Improvements. The Issuing

District and District No. 1 are authorized under the Service Plan to reimburse such Developer advances with interest from Debt proceeds or other legally available revenues. See "—Material Agreements of the Districts" below for a discussion of such agreements with Lennar.

The Service Plan requires the following statement be included in this Limited Offering Memorandum:

> "By acceptance of the Bonds, the owner of the Bonds agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Bonds contained therein, in the resolution of the Districts authorizing the issuance of the Bonds, and in the Service Plan of the Districts."

Amended and Restated Service Plan. According to District officials, a consolidated Amended and Restated Service Plan for Districts is currently under review by Jefferson County, but is not expected to be approved by the County prior to issuance of the Bonds.

Governing Board

Both the Issuing District and District No. 1 are governed by a five-member Board, provided that State law permits the Board to have up to seven members, subject to certain conditions. The members must be eligible electors of the Districts as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. However, pursuant to State law, special districts are required to move their biennial elections from even years to odd years beginning in 2023. Accordingly, the terms commencing in 2020 and 2022 will be three-year terms and then will reset to four-year terms commencing in 2023 and 2025, respectively. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. There is currently one vacancy on the Board. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval.

The directors hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Board when a quorum is present. Current directors may receive a maximum compensation of $2,400 per year, not to exceed $100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the Issuing District or District No. 1 as employees of the Issuing District or District No. 1. Members of the Board currently are not compensated for attending Board meetings. The present directors, their positions on the Board, principal occupations, and terms are as follows:

Board of Directors [1]

Name	Office	Occupation [2]	Years of Service	Term Expires (May)
John Cheney	President	VP of Land Acquisition	1.5	2023
Jonathan Beckwitt	Treasurer	Senior Land Acquisition Manager	1.5	2022
Jennifer Thornbloom	Secretary	Land Acquisition Manager	1.5	2023
Debra Hessler	Assistant Secretary	Metro District/HOA Manager	1.5	2023
Vacant [3]				2022

[1] Board members listed above are directors of the Issuing District and District No. 1.
[2] Each Board member is an affiliate, owner, employee and/or officer of Lennar.
[3] According to District officials, there are currently no plans to fill the vacancy on the Board.

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, is to be entered into between the Districts and a Board member, or between the Districts and the owner of 25% or more of the territory within the Districts, unless a notice has been published for bids and such Board member or owner submits the lowest responsible and responsive bid. According to disclosure statements filed with the Secretary of State and the Board by Board members prior to taking any official action relating to the Bonds, all of the directors have potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof. See "RISK FACTORS—Directors' Private Interests."

Administration

The Board is responsible for the overall management and administration of the affairs of the Issuing District and District No. 1. The Districts have no employees and have not engaged a district manager. According to the Issuing District's officials, the Districts anticipate engaging a Municipal Advisor; however, as of the date of this Limited Offering Memorandum, the final selection of such advisor has not yet been made. Simmons & Wheeler P.C., Englewood, Colorado, serves as the Districts' accountant; and McGeady Becher, P.C., Denver, Colorado, serves as general counsel to the Issuing District.

Material Agreements of the Districts

The Special District Act authorizes the Issuing District and District No. 1 to enter into agreements and contracts affecting their affairs. According to the Districts' general counsel, the Districts are not a party to any agreements which materially affect the Districts' financial status or operations, other than the agreements described below. Copies of these agreements are available from the Districts as provided in "INTRODUCTION—Additional Information."

Debt Allocation IGA. The RRC Districts entered into a Debt Allocation IGA dated February 4, 2020 to set forth the terms and conditions related to the allocation of the aggregate Debt limit authorized by the Service Plan. Specifically, the RRC Districts acknowledge and agree that the allocation of the Service Plan's Total Debt Issuance Limitation of $50,000,000 (excluding the principal amount debt that is to be refunded) among the RRC Districts is necessary to avoid confusion, duplication of services and potential conflict over Debt authorization available to each of the RRC Districts. Pursuant to the Debt Allocation IGA, the Issuing District and District No. 1 are allocated $45,000,000, and the remaining $5,000,000 is allocated to District No. 3. The Issuing District and District No. 1 may reallocate their portion of allocated Debt upon written agreement without the additional approval of District No. 3, provided that such reallocation does not exceed the Total Debt Issuance Limitation and does not reduce the $5,000,000 allocated to District No. 3.

District No. 1 Agreements

Facilities Acquisition and Reimbursement Agreement (Lennar). On February 10, 2020, District No. 1 and Lennar entered into a Facilities Acquisition and Reimbursement Agreement (the "Lennar FARA"), setting forth the rights, obligations, and procedures for the acquisition of the Public Improvements and for District No. 1 to reimburse Lennar.

Lennar acknowledges that District No. 1 will design, construct, and complete certain Public Improvements and will incur construction related expenses in reliance upon Lennar's commitments therein to provide funding; provided that Lennar is only obligated for construction related expenses to the extent previously advanced by or otherwise previously agreed to be funded by Lennar. Pursuant to the Lennar

FARA, Lennar agrees to advance funds necessary to fund the Public Improvements incurred by District No. 1 on a periodic basis for the fiscal years 2020 through 2030, up to the "Lennar FARA Shortfall Amount" (meaning $50,000,000, the total estimated cost to complete construction of the Public Improvements, including contingencies, as set forth therein). District No. 1 is to provide written notice to Lennar that an advance of all or part of the Lennar FARA Shortfall Amount is required and Lennar is to advance of funds to District No. 1 within 30 days of receipt of such notice (the "Lennar FARA Advance"). If District No. 1 requires additional advances above the Lennar FARA Shortfall Amount for the construction related expenses, District No. 1 will request such additional funds in writing, with the additional funds to be added to the Lennar FARA Shortfall Amount. District No. 1 is to keep an accounting of each Lennar FARA Advance, including the accrued and unpaid interest thereon, and is to provide unaudited financial statements reflecting such accounting to Lennar on a quarterly basis.

The Lennar FARA also provides that District No. 1 will acquire all or a portion of the Public Improvements which are intended to be conveyed to District No. 1 for ownership, operation and maintenance after substantial completion of the component or phase of the Public Improvements and receipt of the following: (a) an Indemnification Agreement executed by Lennar, which District No. 1 agrees to sign, and Lennar agrees to indemnify District No. 1 for any liens or lien waivers verifying all amounts due for such Public Improvements have been paid in full; (b) a non-exclusive assignment from Lennar to District No. 1 of any transferrable warranties associated with the Public Improvements; (c) a Special Warranty Deed executed by Lennar conveying the real property to District No. 1, if District No. 1 is to assume ownership; and (d) a Bill of Sale executed by Lennar conveying the Public Improvements to District No. 1.

Subject to the receipt of funding pursuant to the Lennar FARA, District No. 1 agrees to make payment to Lennar for all Lennar FARA Advances and/or construction related expenses, together with interest thereon, including any Lennar FARA Advances and/or construction related expenses incurred after the Districts' Organization Date. Upon payment request by Lennar, District No. 1 will obtain a certification of an independent engineer that the construction related expenses are reimbursable (the "Lennar FARA Verified Costs") based on the copies of invoices and evidenced payment of same. Simple interest is to accrue on construction related expenses at the rate of 8% per annum until paid as follows: (a) on each Lennar FARA Advance, from the date of deposit into District No. 1's account; or (b) on Lennar FARA Verified Costs for amounts expended by Lennar for Public Improvements constructed after the Districts' Organization Date, from the date Lennar FARA Verified Costs were incurred by Lennar. District No. 1 and Lennar agree that payments by District No. 1 to Lennar are to be credited first against accrued and unpaid interest and then to the principle amount due.

District No. 1 and Lennar agree that no payment is required of District No. 1 under the Lennar FARA unless and until District No. 1 issues bonds in an amount sufficient to reimburse Lennar for all or a portion of the Lennar FARA Advances and/or Lennar FARA Verified Costs. District No. 1 agrees to exercise reasonable efforts to issue bonds to reimburse Lennar subject to the limitations therein. In addition, District No. 1 agrees to utilize any available moneys not otherwise pledged to payment of bonds, used for operation and maintenance expenses, or otherwise encumbered, to reimburse Lennar. The Lennar FARA does not constitute a debt or indebtedness of District No. 1 within the meaning of any constitutional or statutory provision, nor does it constitute a multiple fiscal year financial obligation.

Notwithstanding anything set forth in Lennar FARA to the contrary, District No. 1's obligations to reimburse Lennar for any and all funds advanced or otherwise payable to Lennar under and pursuant to Lennar FARA (whether Lennar has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) is to terminate automatically and be of no further force or effect upon the occurrence of: (a) Lennar's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by Lennar dissolving Lennar as a legal entity) that is not remedied or cured within 60 days of the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to Lennar (whether voluntary or involuntary). The termination of District No. 1's reimbursement obligations is absolute and binding upon Lennar, its successors and assigns. Lennar, by its execution of Lennar FARA, waives and releases any and all claims and rights, whether existing now or in the future, against District No. 1 relating to or arising out of District No. 1's reimbursement obligations therein in the event that any of the occurrences described above.

Pursuant to the Lennar FARA, District No. 1 and Lennar waive their respective rights to a trial by jury of any claim or cause of action based upon or arising out of the Lennar FARA or the transactions contemplated therein.

As of November 29, 2021, the Board had accepted $0 in costs certified by District No. 1's engineer and as a result, prior to the application of proceeds of the Bonds, $0 will be outstanding under the Lennar FARA, representing costs of Public Improvements expended by Lennar as of November 29, 2021. It is anticipated that none of such amounts Under the Lennar FARA will be reimbursed to Lennar from net proceeds of the Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

Operation Funding Agreement (Lennar). District No. 1 and Lennar have entered into an Operation Funding Agreement dated February 10, 2020, with an effective date of February 10, 2020 (the "Lennar OFA") to set forth the rights, obligations and procedures for Lennar to advance funds and for District No. 1 to reimburse Lennar for such advances. Pursuant to the Lennar OFA, Lennar agreed to advance funds necessary to fund, or directly pay, District No. 1's operations, maintenance and administrative expenses for the fiscal year 2020 through 2021 on a periodic basis as needed (the "Lennar OFA Advance"), up to a stated shortfall amount ($100,000, referred to as the "Lennar OFA Shortfall Amount"). If District No. 1 requires additional Lennar OFA Advances above the Lennar OFA Shortfall Amount from Lennar in order to meet its operation and maintenance expenses, District No. 1 is to request such additional funds in writing and the amount of the additional funds, which are to be added to the Lennar OFA Shortfall Amount. District No. 1 is to keep an accounting of each advance made by Lennar, including the accrued and unpaid interest thereon, and will provide unaudited financial statements reflecting this accounting to Lennar on an annual basis.

The Lennar OFA states that it is District No. 1's intent to repay the amounts Lennar has advanced or directly paid pursuant to the Lennar OFA, and the making of any reimbursement thereof does not constitute a multiple fiscal year financial obligation. Simple interest accrues on each Developer OFA Advance from the date of deposit into District No. 1's account or from the date of direct payment by Lennar, until paid, at the rate of 8% per annum. Payments to reimburse Lennar are to be made on December 2 of each year and are to be applied as follows: (a) first to the accrued and unpaid interest; and (b) then to the principal amount due pursuant to the Lennar OFA. Notwithstanding any provision of the Lennar OFA to the contrary, District No. 1's obligations to reimburse Lennar for any and all funds advanced or otherwise payable to Lennar under and pursuant to the Lennar OFA (whether Lennar has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) terminates automatically and is of no further force or effect upon the occurrence of: (a) Lennar's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by Lennar dissolving Lennar as a legal entity) that is not remedied or cured within 60 days of the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to Lennar (whether voluntary or involuntary).

Pursuant to the Lennar OFA, District No. 1 and Lennar waived their respective rights to a trial by jury of any claim or cause of action based upon or arising out of the Lennar OFA or the transactions contemplated therein.

As of September 30, 2021, approximately $158,555 (comprised of approximately $149,173 in principal and $9,382 in interest) is outstanding under the Lennar OFA.

Ward Canal Relocation Agreement. The Ward Canal Company, a Colorado nonprofit corporation ("Ward") entered into the Ward Canal Relocation Agreement dated January 24, 2020 as recorded in the real property records of the County on February 5, 2020 at Reception No. 2020014756 (the "Ward Agreement") which generally sets forth the responsibility for the financing, construction, relocation and assignment of a portion of the Ward Canal (the "Canal"). Pursuant to that certain Assignment and Assumption of Ward Canal Relocation Agreement, dated June 26, 2020, District No. 1 and Lennar entered into an Assignment and Assumption of Ward Canal Relocation Agreement (the "Ward Canal Assignment," and together with the Ward Agreement, the "Ward Canal Relocation Agreement"). Pursuant to the Ward Canal Assignment, Lennar assigned all of its right, title and interest in, to and under the Canal Relocation Agreement to District No. 1. District No. 1 agrees to perform all of Lennar's obligations under the Ward Canal Relocation Agreement arising from and after the date of the Ward Canal Assignment. District No. 1 does not intend to create a multiple fiscal year direct or indirect debt or other financial obligation whatsoever, and its performance of obligations thereunder are subject to annual budgeting and appropriations. No provision therein is to be construed to pledge or create a lien on any class or source of Issuing District funds.

Pursuant to the Ward Canal Relocation Agreement, District No. 1 is required, at its sole cost and expense, to construct all improvements and perform all other work for the relocation of the Canal (the "Relocation Work") in accordance with terms and conditions set forth therein; provided, however, that under no circumstances may the existing Canal be disturbed, disrupted or otherwise modified until Final Acceptance (defined below) of the Relocation Work by Ward and Ward's delivery of Authorization to Proceed (defined below). Ward has the right to monitor and inspect the Relocation Work and is authorized to enter upon those portions of property owned by District No. 1 reasonably required for such purpose. District No. 1 agrees to keep Ward apprised of the progress of the Relocation Work, to promptly respond to requests by Ward pertaining to the Relocation Work, and to meet with Ward's representative on not less than a weekly basis, or more frequently as Ward determines to be necessary, to review and discuss the status of the Relocation Work.

Upon substantial completion of the Relocation Work, District No. 1 will notify Ward in writing and provide certain documentation related thereto. Following receipt of such documentation, Ward and District No. 1 will conduct an inspection to verify completion of the Relocation Work. Any outstanding items will be promptly corrected or completed by District No. 1 at its sole expense no later than 60 days following the inspection. Upon final completion of the Relocation Work to Ward's satisfaction, Ward will deliver written notice to District No. 1 confirming that Ward has accepted the Relocation Work ("Final Acceptance"). "Authorization to Proceed" (defined as written notice from Ward authorizing District No. 1 to proceed with the connection of the Relocation Work to the existing Canal) will be given upon satisfaction of: Final Acceptance issued by Ward; District No. 1's delivery of lien waivers, final plans and drawings related to the Relocation Work from to Ward; District No. 1's payment of the Relocation Fee (as defined below); receipt of a title insurance policy by Ward in an amount of $500,000, to be paid by District No. 1; and Ward's determination that the Relocation Work will not have a material adverse effect of Ward's operations, including without limitation, distribution of water to its shareholders.

Upon receipt of the Authorization to Proceed, District No. 1 may proceed with the connection of the Relocation Work to the existing Canal (the "Connection Work"), in accordance with approved plans and specifications, as more specifically outlined therein. Upon Final Acceptance and completion of the Connection Work, District No. 1 agrees to assign, transfer and covey to Ward (i) all improvements, including equipment, fixtures and other materials related to the Relocation Work; (ii) all of District No. 1's right, title and interest in and to all warranties related to the Relocation Work, and any materials, components, or other property associated therewith; and (iii) any and all claims in connection with any damage to or defects in the Relocation Work. In addition, upon Final Acceptance and completion of the Connection Work, Ward is to enter into and grant a road crossing license, a water main crossing license, and a sewer main crossing license. District No. 1 covenants and agrees to pay each of the one-time $8,000 license fees on behalf of the respective parties under such license agreements as and when required per the terms set forth in such agreements.

Pursuant to the Canal Relocation Agreement, District No. 1 is to pay Ward a "Relocation Fee" in the amount of $416,140 within 90 days after issuance by the County of a grading permit. District No. 1 will also pay Ward an "Annual Maintenance Fee" of $6,000 per year (as adjusted by multiplying a fraction determined by the Engineering News-Records Construction Cost Index for Denver, Colorado, as more specifically described therein) for Ward's inspection and maintenance of the relocated portion of the Canal. The Annual Maintenance Fee is due and payable in advance on or before January 10 of each year, except the first payment of the Annual Maintenance Fee, which is due upon Final Acceptance of the Relocation Work and will be prorated for any partial year. A portion of the Relocation Fee in the amount of $30,000 will be applied as credit against the Annual Maintenance Fees first coming due commencing in the year 2020 (prorated, as applicable) and each Annual Maintenance Fee thereafter until exhausted (the "Maintenance Credit"). District No. 1 also agrees to reimburse Ward for all of its legal, management, and engineering expenses if such expenses exceed amounts paid to Ward in applying for the relocation. An "Initial Deposit" to was provided to Ward in the amount of $31,000 prior to execution of the Canal Relocation Agreement. District No. 1 agrees promptly, upon billing, to reimburse Ward within 10 business days of the date of such invoice for any additional amounts incurred by that are over and above the Initial Deposit. Any amounts due therein which remain unpaid after 10 business days of the invoice date will be deemed in default. In addition, District No. 1, being an owner of shares of stock in Ward (the "Issuing District Shares") reaffirms in the Canal Relocation Agreement its obligation to pay all annual assessments levied by Ward (the "Ward Annual Assessments") in connection with District No. 1 Shares. A portion of the Relocation Fee in the amount of $161,000 is to be applied as credit against the Ward Annual Assessments first coming due with respect to District No. 1 Shares until exhausted (the "Assessment Credit"). In the event that District No. 1 transfers District No. 1 Shares, any remaining balance of the Assessment Credit will be applied to the transferee, and not refunded to District No. 1 .

Pursuant to the Canal Relocation Agreement, District No. 1 grants and coveys unto Ward, perpetual, exclusive easement and right-of-way (the "Relocation Easement"), under, over, and across the "Relocation Easement Area" as provided therein, for the purpose of constructing, maintaining, inspecting, operating, repairing, and replacing the Canal. Except as expressly permitted therein, use of the Relocation Easement is expressly and exclusively reserved to Ward, and neither District No. 1 nor its successors or assigns may construct any improvement on, under, or over the Relocation Easement Area.

The provisions and obligations of the Canal Relocation Agreement are not to burden individual residential homeowners that purchase a lot within the Development, with the exception of the imposition of taxes and assessments by metro districts, homeowners' associations, etc. Except for an assignment to Lennar, and/or a homeowners' association formed by Lennar (which such assignments are pre-approved as of the date of the Canal Relocation Agreement), District No. 1 may not assign its obligations or rights under the Canal Relocation Agreement without the express written permission of Ward.

District No. 1 and Scott Contracting, a Colorado Corporation (the "Canal Contractor") entered into a Construction Contract for Ward Canal Relocation Project dated October 1, 2020 (the "Canal Construction Contract"). Work under the Ward Canal Construction Contract is now complete. As of September 30, 2021, approximately $57,110 is outstanding under the Canal Construction Contract.

Facilities and Services Provided by the Districts

Pursuant to the Service Plan and the Special District Act, the Districts are authorized to provide for the Public Improvements, subject to the limitations of the Service Plan more particularly described therein. The Districts are authorized to operate and maintain any part or all Public Improvements that will not be conveyed to the County or other appropriate owners' association, except for water and sanitation improvements, which are to be owned, operated and maintained by the Town or Mount Carbon. See "THE DEVELOPMENT—Status of Construction and Funding of Public and Private Improvements" for a discussion of ownership, operation, and maintenance of the Public Improvements once constructed.

Other Services Available within the Districts

Residents within the Districts will be provided a wide range of services by various entities other than the Districts. West Metro Fire Protection District provides fire protection services and the Jefferson County Sheriff's Office provides police protection. Natural gas and electrical services are provided by Xcel energy. The Districts are served by Jefferson County School District No. R-1. Water and sanitation services are provided by the Town via the Mount Carbon IGA. See "THE DEVELOPMENT—Water and Sewer."

THE DEVELOPMENT

The following information has been supplied by Lennar, provided that, where noted herein, certain information has been obtained from other sources, including publicly available records of the County. While certain information provided herein has been supplied by Lennar in response to specific requests by Lennar, such information has not been independently verified by Lennar. Furthermore, no assurance can be provided by Lennar that the following summarizes all development activities and due diligence efforts undertaken with respect to the Development by any purchaser of property in the Development, including, but not limited to, Lennar. ***No purchasers of property within the Development have participated in the preparation of this Limited Offering Memorandum except to provide documentation and information in response to specific requests by Lennar, including the information specifically attributed to such parties herein.***

Neither the Issuing District, the Issuing District's advisors, nor the Underwriter make any representation regarding projected development plans within the Districts, the financial soundness of Lennar, third-party owners of property, if any, or future owners of property, or their managerial ability to complete the Development as planned. The development of the property within the Districts may be affected by factors such as governmental policies with respect to land development, the availability of water and other utilities, the availability of energy, construction costs, interest rates, performance of Lennar, competition from other developments, and other political, legal, and economic conditions. Further, while certain information is provided herein with respect to existing and anticipated encumbrances of the property, in particular encumbrances recorded or to be recorded by Lennar, property within the Districts not owned by the Districts or Lennar may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See "RISK FACTORS—Development Not Assured."

Development Overview

Red Rocks Ranch Community. The Development comprises a portion of the larger Red Rocks Master Community, an approximately 352-acre mixed-use master planned community. At full build-out, the Red Rocks Master Community which has been approved to include up to 1,350 dwelling units, a school, a structure for religious assembly, a playground, parks, office space, retail space, indoor commercial recreational facilities, a bank, service stations and a theater. See "—Platting, Zoning/Land Use and Public Approvals" below. See also "RED ROCK RANCH COMMUNITY SITE PLAN."

The Development Overview. The Development is being developed as an entirely residential community on approximately 247-acres and is planned for a total of 951 dwelling units, comprised of 330 three story cluster homes and 621 single family detached homes, parks and trails. All of the property comprising the Development is located within the boundaries of the Districts. See "—Land Acquisition; Encumbrances on Land—*Declaration of Covenants, Conditions, and Restrictions*" below. See the "AERIAL MAPS," "AERIAL VIDEO," "ISSUING DISTRICT AND DISTRICT NO. 1 BOUNDARIES" and "REGIONAL MAP."

All of the property within the Development is currently owned by Lennar Colorado, LLC, a Colorado limited liability company (as previously defined, "Lennar"), who is also the developer of the property, with all of the planned 951 dwelling units are expected to be constructed by Lennar. As of the date of this Limited Offering Memorandum, the construction of one Show Home has commenced within the Development. According to the Market Study, it is anticipated that the first homes will be sold and closed to homeowners in the first quarter of 2022 and that all homes within the Development will be sold and closed to homeowners by the first quarter of 2029. See "RISK FACTORS—Financial Condition of Lennar" and "—Development Not Assured," "—Lennar" below, "APPENDIX A—FINANCIAL FORECAST," "APPENDIX B—MARKET STUDY" and "APPENDIX H—ASSESSED VALUE APPRECIATION REPORT." Lennar is not obligated to construct homes within the Development in any particular timeframe or at all. No assurance is provided that the homes will be sold and closed to homeowners in the timeframe anticipated herein or at all.

Lennar is responsible for obtaining the necessary approvals from the County to advance the Development in the manner described herein and is undertaking site development therefor, including site planning and engineering. See "—Platting, Zoning/Land Use and Public Approvals." All of the property within the Development has been zoned as planned development for its intended uses. Filing 1 and Filing 2 (each defined below) have been recorded in the records of the County at Reception Nos. 2018091371 and 2020014754 for the purpose of subdividing portions of the of the property comprising the Development into 412 single-family detached lots and various tracts. It is anticipated that the remainder of the property comprising the Development, comprised of approximately 539 dwelling units, will be subdivided in four additional filings, and is expected to be platted in stages beginning in first quarter 2022 and concluding sometime in 2023. However, no assurance is provided that the additional filings will be approved in the manner or timeframe anticipated herein or at all. See "—Platting, Zoning/Land Use and Public Approvals—*Platting*" below.

TABLE II
Summary of Planned Development Within the Development [1] [1]

			Ownership Status				
Homebuilder	**Homes Planed**	**Fully Platted Lots**	**Building Permits Issued [2]**	**Homes Under Construction**	**Certificates of Occupancy Issued**	**Number of Homes under Contract**	**Number of Homes Sold**
Lennar	951	412	1	1	0	0	0
Total	951	412	1	1	0	0	0

[1] As of October 31, 2021, based on information provided by Lennar.
[2] Based on building permits issued within the Development, with such permit being issued for the construction of a model or Show Home.
Source: Lennar

All Public Improvements and private improvements will be funded and constructed by Lennar as more particularly described in "—Status of Construction and Funding of Public and Private Improvements" below.

Amenities. The Development is expected to include over 50 acres of open space with trails, large splash pad with shade structures and restroom facility, multi-use field, amphitheater and pavilion, multiple pocket parks, all of which are expected to be owned by the Issuing District and/or homeowner association.

Land Ownership

Lennar acquired the property comprising the Development on February 10, 2020, with a portion of the purchase being financed by Tharaldson Ethanol Plant I, L.L.C., a Nevada limited liability company (the "Prior Landowner") which loan to Lennar is secured by such deed of trust which was recorded against all of the property within the Development on February 13, 2020. See "—Land Acquisition; Encumbrances on Land—*Land Acquisition; Lennar Loan*" below.

Platting, Zoning/Land Use and Public Approvals

Development of the property comprising the Development will be subject to, and is being undertaken in accordance with: (i) the limitations on land uses provided in the applicable zoning documentation and the ODP (defined below); (ii) the subdivision of property in accordance with final plats; (iii) Improvements Agreement pertaining to the provision of Public Improvements; and (iv) approved construction plans and drawings for public improvements required to serve the Development, all in accordance with the County's Municipal Code and as more particularly described below. See "— Agreements Concerning Public Improvements—*Improvements Agreement*" below.

Overall Development Plan and Zoning. The property comprising the Red Rocks Ranch Community, including the Development, is presently zoned planned unit development in accordance with the permitted uses set forth in the Red Rocks Centre Overall Development Plan Amendment #1 dated October 4, 2018 and recorded in the records of the County on October 4, 2018 at Reception No. 2018091373 (the "ODP"). The ODP supersedes and replaces, in its entirety that certain Red Rocks Centre Overall Development, which was approved on July 8, 2008 and recorded in the records of the County on September 26, 2008 at Reception No. 2008090490. In addition, construction will be subject to the subdivision of the property pursuant to one or more subdivision plat filings, and the issuance by the County of building permits and certificates of occupancy, all in accordance with the Jefferson County Code (as previously defined, the "County Code") and the County's land development regulations. The Development is also subject to the requirements of the Improvements Agreement as described below. See "—Agreements Concerning Public Improvements—*Improvements Agreement*" below.

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The following table sets forth planning area ("Planning Area" or "PA") and authorized land use information for the Red Rocks Ranch Community as set forth in the ODP:

TABLE III
Red Rocks Ranch Community Land Use Summary – ODP

Planning Area ("PA")	Anticipated Use	Acres [1]	Maximum Dwelling Units
PA-1 [1]	Residential SFA/SFD, Multifamily and Commercial	88.21	300 SFA/SFD and 300 Multifamily
PA-2	Commercial	43.45	n/a
PA-3 [2]	Residential SFA/SFD and Commercial	169.76	600 SFA/SFD
PA-4	Residential SFD	49.76	150
PA-5	Civic	1.02	n/a
Total		352.20	1,350
Land Use	**Authorized Product Type**	**Maximum Density ("DU")**	**Minimum Lot Size (Single Family)**
Residential	Single Family Detached	12 DU/Acre	4,500 square feet
Residential	Single Family Detached – Alley	12 DU/Acre	2,400 square feet
Residential	Single Family Attached	12 DU/Acre	1,500 square feet
Residential	Multifamily	35 DU/Acre	n/a
		Maximum Square Feet	
Civic	Structures Civic in Nature (school, church, recreational, etc.)	10,000	
Commercial	Commercial, Retail and Office Space	400,000	
Other	Open Space, Parks, Trails, and Common Use Authorizations to be provided in Final Subdivision Plats		
Parking	Parking Requirements are set forth for each Structure Type		

[1] Planning Area 1 is included within the boundaries of the Development. PA-1 is intended to be primarily residential, with potential limited commercial uses as set forth in the ODP.
[2] A portion of Planning Area 3 is included within the boundaries of the Development. PA-3 is intended to be primarily residential, with potential limited commercial uses as set forth in the ODP.
Source: ODP

Statutory Vested Property Rights. In Colorado, property rights vest in a particular land use after a building permit has been issued and the landowner acts in reliance on it. Under certain circumstances, prior to the issuance of a building permit, State law provides for the "vesting" of property rights in a property owner for a specified period of time, during which the applicable municipality generally is not permitted to take any zoning or land use action which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay development or use of the property subject to the applicable zoning documents, or unilaterally amend the applicable zoning documents.

As set forth in the Improvements Agreement, Lennar agreed to provide the County with a title insurance commitment at time of final platting evidencing that fee simple title of all lands in the subdivision is vested totally with Lennar, subject only to the liens and encumbrances permissible to the County in its sole and absolute discretion. In accordance with Section 34 of the County's Land Development Regulations and Article 68, Title 24, C.R.S., upon approval, or conditional approval, of the Final Plat by the County Board, a vested property right attached to the property comprising the Development for the original term of 10 years.

Platting. The purpose of the Final Plat is to establish the final layout of a subdivision through the development of the plat document, the final construction plans, and improvement agreements and other documents that are reviewed against the requirements of applicable County regulations. The County's subdivision process for property provides for a formal review, Planning Commission public hearing and County Board public hearing. In connection with the platting process, an applicant must submit civil engineering construction plans for all required streets, utilities, and other public improvements and such plans must be approved before a building permit or public improvement permit may be issued for any property within the final plat. Red Rocks Ranch Subdivision Filing No. 1 was approved on October 4, 2018, and recorded in the records of the County on October 4, 2018 at Reception No. 2018091371 ("Filing 1"); and Red Rocks Ranch Subdivision Filing No. 2 was approved on February 5, 2020, and recorded in the records of the County on February 5, 2020 at Reception No. 2020014754 ("Filing 2" and together with Filing 1, the "Final Plat"). It is anticipated that the remainder of the property comprising the Development, to be comprised of approximately 539 dwelling units, will be subdivided in four additional filings, and is expected to be platted in stages beginning in first quarter 2022 and concluding sometime in 2023. Following the recordation of the additional filings, such filings will become part of the Final Plat. However, no assurance is provided that the additional filings will be approved in the manner or timeframe anticipated herein or at all.

Agreements Concerning Public Improvements

For the purpose of providing assurances to the County concerning the construction and funding of Public Improvements necessary to serve the Development, the following agreements have been executed by Lennar, as further described below.

Improvements Agreement. As a condition of approval of the Final Plat, Lennar, the Prior Landowner and the County entered into an Improvements Agreement dated February 5, 2020, which was recorded in the records of the County on February 5, 2020 at Reception No. 2020014753 (the "Improvements Agreement"). In accordance with the Improvements Agreement, the Prior Landowner is to construct and install, at its sole expense, all the Public Improvements, except for certain improvements identified therein or if cash-in-lieu payments. However, following the recordation of Filing 2, and upon the completion of the sale of the property comprising the Development to Lennar, it was agreed that Lennar would assume all of the obligations for the provision of the Public Improvements as set forth in the Improvements Agreement.

Lennar is to pay the County, the Mile High Flood District or other entity as applicable, cash-in-lieu payments, in the amounts set forth in the Improvements Agreement, if any. Such cash-in-lieu are to be paid prior to the issuance of any "Certificates of Compliance" confirming that the Public Improvements have been, or are to be, constructed in compliance with the Final Plat, the laws and regulations of the United States, the State, the County and its various agencies, and any affected special districts and/or servicing authorities; and such other designs, drawings, maps, specifications, sketches and other matter submitted to and approved by any of the above-stated governmental entities.

To secure and guarantee performance of its obligations as set forth in the Improvements Agreement, Lennar agrees to provide security and collateral in the form of a covenant and plat restriction on conveyance, sale, or transfer on the Plat which reads as follows:

"As a condition of approval by the Board of County Commissioners of Jefferson County and to meet the requirements of Section 30-28-137, C.R.S., as amended, no conveyance, sale, or transfer of title of this entire Development, or of any lot, lots, tract or tracts of land identified hereon, shall be made, nor shall any building permit or certificate of occupancy be issued until a CERTIFICATE OF COMPLIANCE has been granted by the County of Jefferson, State of Colorado, duly recorded by the Clerk and Recorder of said same County, certifying that:

> a) Those Public Improvements as set forth in the Improvements Agreement, or that portion of said improvements as shall be necessary to totally serve specific lot(s) or tract(s) covered by a particular Certificate of Compliance, have been properly designed, engineered, constructed and accepted as meeting the standards of the County of Jefferson, applicable special districts, and applicable servicing authorities, or, that a substituted security or collateral authorized pursuant to Section 30-28-101, C.R.S. as amended, has been submitted to and accepted by the County of Jefferson, which is sufficient in the judgment of the County to assure completion of all public improvements as set forth in Exhibit A of said Improvements Agreement recorded under Reception Number 2020014753 or any portion thereof necessary to serve the specific lot(s) or tract(s) to be covered by a particular Certificate of Compliance and to assure said improvements are completed in accordance with reasonable design and time specifications.
>
> b) A letter of map revision ("LOMR") from the Federal Emergency Management Agency must be submitted to the County; and a Certificate of Compliance must be issued by the County, signifying that the LOMR is consistent with the floodplain report as approved by the County Board.

A building permit may be issued for up to six homes, or model homes, to be designated as "Show Homes" without completing Public Improvements or obtaining the necessary water taps provided neither Lennar, any holders of deeds of trust, nor any other person are permitted to sell, offer to sell, lease, rent, convey, transfer, or assign any such home(s), lot(s), or tract(s) or to occupy as a dwelling or a permanent office any portion of such home(s) prior to the granting by the County of a Certificate of Compliance for such lot(s) or tract(s). Lennar is to provide a compaction report and obtain approval from the appropriate fire protection district for water and access prior to issuance of a building permit. The County Building Safety department is to conduct final inspections prior to the use of the Show Homes. Lennar and holders of deeds of trust, if any, agree and promise to forever release, hold harmless, and indemnify the County, its elected officials, employees and agents, from any suit, claim, damages or other legal liability, including costs and attorneys' fees, arising either directly or indirectly out of, the construction of any such home(s) or the use of any such home(s). Lennar acknowledges and agrees that a document will be recorded in County upon issuance of a building permit for a Show Home(s) that will contain the restrictions set forth in the Improvements Agreement.

The County may not issue any building permits and is not be liable for the failure to issue any building permits on any lots, tracts or parcels contained within the Final Plat which are designated as "NON-BUILDABLE UNTIL FURTHER PLAT, MINOR ADJUSTMENT OR EXEMPTION, AND/OR SITE DEVELOPMENT PLAN APPROVAL" until such time as said lot, tract or parcel is platted in accordance with the County Land Development Regulation or a minor adjustment, exemption from platting and/or Site Development Plan approval is granted. Provided, however, that a conveyance, sale or transfer of a specific lot(s) or tract(s) of land identified hereon may be made prior to compliance with the above provisions where

Lennar and the proposed transferee, who must also qualify as a "subdivider" under the provisions of Section 30-28-137, C.R.S., as defined in Section 30-28-101(9), C.R.S., and the County Board has executed an amendment to the Improvements Agreement whereby the transferee subdivider agrees to comply with the same requirements and restrictions of this covenant and plat restriction on conveyance, sale or transfer.

It is mutually agreed, in accordance with the provisions of Section 30-28-137(3), C.R.S., as amended, that the County or any purchaser of any lot, lots, tract or tracts of land subject to a plat restriction which is the security portion of an Improvements Agreement, has the authority to bring an action in any District Court to compel the enforcement of any Improvements Agreement on the sale, conveyance or transfer of any such lot, lots, tract, or tracts of land or of any provision of part 1 of article 28 of title 30, C.R.S., as amended. Such authority includes the right to compel rescission of any sale, conveyance or transfer of any lot, lots, tract, or tracts of land contrary to the provisions of any such restrictions set forth on the Final Plat or in any separate recorded instrument, but any such action is to be commenced prior to the issuance of a building permit by the County where so required or otherwise prior to commencement of construction on any such lot, lots, tract, or tracts of land.

The holders of a deed of trust upon the property comprising the Development, if any, have consented to the imposition of the restriction on sale, conveyance or transfer as set forth in the Improvements Agreement and on the face of the Final Plat, as well as all other plat restrictions set forth on the face of the Final Plat and agrees that in the event it acquires title or control over the disposition of the lots and tracts whether through foreclosure or otherwise, it will comply with the terms of said restrictions.

In accordance with the provisions of Section 30-28-137(2), C.R.S., as amended, as Public Improvements are completed, Lennar may apply to the County for a release of part or all of the collateral deposited with the County (the " Improvements Guarantee"). Upon inspection and approval, the County is to release said Improvements Guarantee or a portion thereof. If the County determines that any of the Public Improvements are not constructed in substantial compliance with specifications, it is to furnish Lennar a list of specific deficiencies and is entitled to withhold all or part of the Improvements Guarantee sufficient to ensure such substantial compliance. If the County determines that Lennar will not construct any or all of the Public Improvements in accordance with all of the specifications, the County may withdraw and employ from the Improvements Guarantee such funds as may be necessary to construct the Public Improvements in accordance with the specifications.

In consideration of approval of the Final Plat, Lennar and holders of deed of trust, if any, consent and authorize the County to enter onto the property comprising the Development to construct, install, maintain, and/or replace all or any portion of the Public Improvements. No security or collateral which is included in the Improvements Guarantee will be accepted for Public Improvements that lie outside of the Development unless the property owner grants an acceptable easement to the County. The County is to give reasonable notice of entry during normal business hours. Lennar and the holder of deed of trust, if any, hereby unconditionally waive and release the County from any and all claims or other legal liability that arise out of or are attributable to constructing, installing, maintaining and/or replacing the Public Improvements. This consent, waiver and release extends to the County and all its officials, attorneys, agents, employees, and contractors completing work on the Improvements.

Lennar agrees to provide the County with a title insurance commitment at time of final platting evidencing that fee simple title of all lands in the subdivision is vested totally with Lennar, subject only to the liens and encumbrances permissible to the County in its sole and absolute discretion. See "—Platting, Zoning/Land Use and Public Approvals—*Statutory Vested Property Rights*" above.

The Improvements Agreement and all restrictions contained therein, run with the land and extend to and is binding upon all successors, assigns, heirs, and personal representatives of Lennar and holders of deed of trust.

Construction and Sales Activity

According to Lennar, upon full build-out, the Development is expected to include 951 single-family dwelling units and parks, with all homes expected to be constructed by Lennar. According to Lennar, home construction began on September 10, 2021 of a Show Home, with all homes expected to be constructed by and sold to homeowners in 2025. See "—Land Acquisition; Encumbrances on Land" below.

According to Lennar, lots are planned to range from 2,800 square feet to 13,000 square feet. See the Market Study attached hereto as APPENDIX B for assumptions regarding home pricing used in the Financial Forecast, including in particular Exhibit 19 of the Market Study. Such home pricing assumptions are based on information provided by Lennar and on other information more particularly described in the Market Study.

All of the developable property within the Development is owned by Lennar. No homes are currently under contract between Lennar and homeowners. No assurance is provided that the homes will be sold and closed to homeowners in the timeframe anticipated herein or at all.

Status of Construction and Funding of Public and Private Improvements

All Public Improvements and private infrastructure improvements are anticipated to be funded and constructed by Lennar. Completion of the Development will require the completion of Public Improvements and private infrastructure improvements in accordance with the requirements of the ODP, the Final Plat, the Improvements Agreement and the Mount Carbon IGA. See "—Platting, Zoning/Land Use and Public Approvals," "—Agreements Concerning Public Improvements" above, and "—Water and Sewer" below. The Public Improvements and private infrastructure improvements required for the Development are expected to be generally comprised of streets, sidewalks, traffic controls, storm and sewer systems, and water in order to satisfy the Improvements Agreement.

Upon completion, with respect to the Public Improvements, according to Lennar, it is expected that (a) the County will own, operate, and maintain all street, traffic and safety protection, and storm sewer improvements; (b) the Mount Carbon Metropolitan District or the Town will own, operate, and maintain all water and wastewater improvements other than private service lines; and (c) the Issuing District and/or homeowners association is expected to own, operate and maintain open space with trails, large splash pad with shade structures and restroom facility, multi-use field, amphitheater and pavilion, multiple pocket parks.

According to Lennar, construction of Public Improvements and private improvements began in March 2020 and is anticipated to be completed by 2025. As of November 1, 2021, Lennar represents that approximately 30% of Public Improvements within the Development have been completed (all within Filing 2), consisting of overlot grading, sanitary sewer, storm sewer, water, concrete and asphalt.

According to Lennar, the total cost of Public Improvements and private infrastructure improvements required to be constructed for the Development is estimated at approximately $102,000,000, including approximately $50,000,000 in costs of private infrastructure improvements. Of such amount, approximately $52,000,000 is estimated to constitute costs of Public Improvements eligible for reimbursement by the Districts. As of October November 1, 2021, according to Lennar, they have expended approximately $16,000,000 in costs of Public Improvements.

It is anticipated that the net proceeds of the Bonds (estimated at $43,800,000) will be applied to reimburse Lennar in accordance with the Lennar FARA for a portion of the costs of the District-eligible Public Improvements funded directly by Lennar.

The estimates of Public Improvements and private infrastructure improvements required for the Development described herein do not include the costs of vertical construction of any portion of the Development.

No assurance is provided that the Public Improvements and private infrastructure improvements will be constructed in the foregoing timeframe, in the amount anticipated, or at all. No assurance is provided that Lennar will have sufficient financing available to cause the construction of the required Public Improvements and private infrastructure improvements necessary for the development of the property in the Development as described herein.

Water and Sewer

Water and sewer services will be provided to the Development by the Town via the Mount Carbon Metropolitan District (as previously defined "Mount Carbon"), as more particularly described in the Mount Carbon IGA. See "—Mount Carbon IGA" below.

According to Lennar, there is sufficient water available to serve the Development at build out. No additional water right dedications are required to be obtained in order to receive water service from the Town/Mount Carbon. Pursuant to the MC IGA (defined below) Lennar is able to purchase water and sewer taps from Mount Carbon. While existing water rights of the Town are in place to serve the Development, Mt. Carbon will have to expand the Town's water treatment plant and wastewater treatment plant to accommodate the build out of the Development. ***While Lennar currently expects the water treatment plant and wastewater treatment plant expansions to be complete by 2024, there can be no assurance that such expansions will occur as anticipated and such delay in expansion could cause a delay in the completion of the Development***.

Mount Carbon IGA. The Town and Mount Carbon Metropolitan District ("Mount Carbon") entered into an Intergovernmental Agreement dated October 27, 2008 (the "MC IGA"), as amended by (i) a First Amendment to Intergovernmental Agreement dated April 21, 2009 (the "First Amendment") and recorded in the real property records of the County on April 24, 2009 at Reception No. 2009035896; (ii) a Second Amendment to Intergovernmental Agreement dated April 18, 2012 (the "Second Amendment") and recorded on June 7, 2012 at Reception No. 2012059296; (iii) a Third Amendment to Intergovernmental Agreement dated December 4, 2012 (the "Third Amendment") and recorded on July 17, 2013 at Reception No. 2013086848; (iv) a Fourth Amendment to Intergovernmental Agreement dated January 3, 2019 (the "Fourth Amendment") and recorded on November 12, 2019 at Reception No. 2019108024; and (v) a Fifth Amendment to Intergovernmental Agreement dated December 17, 2019 and recorded on December 23, 2019 at Reception No. 2019123163 (the "Fifth Amendment," and together with the IGA, the First Amendment, the Second Amendment, the Third Amendment, and the Fourth Amendment, the "Mount Carbon IGA"). The Mount Carbon IGA sets forth the terms and conditions for Mount Carbon to purchase sufficient equivalents residential water taps ("EQR") from the Town to serve the Development as well as the construction of a new wastewater treatment facility to serve the Town and the Development (the "WWTP").

Organization and Overlap Resolution of Mount Carbon. On August 17, 2016, the Board of Directors of Mount Carbon adopted a Resolution Consenting to the Organization and Overlap of RRC Metropolitan District Nos. 1, 2, and 3 (the "Organization and Overlap Resolution"), pursuant to which Mount Carbon consented to the organization and overlap of the RRC Districts into Mount Carbon's boundaries subject to certain provisions as set forth therein. The RRC Districts may only fund, construct, operate, and maintain water and sanitation improvements in conformance with Mount Carbon's applicable rules and regulations, engineering standards and policies. It is anticipated that Town will own and operate the water and sanitation improvements. None of the Public Improvements, including but not limited to any and all water and sanitation improvements, may be conveyed to, owned, operated, or maintained by Mount Carbon, unless and until otherwise expressly agreed to in writing by Mount Carbon. In addition, in furtherance of the Service Plan, the Organization and Overlap Resolution also provides that the RRC Districts may not duplicate the services provided by Mount Carbon within Mount Carbon's boundaries in the overlap area, except as may be consented to through an intergovernmental agreement.

Land Acquisition; Encumbrances on Land

The following describes certain encumbrances presently existing on all or portions of the property comprising the Development, to the extent known by Lennar. Such property is also subject to various easements and rights of way of record which, to the extent of record only, Lennar has reviewed, and Lennar does not believe is inconsistent with the development of the property as described herein. Property within the Development may be subjected to additional encumbrances as development progresses. No assurance is given that encumbrances will not be recorded against portions of the Development that impact the ability of the Development to be carried out as presently planned.

Land Acquisition; Lennar Loan. Lennar acquired the property comprising the Development on February 10, 2020, for a purchase price of $50,000,000. In connection with the acquisition of the property within the Development, and pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated April 16, 2018, Lennar executed a promissory note with the Prior Landowner on February 10, 2025 (the "Loan Effective Date") in the amount of $32,500,000, which is secured by a deed of trust for the benefit of the Prior Landowner, recorded in the records of the County at Reception No. 2020017306 on February 13, 2020 (collectively, the "Lennar Loan"). The Lennar Loan matures on February 10, 2025 (the "Loan Maturity Date"). Interest is to accrue on the outstanding principal balance of the Lennar Loan from the Effective Date through and including the Maturity Date, as more specifically set forth in the Lennar Loan.

The Lennar Loan may be prepaid, either in whole or in part, without penalty or premium, at any time and from time to time upon prior notice to the Prior Landowner.

Appraisal. According to Lennar, no appraisal of the property was obtained in connection with its acquisition of property comprising the Development.

Declaration of Covenants, Conditions, and Restrictions. According to Lennar, prior to such time as homes are sold and closed to homeowners, property within the Development is anticipated to become subject to Declaration of Covenants, Conditions, and Restrictions ("CCR"), with a master homeowners association, and one sub association expected to be created. The purpose of each CCR is establish mandatory procedures for approval by Lennar of site plans, tree protection plans, landscape plans and all architectural plans for improvements, among others, proposed for construction within the Development.

Other Encumbrances. All of the developable property planned for the Development is presently owned by Lennar. Lennar represents that it has no information with respect to any encumbrances which may have recorded against such property after its acquisition thereof. Property within the Development may be subjected to additional encumbrances as development progresses. No assurance is given that encumbrances will not be recorded against portions of the Development that would impact the ability of the Development to be carried out as presently planned. The property is also subject to easements and rights of way of record.

Environmental Matters and Potential Nuisances

Phase I Environmental Site Assessment. A.G. Wassenaar Inc. ("AGW") completed a Phase I Environmental Site Assessment dated November 15, 2019 for Lennar on approximately 250 acres of property encompassing the Development (the "Phase I ESA"). The Phase I ESA revealed no evidence of recognized environmental conditions ("RECs") in connection with the subject property.

Based on a review of the information presented in the Phase I ESA, AGW revealed that there are five registered above ground storage tank facilities ("ASTs") and two registered underground storage tank facilities ("USTs"), all of which are located within a quarter mile of the subject property. The Phase I ESA states that the USTs are leaking; however, these are not considered RECs based on location, small quantity release by customer error, and closure status. The ASTs are also not considered RECs therein based on hydrologic position and the lack of reported leaks.

The Phase I ESA did not include considerations of certain environmental issues, including radon, lead-based paint, asbestos identification, or wetlands and endangered species evaluations.

There can be no assurance that during or subsequent to the development of the property hazardous materials or other adverse environmental conditions, or adverse soil conditions will not be discovered on the property which could hinder or prohibit further development. Should such a discovery occur, it is possible that the Development and marketing of the Development could be materially adversely affected.

Nationwide Permit Verification/Wetland Delineation. The United States Army Corp of Engineers (the "Corp") reviewed certain information provided by the Prior Landowner related to the proposed construction of the Development to determine whether any portion of the property within the Development contains a wetland as defined by the Corp pursuant to the Clean Water Act of 1972 (33 U.S.C. § 1251 et seq.) (the "Clean Water Act"). The Clean Water Act regulates quality standards for surface waters in the United States. Generally, under Section 404 of the Clean Water Act, placing any fill material into "waters of the United States" requires a permit from the Corps. "Waters of the United States" include wetlands if the degradation or destruction thereof "could affect" interstate commerce.

On November 19, 2019, the Corp determined that the construction of the Development, including the construction of a storm water detention facility and associated roadways, is authorized by the Department of the Army Nationwide Permit 29 Residential Developments ("NWP 29"); provided however, that certain special conditions must be followed to maintain the validity of such permit. Such conditions include the mitigation of 0.389 acres of wetland, such created wetland to be deemed by the Corp successful and self-sustaining after a period of 2 consecutive years in which the Corp will determine conditions therein have been satisfied. In addition, a mitigation monitoring report must be sent to the Denver Regulatory Office prior to December 31 of each year, for a period of at least five years, or until the Corp determines that the 0.389 acre of wetland mitigation has successfully developed. The proposed mitigation will occur within an area that is designated on the final plat as a drainage easement and is dedicated in perpetuity for flood conveyance. The land use classification cannot be changed, nor the property sold or otherwise disposed of, without the County and Mile High Flood District's approval. If all of the forgoing conditions are met, the NWP 29 will be valid until March 18, 2022.

Geotechnical Site Development Study. AGW completed a Geotechnical Site Development Study for dated January 19, 2017 on approximately 219 acres within the Development, generally located northeast of C-470 and Morrison Road (the "Geotechnical Study"). The purpose of the Geotechnical Study was to evaluate the subsurface conditions of the site in order to provide design criteria for planning, site development, and preliminary design concepts for foundation systems, interior floor support, and streets for the Development. Based on the results of AGW's understanding of the planned construction, experience with similar projects, field exploration, and laboratory testing and data analysis, it was the opinion of AGW that the geotechnical constraints to consider during development of the site are steeply dipping bedrock, existing fill, expansive clays and bedrock, and shallow groundwater.

The Geotechnical Study identifies the dipping bedrock as the main constraint for construction at the site. According to published information provided by the Colorado Geological Survey ("CGS") and the County, the site is located within the "DBOD" (defined therein as an area of the County where dipping, expansive bedrock possesses the potential for non-uniform heaving under certain geological and human-influenced conditions). Therefore, this site should be considered a high-risk site and special considerations are required during construction to reduce the risk of damage to the structures. County regulations do not permit construction of foundations within 10 feet of undisturbed steeply dipping bedrock; accordingly, overexcavation will be required beneath all structures, unless sufficient overlot grading fill is placed between the bottom of the foundations and the top of the bedrock. Specifically, AGW recommends 10-foot overexcavation during the construction of pavements due to the presence of dipping bedrock. AGW also recommends removing all existing fill on the site, inclusive of all topsoil and vegetation beneath planned fill areas. The exposed soils should then be scarified and moisture conditioned prior to replacing the fill on the site. Fill should be evaluated for quality at the time of removal to determine its suitability for placement as new fill on the site, and a licensed surveyor must verify the extent of excavation prior to any fill placement. According to the Geotechnical Study, particular attention should be paid to compaction of the exterior faces of slopes. AGW advises that if structures are not constructed within two years of completion of the fill, additional effort may be necessary to help maintain moisture within the fill. Due to the presence of clays, claystone and interbedded claystone and sandstone at the site, foundations and any slabs-on-grade will need to be designed to consider the potential of future soil movements. Such clays and claystone present within a certain distance of the foundation must be modified to reduce the potential for future heave if footing foundations are desired. A separation of 12 feet between the lowest foundation element and the top of the expansive clays and bedrock will be necessary. In addition, according the Geotechnical Study, shallow groundwater on the site will pose problems during site grading and overexcavation, utility construction, and pavement construction. AGW recommends that foundations be constructed at least 3 feet or more above the groundwater level. Site development should be planned to avoid or remove groundwater, and AGW recommends providing overall area drains on the site to mitigate the risks posed by the presence of shallow groundwater. Drain systems will be required around the lowest excavation level for each structure due to the nature of the soils on site. Interior drains will be necessary where groundwater approaches the foundation elevation.

Additional recommendations for floor systems, foundations, grading, excavations, pavements, utilities, and drainage are presented in the Geotechnical Study. AGW emphasizes in the Geotechnical Study that recommendations presented therein are preliminary in nature and cannot be final until site grading is complete. AGW states that the Geotechnical Study should not be relied upon after a period of three years without AGW having opportunity to review or revise their findings therein. The scope of the Geotechnical Study did not include local or global geological risk assessment, and issues such as mine subsidence, slope stability, active faults, etc. will need to be explored in additional studies, if so desired. *The foregoing information is based on a Preliminary Geotechnical Investigation dated January 19, 2017 and no final study has been provided. Consequently, there is no assurance that there are not conditions that exist on the property that were unknown at the time of such preliminary study, and such condition(s), if any, could require further action in addition to the recommendations provided.*

Bandimere Speedway and Other Elevated Local Noise Pollution Sources. The Development is located in close proximity to Bandimere Speedway, a quarter-mile dragstrip that hosts periodic local and national drag racing events. The facility has a seating capacity of 23,500 spectators. It is also proximate to Red Rocks Amphitheater, the Town's Wastewater Treatment Plant, State Highway C-470 and Morrison Road. As set forth in the Final Plat, it is likely that future residents of the Development may experience elevated noise, odor and light pollutions from existing sources such as Bandimere Speedway, Red Rocks Amphitheater, the Town Wastewater Treatment Plant, State Highway C-470 and Morrison Road, that may or may not be exempt from regulations. A Noise Disclosure Statement notifying future purchasers or leases of potential noise and odor impact is to be given to all potential property owners before sale of such property.

Other Property Assessments. The foregoing describes assessments conducted on behalf of Lennar with respect to the property comprising the Development. It is possible that future property owners will obtain additional geotechnical and other studies and/or assessments of the property for the purpose of identifying conditions of the subject property that may impact development and making recommendations for the appropriate course of particular development activities.

Market Study

The Issuing District has retained Zonda Home, Centennial, Colorado (as previously defined, "Market Consultant") to prepare a report, dated November 22, 2021 (as previously defined, the "Market Study") to assesses the pricing and annual absorption for the Development based upon an analysis of the market area as well as other competing communities, conceptually competitive developments and other factors more particularly set forth in the Market Study. The Market Study contains the estimated development value of certain property anticipated to be developed within the Development, which is based on certain assumptions more particularly set forth therein. The Market Study is attached hereto as APPENDIX B and should be read in its entirety by prospective purchasers of the Bonds. See also "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS—Risks Inherent in Financial Forecast, Market Study, and Assessed Value Appreciation Report." No assurance is provided that the Development will be completed in the manner and in the timeframes described herein or at all or that property within the Development will ultimately achieve the anticipated values described herein, in the Market Study, or the Financial Forecast.

Marketing and Advertising

Lennar will utilize their own marketing programs to market their respective product offerings. General branding and promotion began in the fourth quarter of 2021.

Competition

The Development is expected to compete with active competitive residential developments in the County and the Denver metropolitan area. Such competition may adversely affect the rate of development within the Districts, all as more particularly described in the Market Study attached as APPENDIX B hereto.

Schools

The Development is currently served by Jefferson County School District No. R-1, including the following schools:

Schools

Name of School	Grades Served	Approximate Distance from the Development
Hutchinson Elementary School	PK-5	4.7 miles
Dunstan Middle School	6-8	5.3 miles
Green Mountain High School	9-12	4.9 miles

Lennar

All of the developable property comprising the Development (and, therefore, all of the developable property within the Issuing District and District No. 1) is presently owned by Lennar Colorado, LLC, a Colorado limited liability company (as previously defined, "Lennar"). All homes in the Development are anticipated to be constructed, marketed and sold by Lennar, and Lennar is anticipated to complete all Public Improvements required in connection therewith, including those set forth in the Improvements Agreement. See "—Agreements Concerning Public Improvements—*Improvements Agreement*."

The following information regarding Lennar was provided by Lennar: Lennar is a wholly owned subsidiary of Lennar Corporation. According to Lennar, Lennar Corporation is a national homebuilder that operates in numerous states. Lennar Corporation was founded in 1954 and is based in Miami, Florida. Lennar Corporation completed its initial public offering in 1971 and listed its common stock on the New York Stock Exchange in 1972. During the 1980s and 1990s, Lennar Corporation entered and expanded operations in a number of homebuilding markets, including California, Florida and Texas, through both organic growth and acquisitions, such as Pacific Greystone Corporation in 1997. In 1997, Lennar Corporation completed the spin-off of its then commercial real estate business, LNR Property Corporation. In 2000, Lennar Corporation acquired U.S. Home Corporation, which expanded operations into New Jersey, Maryland, Virginia, Minnesota and Colorado. Lennar Corporation has since acquired several regional homebuilders and increased its presence in several existing markets, further expanding its homebuilding operations into the Atlanta, Oregon, Seattle and Nashville markets. Through the 2018 acquisition of CalAtlantic Communities, Lennar Corporation increased local market scale and additional new markets. As a result, Lennar became the nation's largest homebuilder in terms of consolidated revenues, with fiscal year 2020 consolidated revenues of $22.5 billion. Pursuant to Lennar's 2020 Annual Report, Lennar delivered 52,925 homes in 2020. Lennar Corporation stock is traded on the New York Stock Exchange under the symbol LEN.

DISTRICTS FINANCIAL INFORMATION

The Bonds are payable from, among other Pledged Revenue, ad valorem property taxes resulting from imposition by the Issuing District and District No. 1 of the Required Mill Levy. See "THE BONDS—Security for the Bonds—*Required Mill Levy*." Certain information pertaining to such ad valorem property taxes as well as other financial information of the Districts, is set forth below. Not all ad valorem property taxes and fees that are or may be imposed by the Districts as described herein are pledged to the payment of the Bonds. For a complete description of revenues pledged to the payment of the Bonds, see "THE BONDS—Security for the Bonds."

Ad Valorem Property Taxes

The Boards of the Issuing District and District No. 1 have the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the Issuing District and District No. 1. Property taxes are uniformly levied against the assessed valuation of all taxable property within the Districts. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below.

Property Tax Reduction for Senior Citizens and Disabled Veterans. On November 7, 2000, and November 7, 2006, respectively, the electors of the State approved Referendum A and Referendum E, constitutional amendments granting a property tax reduction to qualified senior citizens and qualified disabled veterans. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first $200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution.

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

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the county assessor. The "actual" value, with certain exceptions, is determined by the county assessor annually based on a biennially recalculated "level of value" set on January 1 of each odd-numbered year. The "level of value" is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, "actual" values for the 2019 levy/2020 collection year as well as the 2020 levy/2021 collection year are based on market data obtained from the period January 1, 2017–June 30, 2018. The "level of value" calculation does not change for even-numbered years. The classes of property the "actual" value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

Gallagher Amendment. The assessed value of taxable property is then determined by multiplying the "actual" value (determined as described in the immediately preceding paragraph) times an assessment rate. The assessment rate of residential property changes from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to the assessed value of residential property at the same level as it was in the property tax year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment required that statewide residential assessed values must be approximately 45% of the total assessed value in the State with commercial and other non-residential assessed values making up the other 55% of the assessed values in the State. The commercial assessment rate is established at 29% of the actual value of commercial property (including vacant land and undeveloped lots), and, in order to maintain the 45% to 55% ratio required by the Gallagher Amendment, the residential assessment rate fluctuates. The residential assessment rate (which is a percentage of the "actual" value of property as determined by the county assessor, and is often referred to as the "assessment ratio") had been 7.96% since the 2003 levy year; however, in 2017 the residential rate was changed to 7.20% for levy years 2017 and 2018 (collection years 2018 and 2019) and the Colorado General Assembly further reduced the residential assessment rate to 7.15% for levy years 2019 and 2020 (collection years 2020 and 2021).

Gallagher Amendment Repeal; SB 223. In 2020, voters in Colorado approved a constitutional amendment to repeal the Gallagher Amendment (the "Gallagher Amendment Repeal"). Following such repeal, Senate Bill 20-223 ("SB 223"), which was adopted by the legislature in early 2020, will freeze assessment rates at their current levels until the next property tax year for which the Colorado General Assembly adjusts one or more of the assessment rates. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment rate in a downward fashion but no longer obligates such a downward change in the residential assessment rate. (An upward adjustment may require a state-wide vote under the State Constitution).

SB 21-293 and Initiative 27. Late in its 2021 Regular Session, the Colorado General Assembly passed Senate Bill 21 293 ("SB 21-293"), which was passed, in part, in response to a citizen initiative ("Initiative 27"), being one of a number of citizen initiatives proposing changes to existing real property assessment rates that were submitted to the Colorado Secretary of State following the effectiveness of the Gallagher Amendment Repeal. The Colorado Supreme Court ruled that Initiative 27 could appear on the November 2021 statewide ballot provided the proponents thereof obtained sufficient petition signatures to meet constitutional requirements and, on August 2, 2021, having reportedly obtained the sufficient number of petition signatures, Initiative 27 was submitted to the Colorado Secretary of State for verification of such signatures and signature count. The Colorado Secretary of State made the necessary verifications and Initiative 27 appeared on the November 2, 2021 Colorado statewide ballot.

SB 21-293, which was signed into law by the Colorado Governor on June 23, 2021, changes the language of the statutory sections in which current assessment ratios appear so that if Initiative 27 had been approved by State voters: (a) the reduction in the commercial property assessment rate would have applied only to lodging property (a new subclass of commercial property), and (b) the reduction in the residential property assessment rate would have applied only to multifamily residential property (a new subclass of residential property). However, Initiative 27 was not approved by State voters, therefore, the effect of SB 21-293 will be a reduction in the assessment rate for multifamily residential property to 6.8% (stated as a percentage of "actual" value, as determined by the county assessor) for the 2022 and 2023 property tax years only.

Additionally, for the 2022 and 2023 property tax years only, SB 21-293 will reduce: (a) the assessment rate applicable to single-family residential property from 7.15% to 6.95%, and (b) the assessment rate applicable to agricultural property and renewable energy production property (two new subclasses of commercial property) from 29% to 26.4%.

See "RISK FACTORS—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land."

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

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

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

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2020, for example, are being collected in 2021. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts become delinquent on, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. The County Treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of the Districts to the Districts on a monthly basis.

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

COVID-19. In response to COVID-19 (see "RISK FACTORS—Enforcement of Tax Collection by County"), on March 20, 2020, Governor Polis issued Executive Order D 2020 012, which granted county treasurers the authority to waive delinquent interest on late property tax payments. This order has subsequently expired but is indicative of the previous exercise by the Governor of his authority to permit the waiver of such payments. Further, on June 28, 2021, Colorado Governor Jared Polis signed Senate Bill 21-279 ("SB 21-279"). SB 21-279 allows a board of county commissioners or the city council of any city and county, with approval of the elected county treasurer, to reduce, waive, or suspend interest accrued on delinquent property tax payments for any period of time between June 16, 2021 and September 30, 2021. Such legislation is similar to legislation that was passed in 2020 (House Bill 20-1421, which has since expired). SB 21-279 further provides that if a local taxing jurisdiction (such as the Districts) is unable to meet bond payment obligations due to, and within the period, of the waiver or reduction of the interest rate, such jurisdiction is to provide notice to the applicable county and in such case, the applicable county is required to advance property tax amounts to the local taxing jurisdiction to pay bonded indebtedness or monthly operations costs. Such advance may not exceed 90% of the property tax due to the local taxing jurisdiction and may not exceed the shortfall. SB 21-279 is to be automatically repealed on December 31, 2021.

It is not possible to know whether Governor Polis will issue additional executive orders authorizing county treasurers to extend payment deadlines and waive interest, or whether the Colorado Legislature will enact similar legislation in the future.

The Pledged Revenue pledged to the payment of the Bonds is derived primarily from ad valorem property taxes. Significant delays in the receipt of property taxes or material decreases in the amount of tax revenue received by the Districts would affect the security for the Bonds. If Governor Polis issues additional executive orders or future legislation is passed which authorizes or directs county treasurers to further extend payment deadlines, waive interest, or forgive liability for property taxes, there is no guarantee that such additional action would not adversely affect the amount or timing of the Districts' property tax revenue. There can be no assurance that the Pledged Revenue will continue at prior or existing levels, and there is no guarantee that reductions in ad valorem property tax revenue will not occur. Further, such decreases could be material.

Ad Valorem Property Tax Data

Set forth below is certain information regarding the Districts' assessed and "actual" valuation, mill levy and property tax information since the Districts' organization. According to the County Assessor, the 2021 certified assessed valuations for the Issuing District and District No. 1 are $236,449 and $228,073, respectively, for a total combined 2021 certified assessed valuation of $464,522. The following tables set forth information regarding the Issuing District's and District No. 2's assessed and "actual" valuation, mill levy, and property tax levies and collections.

TABLE IV
History of Issuing District's Assessed Valuation, Mill Levy and Property Tax Collections

			Property Taxes	
Levy/Collection Year	**Assessed Valuation**	**General Fund Mill Levy**	**Taxes Levied**	**Taxes Collected**
2016/2017	$ 45	42.000	$2	$2
2017/2018	48	42.000	2	2
2018/2019	48	42.000	2	2
2019/2020	50	42.000	2	2
2020/2021 [1]	50	61.230	3	0
2021/2022 [2, 3]	236,449	n/a	n/a	n/a

[1] Property tax collections through July 31, 2021.
[2] Mill levies for the 2021 year (2022 collection year) are expected to be certified by the County by December 15, 2021 and available from the County by year end.
Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for the years 2016-2020, and the County Assessor's Office

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TABLE V
History District No. 1's Assessed Valuation, Mill Levy and Property Tax Collections

Levy/Collection Year	Assessed Valuation	General Fund Mill Levy	Property Taxes: Taxes Levied	Property Taxes: Taxes Collected
2016/2017	$ 43	42.000	$2	$2
2017/2018	46	42.000	2	2
2018/2019	46	42.000	2	2
2019/2020	48	42.000	2	2
2020/2021 [1]	48	61.230	3	0
2021/2022 [2]	228,073	n/a	n/a	n/a

[1] Property tax collections through July 31, 2021.
[2] Mill levies for the 2021 year (2022 collection year) are expected to be certified by the County by December 15, 2021.
Source: State of Colorado Department of Local Affairs Division of Property Taxation Annual Reports for the years 2016-2020, and the County Assessor's Office

Classes of Property and Property Owner. The following tables sets forth the 2021 assessed and "actual" valuations of specific classes or property within the Issuing District and District No. 2. As shown below, all of the property within the Issuing District and District No. 2 is classified as vacant land.

TABLE VI
2021 Assessed and "Actual" Valuation of Classes of Property in Issuing District

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Vacant Land	$236,449	100.00%	$815,340	100.00%

Source: County Assessor's Office

TABLE VII
2021 Assessed and "Actual" Valuation of Classes of Property in District No. 1

Class	Assessed Valuation	Percent of Assessed Valuation	"Actual" Valuation	Percent of "Actual" Valuation
Vacant Land	$228,073	100.00%	$786,458	100.00%

Source: County Assessor's Office

The Districts Taxpayers. Set forth below in the following tables are the persons or entities which represent the largest taxpayers within the Issuing District and District No. 1 for the 2021 levy year (2022 collection year) as provided by the County Assessor's Office. No independent investigation has been made of, and no representation is made herein, as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Issuing District and District No. 1. The Issuing District's and District No. 1's mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the Issuing District and District No. 1 from such taxpayers will be in proportion to the assessed valuation of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

TABLE VIII
2021 Largest Taxpayers within Issuing District [1]

Name	2021 Assessed Valuation	Percent of Total Assessed Valuation
Tharaldson Ethanol Plant I, L.L.C.	$236,449	100.00%
Total	$236,449	100.00%

[1] The Issuing District's 2021 assessed valuation of $236,449 was used in calculating the above. According to County officials, a list of the largest taxpayers for the 2021 levy year (2022 collection year) will be available from the County Assessor's Office in January 2022, however, according to the parcel map on the County Assessor's website, as of October 31, 2021, the current property owner is Lennar.
Source: County Assessor's Office

TABLE IX
2021 Largest Taxpayers within District No. 1 [1]

Name	2021 Assessed Valuation	Percent of Total Assessed Valuation [1]
Tharaldson Ethanol Plant I, L.L.C.	$228,073	100.00%
Total	$228,073	100.00%

[1] District No. 1's 2021 assessed valuation of $228,073 was used in calculating the above. According to County officials, a list of the largest taxpayers for the 2021 levy year (2022 collection year) will be available from the County Assessor's Office in January 2022, however, according to the parcel map on the County Assessor's website, as of October 31, 2021, the current property owner is Lennar.
Source: County Assessor's Office

Overlapping Mill Levies. Numerous entities located wholly or partially within the Districts are authorized to levy taxes on property located within such districts. According to the County Assessor's Office, there are currently nine taxing entities overlapping all or a portion of the Districts, and there is currently only one total mill levy being assessed against all property owners within the Districts. Property owners within the Districts are subject to the mill levies of such entities. The following table set forth the total mill levy levied against taxpayers within the Districts in 2020 for collection in 2021. Additional taxing entities may overlap the Districts in the future. See also "DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt*."

TABLE X
Total 2020 Mill Levies of the Districts [1]

Taxing Entity	Mill Levy
Jefferson County	24.578
Jefferson County Law Enforcement Authority	2.657
Jefferson County School District No. R-1	47.038
Mount Carbon Metropolitan District	29.118
Regional Transportation District	0.000
Urban Drainage & Flood Control District	0.900
Urban Drainage & Flood Control District – South Platte	0.100
West Metro Fire Protection District – General	12.499
West Metro Fire Protection District – Sub District	0.728
Total Overlapping Mill Levy	117.618
The Issuing District	61.230
Total Mill Levy	178.848

[1] One mill equals 1/10 of one cent. Mill levies certified in 2020 are for the collection of ad valorem property taxes in 2021. Mill levies for the 2021 mill levy year (2022 collection year) are expected to be certified by the County by December 15, 2021 and available by year end.
Sources: County Assessor's Office

Fees

Subject to certain limitations, the Service Plan provides that the Issuing District and District No. 1 have the authority to assess fees, rates, tolls, penalties, or charges as provided in the Special District Act for the payment of Debt (as defined therein) and operation and maintenance expenses. Each of the Districts may impose such fees only prior to the issuance of a Certificate of Occupancy. Subsequent to the issuance of a Certificate of Occupancy, no recurring or non-recurring fee related to repayment of Debt may be imposed or collected by the Districts. Notwithstanding the foregoing, fees imposed or collected by the Districts for the purpose of funding operation and maintenance costs of the Districts are not subject to such restrictions. The Service Plan also provides that in no event may the Districts receive or spend revenue derived from a PIF without the prior written approval of the County.

No fees are presently imposed or expected to be imposed by the Districts.

Specific Ownership Taxes

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

Operating Mill Levy; Other Funding of Operations and Maintenance; Other Revenue Sources

The Service Plan limits the mill levy imposed by the Issuing District and District No. 1 for operation and maintenance expenses to 60 mills prior to the imposition of a Debt mill levy, and upon imposition of a Debt mill levy, no more than 10 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after January 1, 2017). The mill levy imposed by the Districts for Debt is limited to 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation, as described therein, occurring after occurring after January 1, 2017). See "THE DISTRICTS—Service Plan Authorizations and Limitations." The Issuing District and District No. 1 currently do not impose a separate mill levy for payment of operation and maintenance expenses; instead, in 2020 (for collection in 2021) the Issuing District and District No. 1 used revenues from their general fund mill levies of 61.230 to pay general operating expenses.

The Districts are also expected to receive certain advances from Lennar, in accordance with the Lennar OFA, to fund operation and maintenance expenses. See "THE DISTRICTS—Material Agreements of the Districts—*District No. 1 Agreements—Operation Funding Agreement (Lennar)*."

Other revenues available to the Districts for the funding of operations and the payment of Debt service include fees, rates, tolls, penalties or charges as allowed under the Service Plan that are reasonably related to the cost of operating and maintaining services and facilities of the Districts. The Districts may apply other legally available funds and revenues to the payment of debt service on the Bonds, and upon the application of such other funds and revenues, the debt service mill levy imposed for payment of the Bonds may, to the extent, be diminished, subject to the requirements of the Required Mill Levy. However, the Bonds do not constitute a lien or encumbrance on such revenues.

Districts Funds, Accounting Policies and Financial Statements

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the Districts' financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The audited financial statements must be filed with the Board within six months after the end of the fiscal year and with the State Auditor thirty days thereafter. Failure to comply with this requirement to file an audit report may result in the withholding of the Districts' property tax revenue by the County Treasurer pending compliance. The Issuing District and District No. 1 filed an "Application for Exemption from Audit" for the years ended December 31, 2016 through December 31, 2020 with the Office of the State Auditor.

The accounts of the Districts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds will be segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The Issuing District maintains two governmental funds: a General Fund to provide for general operating expenditures, and a Capital Projects Fund to provide for the capital improvements that are to be built for the benefit of the Districts. District No. 1 maintains three governmental funds: a General Fund to provide for general operating expenditures; a Debt Service Fund to account for the repayment of principal and interest on the outstanding general obligation bonds; and a Capital Projects Fund to provide for the capital improvements that are to be built for the benefit of the Districts.

Budget and Appropriation Procedure

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

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

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of the Districts must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. Expenditures of the Districts may not exceed the amounts appropriated, except in the case of an emergency or a contingency which was not reasonably foreseeable. Under such circumstances, the Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the Districts receive revenues which were unanticipated or unassured at the time of adoption of the budget, the Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In the event that revenues are lower than anticipated in the adopted budget, the Districts may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

The Board of the Districts adopted the Issuing District's and District No. 1's 2021 budgets and appropriation resolutions pursuant to the procedures described above and filed such budget with the State Division of Local Government. The Board of the Districts is expected to adopt the Issuing District's and District No. 2's 2022 budgets and appropriation resolutions on December 6, 2021 pursuant to the procedures described above and anticipates filing such budgets with the State Division of Local Government in a timely manner.

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Budgeted Financial Information – Issuing District. Due to the Issuing District's limited financial activity to date, no audited financial information is available for inclusion herein. Set forth hereafter are the adopted 2021 budget as compared with 2021 year-to-date unaudited figures for the Issuing District's General Fund and Capital Projects Fund, as well as the proposed 2022 budget, which is subject to change pending Board approval. The Issuing District does not currently have a Debt Service Fund.

TABLE XI
Issuing District General Fund Budget Summary and Comparison

	2021 Budget (as adopted)	**2021 Actual Year to Date (unaudited)** [1]	**2022 Budget (as proposed)** [2]
Beginning Fund Balance	$ --	$ --	$ --
Revenues			
Property Taxes	3	--	30,675
Developer Advances	10,000	3,201	2,454
Total Revenues	10,003	3,201	33,129
Total Funds Available	10,003	3,201	33,129
Expenditures			
Insurance/SDA Dues	3,500	3,201	3,500
Treasurer Fees	--	--	460
Contingency	5,003	--	27,669
Emergency Reserve	1,500	--	1,500
Total Expenditures	10,003	3,201	33,129
Ending Fund Balance	$ --	$ --	$ --

[1] Unaudited actual year to date through July 31, 2021, the most recent information available.
[2] The proposed 2022 budget is subject to change pending Board approval.
Sources: Issuing District budgets and Issuing District

TABLE XII
Issuing District Capital Projects Fund Budget Summary and Comparison

	2021 Budget (as adopted)	**2021 Actual Year to Date (unaudited)** [1]	**2022 Budget (as proposed)** [2]
Beginning Fund Balance	$ --	$ --	$ --
Revenues			
Developer Advances	12,000,000	--	12,000,000
Total Revenues	12,000,000	--	12,000,000
Total Funds Available	12,000,000	--	12,000,000
Expenditures			
Capital Expenditures	12,000,000	--	12,000,000
Total Expenditures	12,000,000	--	12,000,000
Ending Fund Balance	$ --	$ --	$ --

[1] Unaudited actual year to date through July 31, 2021.
[2] The proposed 2022 budget is subject to change pending Board approval.
Sources: Issuing District Budgets and Issuing District

Budgeted Financial Information – District No. 1. Due to District No. 1's limited financial activity to date, no audited financial information is available for inclusion herein. Set forth hereafter are the adopted 2021 budget as compared with 2021 year-to-date unaudited figures for District No. 1's General Fund, Capital Projects Fund and Debt Service Fund, as well as the proposed 2022 budget, which is subject to change pending Board approval.

TABLE XIII
District No. 1 General Fund Budget Summary and Comparison

	2021 Budget (as adopted)	2021 Actual Year to Date (unaudited) [1]	2022 Budget (as proposed) [2]
Beginning Fund Balance	$ --	$ --	$ --
Revenues			
Property Taxes	3	--	29,581
Specific Ownership Taxes	--	--	2,366
Developer Advances	65,675	30,660	65,675
Total Revenues	65,678	30,660	97,622
Total Funds Available	65,678	30,660	97,622
Expenditures			
Accounting/Audit	10,000	2,633	10,000
Insurance/SDA Dues	3,500	3,742	3,500
Legal	30,000	24,264	30,000
Miscellaneous	500	21	500
Treasurer Fees	--	--	444
Contingency	20,178	--	20,178
Emergency Reserve	1,500	--	1,500
Total Expenditures	65,678	30,660	66,122
Ending Fund Balance	$ --	$ --	$31,500

[1] Unaudited actual year to date through July 31, 2021.
[2] The proposed 2022 budget is subject to change pending Board approval.
Sources: District No. 1 budgets and District No. 1

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TABLE XIV
District No. 1 Capital Projects Fund Budget Summary and Comparison

	2021 Budget (as adopted)	2021 Actual Year to Date (unaudited) [1]	2022 Budget (as proposed) [2]
Beginning Fund Balance	$ --	$ --	$ --
Revenues			
Developer Advances	15,000,000	675,860	15,000,000
Total Revenues	15,000,000	675,860	15,000,000
Total Funds Available	15,000,000	675,860	15,000,000
Expenditures			
Capital Expenditures	15,000,000	666,996	15,000,000
Total Expenditures	15,000,000	666,996	15,000,000
Ending Fund Balance	$ --	$ 8,864	$ --

[1] Unaudited actual year to date through July 31, 2021.
[2] The proposed 2022 budget is subject to change pending Board approval.
Sources: District No. 1 budgets and District No. 1

TABLE XV
District No. 1 Debt Service Fund Budget Summary and Comparison

	2021 Budget (as adopted)	2021 Actual Year to Date (unaudited) [1]	2022 Budget (as proposed) [2]
Beginning Fund Balance	$ --	$ --	$ --
Revenues			
System Development Fees	216,000	--	216,000
Total Revenues	216,000	--	216,000
Total Funds Available	216,000		216,000
Expenditures			
Total Expenditures	--	--	--
Ending Fund Balance	$216,000	$ --	$216,000

[1] Unaudited actual year to date through July 31, 2021.
[2] The proposed 2022 budget is subject to change pending Board approval.
Sources: District No. 1 budgets and District No 1

Limitation on Certain Tax Revenues. It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the Districts, and the debt service requirements of the Districts' outstanding bonds and other obligations that the rate of mill levy is determined each year. Pursuant to the provisions of Article X, Section 20 of the State Constitution, the Districts are subject to tax revenue limitations as described below in "—Constitutional Amendment Limiting Taxes and Spending," but has received voter approval to waive such limitations.

Management Discussion of Material Trends

Due to the Districts' lack of financial activity, there are no material trends presented herein.

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of Issuing District and District No. 1 funds in eligible depositaries and for the collateralization of such deposited funds. The Districts also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See "TAX MATTERS."

Risk Management

The Board acts to protect the Districts against loss and liability by maintaining certain insurance coverages which the Board believes to be adequate. Currently, the Districts maintain insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 as an alternative to the traditional insurance market to provide special districts with general liability, auto/property liability, and public officials' liability insurance coverage. Since 2001, CSDPLP has also offered workers' compensation insurance. The Issuing District's current policy expires on December 31, 2021 if not renewed by the Issuing District. There is no assurance that the Issuing District will continue to maintain its current levels of coverage.

Constitutional Amendment Limiting Taxes and Spending

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

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

Revenue Retention and Spending Authorization ("De-Brucing"). At the Elections, voters of the Districts authorized the Districts to collect, receive, retain, and spend the full amount of all taxes, tax increment revenues, tap fees, park fees, facility fees, service charges, inspection charges, administrative charges, gifts, grants, or any other fee, rate, toll, penalty, or charge authorized by law or contract to be imposed, collected or received by the Districts in fiscal year 2016 and in each fiscal year thereafter, without regard to the revenue and spending limits of TABOR or any other law, as they currently exist or as they may be amended in the future.

DEBT STRUCTURE

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

Debt Restrictions

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

Statutory Debt Limit. The Districts are subject to a statutory general obligation debt limitation established pursuant to Section 32-1-1101(6), C.R.S. Said limitation provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district shall not at the time of issuance exceed the greater of $2 million or 50% of the district's assessed valuation. Since, upon issuance of the Bonds, the general obligation indebtedness of the Issuing District represented by the Bonds will exceed 50% of the Issuing District's assessed valuation, the Issuing District has determined to restrict the sale of the Bonds to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S., and thus the Bonds are permitted under Section 32-1-1101(6), C.R.S.

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the Districts. Among such provisions, Article X, Section 20 of the State Constitution requires that, except for refinancing bonded debt at a lower interest rate, the Districts must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds" and "DISTRICTS FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending."

Service Plan Limitations. Regardless of the amount of voted authorization obtained by the Districts pursuant to the Elections, the Districts are limited by the Service Plan as to the amount of debt they may issue. See "—General Obligation Debt—*Service Plan Debt Limits*" below.

General Obligation Debt

Election. At the Elections, the Districts' qualified electors voting at such election approved indebtedness of $450,000,000 in the aggregate to finance the costs of designing, acquiring, constructing, relocating, installing, completing and otherwise providing the Public Improvements. The Districts' qualified electors also approved an additional indebtedness of: $50,000,000 to refund certain existing debt of the Districts; $50,000,000 to finance the costs of operating and maintaining the Districts' systems; and $50,000,000 for intergovernmental agreements. The amount of the Districts' electoral authorization for general obligation indebtedness for Public Improvements will be reduced by the principal amount of the Bonds.

Voter Authorized but Unissued Debt and Outstanding General Obligation Debt. The Issuing District expects to allocate voted authorization from the category of Public Improvements obtained at the Election to the indebtedness of the Bonds. The Issuing District expects to allocate approximately $45,000,000 in principal of the Bonds to the voted authorization for Public Improvements from the Election.

Following the issuance of the Bonds, the Issuing District will have voter authorized but unissued indebtedness authorized at the Election in the estimated amount of $405,000,000 for Public Improvements. See "—*Service Plan Debt Limits*" below for additional limitations on the Issuing District's ability to issue debt.

Service Plan Debt Limits. Regardless of the amount of voted authorization available to the Districts pursuant to the Elections, the Service Plan places limitations on the amount of debt that may be issued by the Districts. The Service Plan establishes a limitation on the amount of debt that may be issued by the Districts for funding Public Improvements to $50,000,000, excluding refundings, however, the RRC Districts entered into an Debt Allocation IGA dated February 4, 2020 to set forth the terms and conditions related to the allocation of the aggregate Debt limit authorized by the Service Plan. Pursuant to the Debt Allocation IGA, the Issuing District and District No. 1 are allocated $45,000,000, with the remaining $5,000,000 allocated to District No. 3. The Issuing District and District No. 1 may reallocate their portion of allocated Debt upon written agreement without the additional approval of District No. 3, provided that such reallocation does not exceed the Total Debt Issuance Limitation and does not reduce the $5,000,000 allocated to District No. 3. See "THE DISTRICTS—Material Agreements of the Districts—*Debt Allocation IGA*."

After the issuance of the Bonds the Issuing District will have $5,000,000 in remaining indebtedness under the Service Plan.

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

Estimated Overlapping General Obligation Debt. Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the Districts are also authorized to incur general obligation debt, and to the extent that properties within the Districts are also within such overlapping public entities, such properties will be liable for an allocable portion of such debt. For purposes of this Limited Offering Memorandum, the percentage of each entity's outstanding debt chargeable to Districts' property owners is calculated by comparing the assessed valuation of the portion overlapping the Districts to the total assessed valuation of the overlapping entity. To the extent the Districts' assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which the Districts' property owners are responsible will also change.

The Districts are not financially or legally obligated with regard to any of the indebtedness of the overlapping entities. Although the Districts have attempted to obtain accurate information as to the outstanding debt of the entities which overlap the Districts, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

Of the nine entities that overlap the Districts, Jefferson County School District No. R-1, West Metro Fire Protection District and Mount Carbon currently have general obligation debt outstanding. As of the date of this Limited Offering Memorandum, there has been no horizontal development within the Districts and the amount of any debt attributable to property owners within the Districts is minimal and therefore not provided herein. It is expected however, that as development activity increases within the Districts, the amount of overlapping debt attributable to property owners will also increase.

General Obligation Debt Ratios. The Issuing District has not previously issued general obligation indebtedness and, therefore, historical debt ratios are not available. See "INTRODUCTION—Debt Ratios" for general obligation debt ratios for the Issuing District upon issuance and delivery of the Bonds.

Revenue and Other Financial Obligations

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

LEGAL MATTERS

Sovereign Immunity

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

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

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

The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000 for claims accruing before January 1, 2018, or the sum of $387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022; (b) for an injury to two or more persons in any single occurrence, the sum of $990,000 for claims accruing before January 1, 2018, except in such instance, no person may recover in excess of $350,000; or (c) the sum of $1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of $387,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index, with the first increase occurring on January 1, 2018. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

The Districts have not acted to increase the damages liability limitations in the Governmental Immunity Act. Suits against both the Issuing District or District No. 1 and a public employee do not increase such maximum amounts which may be recovered. Neither the Issuing District or District No. 1 may be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the Districts are required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of 10 mills per annum for all outstanding settlements or judgments.

The Issuing District or District No. 1 may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the Issuing District or District No. 1 may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee in any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Sherman & Howard L.L.C., Denver, Colorado, as Bond Counsel. Such opinions will be dated as of and delivered at closing in substantially the form set forth in "APPENDIX F—FORM OF BOND COUNSEL OPINION." Certain legal matters will be passed upon for the Issuing District by McGeady Becher, P.C., Denver, Colorado, as General Counsel to the Issuing District and District No. 1. Kutak Rock LLP, Denver, Colorado, is acting as legal counsel to the Underwriter. Kutak Rock LLP has also acted as Disclosure Counsel to the Issuing District and has assisted in the preparation of this Limited Offering Memorandum in such capacity. Sherman & Howard L.L.C. represents the Underwriter from time to time on matters unrelated to the Issuing District or the Bonds. Sherman & Howard L.L.C. does not represent the Underwriter or any other party, except the Issuing District, in connection with the issuance of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Pending and Threatened Litigation

In connection with the issuance of the Bonds, General Counsel to the Issuing District is expected to render an opinion stating that, to the best of their actual knowledge, there is no action, suit, or proceeding pending in which the Issuing District is a party, nor is there any inquiry or investigation pending against the Issuing District by any governmental agency, public agency, or authority which, if determined adversely to the Issuing District, would have a material adverse effect upon the Issuing District's ability to comply with its obligations under the Indenture and the other financing documents.

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

Future Changes in Laws

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

Limitations on Remedies Available to Bondholders

The enforceability of the rights and remedies of the Owners, and the obligations incurred by Issuing District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers granted to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Indenture to Constitute Contract

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

TAX MATTERS

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (as previously defined, the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Bonds in order for the interest thereon to be excluded from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Bonds. These requirements include: (a) limitations as to the use of proceeds of the Bonds; (b) limitations on the extent to which proceeds of the Bonds may be invested in higher yielding investments; and (c) a provision subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Bonds above the yield on the Bonds to be paid to the United States Treasury. The District will covenant and represent in the Indenture that it will not take any action or omit to take any action with respect to the Bonds, any funds of the District, or any facilities financed with the proceeds of the Bonds, if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, or(iii) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. Bond Counsel's opinion as to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income (to the extent described above), Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the District to comply with these requirements could cause the interest on the Bonds to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, or a combination thereof, from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the District and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the Bonds. Owners of the Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Bonds may be sold at a premium, representing a difference between the original offering price of those Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the Bonds from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal or Colorado tax consequences arising from the receipt or accrual of interest on or ownership of the Bonds. Owners of the Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Bonds, the exclusion of interest on the Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Bonds. Owners of the Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, the market value of the Bonds may be adversely affected. Under current audit procedures, the Service will treat the District as the taxpayer and the Owners may have no right to participate in such procedures. The District has covenanted in the Indenture not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the District, the Underwriter, Bond Counsel, General Counsel or Counsel to the Underwriter is responsible for paying or reimbursing any Bond holder with respect to any audit or litigation costs relating to the Bonds.

MISCELLANEOUS

No Rating

No rating has been or will be applied for with respect to this financing.

Registration of Bonds

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

The "Colorado Municipal Bond Supervision Act," Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the "Commissioner") to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as "bonds") issued by a special district must first be registered with the Commissioner unless exempt under the act.

The Bonds qualify for an exemption from registration because the Bonds are being issued in authorized denominations of not less than $500,000.

Municipal Advisor

North Slope Capital Advisors, Denver, Colorado, is acting as municipal advisor (the "Municipal Advisor") to the Issuing District with respect to the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Limited

Offering Memorandum. The Municipal Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Bonds.

Continuing Disclosure Agreement

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) ("Rule 15c2-12"). The Issuing District has, however, agreed to enter into an agreement upon issuance of the Bonds (the "Continuing Disclosure Agreement") pursuant to which the Issuing District is to provide certain information to the Trustee on a quarterly basis and certain additional information on an annual basis, which the Trustee is to file in the manner prescribed by the Municipal Securities Rulemaking Board (MSRB). The form of the Continuing Disclosure Agreement is appended as APPENDIX E to this Limited Offering Memorandum. A failure by the Issuing District to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture. The Continuing Disclosure Agreement provides that if the Issuing District fails to comply with its obligations thereunder, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuing District to comply with its obligations thereunder.

Neither the Issuing District or District No. 1 have previously entered into an undertaking under Rule 15c2-12 or otherwise.

Interest of Certain Persons Named in this Limited Offering Memorandum

The legal fees to be paid to Bond Counsel and counsel to the Underwriter are contingent upon the sale and delivery of the Bonds.

No Audited Financial Statements

Due to the limited financial activity of the Districts, no audited financial statements have been prepared for the Districts.

Underwriting

The Bonds are being sold by the Issuing District to the Underwriter for a purchase price equal to $44,100,000 (which is equal to the par amount of the Bonds of $45,000,000, less the Underwriter's discount of $900,000) pursuant to a purchase contract. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds." Expenses associated with the issuance of the Bonds are being paid by the Issuing District from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the price set forth on the cover page of this Limited Offering Memorandum, plus accrued interest from the date of the Bonds. Such price may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

Additional Information

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

Limited Offering Memorandum Certification

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

RRC METROPOLITAN DISTRICT NO. 2

By *John Cheney*
President

APPENDIX A

FINANCIAL FORECAST

RRC Metropolitan District No. 2
Forecasted Statement of Sources
and Uses of Cash

For the Years Ending
December 31, 2021 through 2051

SIMMONS & WHEELER, P.C. Certified Public Accountants
304 Inverness Way South, Suite 490, Englewood, CO 80112 (303) 689-0833

To the Board of Directors
RRC Metropolitan District No. 2
Town of Morrison, Jefferson County, Colorado

Management is responsible for the accompanying forecast of RRC Metropolitan District No. 2, which comprises the accompanying forecasted statements of sources and uses of cash (Exhibit I), the related debt service schedule (Exhibit II), analyses of absorption and market values (Exhibit III) and calculations of assessed valuations (Exhibit I) for the years ending December 31, 2021 through 2051, including the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecast.

The accompanying presentation of projected sources and uses of cash for the years ending December 31, 2021 through 2065, under the hypothetical assumptions described in Note 5, are not part of the forecast and are presented for additional analyses only and should not be used for any other purpose.

There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We are not independent with respect to RRC Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

December 9, 2021

RRC Metropolitan District No. 2

Summary of Significant Assumptions and Accounting Policies
December 31, 2021 through 2051

The foregoing forecast is based on information provided by representatives of the Board of Directors of the RRC Metropolitan District No. 2 (the "District") collectively referred to as "management" herein. Management has relied on a market analysis and absorption forecast prepared by Zonda Advisory, Inc. Centennial, Colorado dated November 29, 2021 for the taxable value and absorption of the residential property and a forecast prepared by King & Associates, Inc., Littleton, Colorado dated November 4, 2021, for an appreciation analysis on the annual appreciation of market values. The foregoing forecast presents, to the best of management's knowledge and belief, the expected cash receipts and disbursements for the forecast period. Accordingly, the forecast reflects management's judgment as of December 9, 2021. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The purpose of this forecast is to show the amount of funds available for debt retirement for the proposed General Obligation Limited Tax Bonds, Series 2021(3) (the "Series 2021(3) Bonds") in the amount of $45,000,000. The Series 2021(3) Bonds are forecasted to be issued on December 17, 2021. The proceeds will be used for the purposes of funding and reimbursing a portion of the costs of acquiring, constructing and installing certain public improvements and to pay the costs of issuing the Series 2021(3) Bonds.

The District intends to enter into a Capital Pledge Agreement with RRC Metropolitan District No. 1 ("District 1") prior to the issuance of the Series 2021(3) Bonds. District 1 will be required to impose the required mill levy as described in the Capital Pledge Agreement and to remit the net property taxes received along with the related specific ownership taxes to the District. The District will also be required to impose the required mill levy as described in the Bond Indenture on property located within the District. This forecast represents a combination of the activities of the District and District 1 collectively referred to as ("Districts") in this forecast.

Note 1: Ad Valorem Taxes

The primary source of revenues for the Districts will be the collection of ad valorem taxes.

Residential property is assessed at 7.15% of market values for collection year 2021. Prior to the construction of a dwelling unit, residential lots are assessed at 29% of market values. Per the Zonda Advisory report, the residential development within the Districts are anticipated to include 951 residential units from 2022 through completion in 2029. Market values for the residential units are forecasted to range from $690,803 to $910,055 as of 2021. Prior to construction, market values of residential dwelling units are forecasted to inflate at 2% per year. After the construction of residential property, as indicated in the King report, market values are assumed to inflate at 6% biennially.

Exhibit III details the forecasted absorption and market values. The related assessed values are reflected in Exhibit I.

Property is assumed to be assessed annually as of January 1st. Property included in this forecast is assumed to be assessed on the January 1st subsequent to completion. The forecast recognizes the related property taxes as revenue in the subsequent year.

Note 1: Ad Valorem Taxes (continued)

The County Treasurer currently charges a 1.5% fee for the collection of property taxes.

Pursuant to the Districts' Service Plans, the maximum total mill levy the Districts are permitted to impose is 50.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2017) for debt service until the District's Debt is equal to or less than 50% of the District's assessed valuation, at that time the debt service mill levy may be unlimited. The proposed Series 2021(3) Bonds DO NOT convert to an unlimited mill levy. As a result of the residential rate change from 7.96% to 7.15% in collection year 2020 and the requirement to impose 50.000 mills (subject to adjustment for changes in the method of calculating the assessed valuation after January 1, 2017) for payment on the Series 2021(3) Bonds, the maximum debt service mill levy is required to be adjusted to 55.664 mills. Upon imposition of a debt service mill levy, the Districts are permitted to impose an operating mill levy of up to 10.000 mills. subject to adjustment as described above. As a result of the residential assessment rate change from 7.96% to 7.15% in collection year 2020 the operating levy for the District can increase to 11.132 mills. For collection year 2021, the District has certified a levy of 61.230 mills for operations and did not impose a mill levy for debt service. The District is forecasted to impose 3.000 mills for operations and 55.664 mills for debt service beginning in collection year 2022. The mill levies are subject to further adjustment for any changes in the residential assessment rate described above.

The forecast assumes that Specific Ownership Taxes collected on motor vehicle registrations will be 6% of property taxes collected.

Note 2: Bond Assumptions

The District intends to issue the Series 2021(3) Bonds in the total amount of $45,000,000 on December 17, 2021. The Series 2021(3) Bonds are forecasted to carry a coupon rate of 5.250% and mature on December 1, 2047. The Series 2021(3) Bonds are cash flow bonds with annual payments anticipated to be made on December 1, commencing December 1, 2022. Unpaid interest compounds annually on December 1 at the rate of 5.250%. The Series 2021(3) Bonds will be secured by a minimum and maximum required debt service mill levy of 55.664 mills (adjusted as described in Note 1) from the District and District 1 and the portion of specific ownership taxes attributable to the property taxes used for the Series 2021(3) debt service. Exhibit I reflects the total mill levy of 55.664 mills (adjusted as described in Note 1) for the entire forecast period. Exhibit II reflects the forecasted repayment of principal and interest on the Series 2021(3) Bonds. If not paid, the Series 2021(3) Bonds discharge on December 2, 2065.

The following table reflects the forecasted sources and uses of funds for the Series 2021(3) Bonds.

Bond proceeds	$ 45,000,000
Issuance costs	$ 1,160,000
Available for improvements	43,840,000
	$ 45,000,000

Note 3: District Improvements

This forecast does not reflect any additional cost of eligible District improvements that may be needed to complete the infrastructure within the Districts beyond the $43,840,000 from the Series 2021(3) Bonds nor the source of the funds to pay for such costs.

Note 4: Operating Costs

Operating expenses for the Districts are forecasted to be paid from property taxes. This forecast reflects the net property taxes that will be annually available for operating expenses. The mill levy for operations imposed by the Districts is forecasted to be 3.000 mills. The portion of Specific Ownership Taxes attributable to the above described property tax revenues are also available for the Districts' operating expenses. In Exhibit I, the General Fund reflects the net tax revenues that are forecasted to be available for District operations.

Note 5: Hypothetical Assumptions

Alternative A

Under Alternative A, the projection reflects an absorption rate for the residential units that will be 23% of the absorption rate reflected in Exhibit III (See Exhibit III-A). Under Alternative A, due to the change in the absorption rate, it is projected that the Series 2021(3) Bonds will not be paid in full until December 1, 2064 as reflected in Exhibit II-A. Exhibit II-A reflects the projected repayment of principal and interest on the Series 2021(3) Bonds. Funds available for operating expenses will be less, as indicated in Exhibit I-A.

Alternative B

Under Alternative B, the projection reflects a biennial inflation rate for completed residential units of 2% instead of 6% (See Exhibit I-B). Under Alternative B, due to the change in the biennial inflation rate it is projected that the Series 2021(3) Bonds will not be paid in full until December 1, 2055 as reflected in Exhibit II-B. Exhibit II-B reflects the projected repayment of principal and interest on the Series 2021(3) Bonds. Funds available for operating expenses will be less, as indicated in Exhibit I-B.

Alternative C

Under Alternative C, the projection reflects an absorption rate for the residential units that will be 60% of the absorption rate reflected in Exhibit III and a biennial inflation rate for completed residential units of 2% instead of 6% (See Exhibit I-C). Under Alternative C, due to the change in the absorption and biennial inflation rate it is projected that the Series 2021(3) Bonds will not be paid in full until December 1, 2060 as reflected in Exhibit II-C. Exhibit II-C reflects the projected repayment of principal and interest on the Series 2021(3) Bonds. Funds available for operating expenses will be less, as indicated in Exhibit I-C.

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

General Fund

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenues											
Property taxes	6,533,799	6	1,394	10,827	35,745	64,138	98,366	131,263	165,021	178,366	195,040
Specific ownership taxes	392,028	-	84	650	2,145	3,848	5,902	7,876	9,901	10,702	11,702
Less County treasurer fees	(98,005)	-	(21)	(162)	(536)	(962)	(1,475)	(1,969)	(2,475)	(2,675)	(2,926)
Available for operations	6,827,822	6	1,457	11,315	37,354	67,024	102,793	137,170	172,447	186,393	203,816
General Fund - Mill Levy		61.230	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000

Capital Project Fund

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues											
Bond proceeds - Series 2021(3))	45,000,000	45,000,000									
	45,000,000	45,000,000	-	-	-	-	-	-	-	-	-
Expenditures											
Issuance costs	1,160,000	1,160,000									
Available for improvements	43,840,000	43,840,000									
	45,000,000	45,000,000	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Debt Service Fund

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues											
Property taxes	96,004,397	-	25,863	200,900	663,235	1,190,064	1,825,139	2,435,542	3,061,916	3,309,528	3,618,895
Specific ownership taxes	5,760,263	-	1,552	12,054	39,794	71,404	109,508	146,133	183,715	198,572	217,134
	101,764,660	-	27,415	212,954	703,029	1,261,468	1,934,647	2,581,675	3,245,631	3,508,100	3,836,029
Expenditures											
Debt service - Series 2021(3) (Exhibit II)	99,700,281	-	23,027	205,940	689,080	1,239,617	1,903,270	2,541,142	3,195,702	3,454,457	3,777,746
Paying agent / trustee fees	104,000	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	1,440,067	-	388	3,014	9,949	17,851	27,377	36,533	45,929	49,643	54,283
	101,244,348	-	27,415	212,954	703,029	1,261,468	1,934,647	2,581,675	3,245,631	3,508,100	3,836,029
Ending cash available	$ 520,312	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service		-	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy		61.230	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
General Fund											
Revenues											
Property taxes	195,335	207,055	207,055	219,478	219,478	232,647	232,647	246,606	246,606	261,402	261,402
Specific ownership taxes	11,720	12,423	12,423	13,169	13,169	13,959	13,959	14,796	14,796	15,684	15,684
Less County treasurer fees	(2,930)	(3,106)	(3,106)	(3,292)	(3,292)	(3,490)	(3,490)	(3,699)	(3,699)	(3,921)	(3,921)
Available for operations	204,125	216,372	216,372	229,355	229,355	243,116	243,116	257,703	257,703	273,165	273,165
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund											
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues											
Bond proceeds - Series 2021(3))											
	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
Issuance costs											
Available for improvements											
	-	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund											
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ 314	$ 35	$ 103	$ 108	$ 867	$ 575
Revenues											
Property taxes	3,624,377	3,841,839	3,841,839	4,072,349	4,072,349	4,316,690	4,316,690	4,575,691	4,575,691	4,850,232	4,850,232
Specific ownership taxes	217,463	230,510	230,510	244,341	244,341	259,001	259,001	274,541	274,541	291,014	291,014
	3,841,840	4,072,349	4,072,349	4,316,690	4,316,690	4,575,691	4,575,691	4,850,232	4,850,232	5,141,246	5,141,246
Expenditures											
Debt service - Series 2021(3) (Exhibit II)	3,783,474	4,010,721	4,010,721	4,251,605	4,251,291	4,507,220	4,506,873	4,777,593	4,776,838	5,064,785	5,064,895
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	54,366	57,628	57,628	61,085	61,085	64,750	64,750	68,635	68,635	72,753	72,753
	3,841,840	4,072,349	4,072,349	4,316,690	4,316,376	4,575,970	4,575,623	4,850,228	4,849,473	5,141,538	5,141,648
Ending cash available	$ -	$ -	$ -	$ -	$ 314	$ 35	$ 103	$ 108	$ 867	$ 575	$ 173
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
General Fund										
Revenues										
Property taxes	277,086	277,086	293,712	293,712	311,334	311,334	330,014	330,014	349,815	349,815
Specific ownership taxes	16,625	16,625	17,623	17,623	18,680	18,680	19,801	19,801	20,989	20,989
Less County treasurer fees	(4,156)	(4,156)	(4,406)	(4,406)	(4,670)	(4,670)	(4,950)	(4,950)	(5,247)	(5,247)
Available for operations	289,555	289,555	306,929	306,929	325,344	325,344	344,865	344,865	365,557	365,557
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ 173	$ 694	$ 335	$ 215	$ 169	$ 653	$ 520,312	$ 520,312	$ 520,312	$ 520,312
Revenues										
Property taxes	5,141,245	5,141,245	5,449,720	5,449,720	5,776,703	5,776,703	-	-	-	-
Specific ownership taxes	308,475	308,475	326,983	326,983	346,602	346,602	-	-	-	-
	5,449,720	5,449,720	5,776,703	5,776,703	6,123,305	6,123,305	-	-	-	-
Expenditures										
Debt service - Series 2021(3) (Exhibit II)	5,368,080	5,368,960	5,691,078	5,691,003	6,032,170	5,512,995	-	-	-	-
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000		-	-	-
County treasurer fees	77,119	77,119	81,746	81,746	86,651	86,651	-	-	-	-
	5,449,199	5,450,079	5,776,824	5,776,749	6,122,821	5,603,646	-	-	-	-
Ending cash available	$ 694	$ 335	$ 215	$ 169	$ 653	$ 520,312	$ 520,312	$ 520,312	$ 520,312	$ 520,312
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664		-	-	-
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	3.000	3.000	3.000	3.000

Exhibit I

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

Calculation of Assessed Valuation

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Market values - residential property (000's)											
Beginning	-	-	-	-	-	110,601	239,951	396,886	552,336	741,747	815,673
Increases (see Exhibit III)	814,174		-	-	110,601	129,351	142,538	155,450	156,270	73,927	43,905
Biennial reassessment (6% biennially)	816,664	-	-	-	-	-	14,397	-	33,140	-	48,940
Ending	1,630,838	-	-	-	110,601	239,951	396,886	552,336	741,747	815,673	908,519
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	7,908	17,157	28,377	39,492	53,035	58,321	64,959
Market values - finished lots (000's)											
Beginning	0	0	0	1,602	12,445	13,817	14,562	15,211	14,698	6,801	3,913
Increases - Finished Lots (see Exhibit III)	-	-	-	10,843	1,590	999	929	(207)	(7,589)	(2,742)	(3,640)
Increases (decreases) - prior year	1,602	-	1,602								
Adjustments	(1,602)			-	(218)	(254)	(280)	(306)	(307)	(145)	(86)
Ending	0	0	1,602	12,445	13,817	14,562	15,211	14,698	6,801	3,913	187
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		0	465	3,609	4,007	4,223	4,411	4,262	1,972	1,135	54
Total assessed valuation		0.098	465	3,609	11,915	21,379	32,789	43,754	55,007	59,455	65,013

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

Calculation of Assessed Valuation

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Market values - residential property (000's)											
Beginning	908,519	910,652	965,291	965,291	1,023,208	1,023,208	1,084,601	1,084,601	1,149,677	1,149,677	1,218,657
Increases (see Exhibit III)	2,133										
Biennial reassessment (6% biennially)	-	54,639	-	57,917	-	61,392	-	65,076	-	68,981	-
Ending	910,652	965,291	965,291	1,023,208	1,023,208	1,084,601	1,084,601	1,149,677	1,149,677	1,218,657	1,218,657
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	65,112	69,018	69,018	73,159	73,159	77,549	77,549	82,202	82,202	87,134	87,134
Market values - finished lots (000's)											
Beginning	187	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III)	(182)										
Increases (decreases) - prior year Adjustments	(4)										
Ending	0	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	65,112	69,018	69,018	73,159	73,159	77,549	77,549	82,202	82,202	87,134	87,134

RRC Metropolitan District No. 2
Forecasted Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2051

Calculation of Assessed Valuation

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Market values - residential property (000's)										
Beginning	1,218,657	1,291,777	1,291,777	1,369,283	1,369,283	1,451,440	1,451,440	1,538,527	1,538,527	1,630,838
Increases (see Exhibit III)										
Biennial reassessment (6% biennially)	73,119	-	77,507	-	82,157	-	87,086	-	92,312	-
Ending	1,291,777	1,291,777	1,369,283	1,369,283	1,451,440	1,451,440	1,538,527	1,538,527	1,630,838	1,630,838
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	92,362	92,362	97,904	97,904	103,778	103,778	110,005	110,005	116,605	116,605
Market values - finished lots (000's)										
Beginning	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III)										
Increases (decreases) - prior year Adjustments										
Ending	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	92,362	92,362	97,904	97,904	103,778	103,778	110,005	110,005	116,605	116,605

Exhibit II

RRC Metropolitan District No. 2
Forecasted Schedule of General Obligation Debt - Series 2021(3)
For the Years Ended December 31, 2021 through 2047

	Funds Available	5.250% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/17/2021							45,000,000
12/1/2022	23,027	2,257,500	-	23,027	2,234,473	23,027	45,000,000
12/1/2023	205,940	2,479,810	-	205,940	4,508,343	205,940	45,000,000
12/1/2024	689,080	2,599,188	-	689,080	6,418,451	689,080	45,000,000
12/1/2025	1,239,617	2,699,469	-	1,239,617	7,878,302	1,239,617	45,000,000
12/1/2026	1,903,270	2,776,111	-	1,903,270	8,751,143	1,903,270	45,000,000
12/1/2027	2,541,142	2,821,935	-	2,541,142	9,031,936	2,541,142	45,000,000
12/1/2028	3,195,702	2,836,677	-	3,195,702	8,672,911	3,195,702	45,000,000
12/1/2029	3,454,457	2,817,828	-	3,454,457	8,036,282	3,454,457	45,000,000
12/1/2030	3,777,746	2,784,405	-	3,777,746	7,042,941	3,777,746	45,000,000
12/1/2031	3,783,474	2,732,254	-	3,783,474	5,991,721	3,783,474	45,000,000
12/1/2032	4,010,721	2,677,065	-	4,010,721	4,658,065	4,010,721	45,000,000
12/1/2033	4,010,721	2,607,048	-	4,010,721	3,254,393	4,010,721	45,000,000
12/1/2034	4,251,605	2,533,356	-	4,251,605	1,536,144	4,251,605	45,000,000
12/1/2035	4,251,605	2,443,148	272,000	3,979,291	-	4,251,291	44,728,000
12/1/2036	4,507,255	2,348,220	2,159,000	2,348,220	-	4,507,220	42,569,000
12/1/2037	4,506,976	2,234,873	2,272,000	2,234,873	-	4,506,873	40,297,000
12/1/2038	4,777,700	2,115,593	2,662,000	2,115,593	-	4,777,593	37,635,000
12/1/2039	4,777,705	1,975,838	2,801,000	1,975,838	-	4,776,838	34,834,000
12/1/2040	5,065,360	1,828,785	3,236,000	1,828,785	-	5,064,785	31,598,000
12/1/2041	5,065,068	1,658,895	3,406,000	1,658,895	-	5,064,895	28,192,000
12/1/2042	5,368,774	1,480,080	3,888,000	1,480,080	-	5,368,080	24,304,000
12/1/2043	5,369,295	1,275,960	4,093,000	1,275,960	-	5,368,960	20,211,000
12/1/2044	5,691,292	1,061,078	4,630,000	1,061,078	-	5,691,078	15,581,000
12/1/2045	5,691,172	818,003	4,873,000	818,003	-	5,691,003	10,708,000
12/1/2046	6,032,823	562,170	5,470,000	562,170	-	6,032,170	5,238,000
12/1/2047	6,033,307	274,995	5,238,000	274,995	-	5,512,995	-
		54,700,281	45,000,000	54,700,281		99,700,281	

Exhibit III

RRC Metropolitan District No. 2
Forecasted Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2029

Schedule of Absorption

Property Description	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)			57	66	66	72	69				330
Product 2 - 40' SFD 60' X 110' (Lennar)			45	57	66	69	69	34			340
Product 3 - 48' SFD 60' X 115' (Lennar)			36	36	39	42	42	42	42	2	281
Total residential	-	-	138	159	171	183	180	76	42	2	951

Schedule of Absorption - Finished Lots

Finished Lots	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	57	9	-	6	(3)	(69)	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	45	12	9	3	-	(35)	(34)	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	36	-	3	3	-	-	-	(40)	(2)	-
Total residential	-	138	21	12	12	(3)	(104)	(34)	(40)	(2)	-

Schedule of Market Values

	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	-	-	40,163,286	47,434,955	48,383,654	53,837,812	52,626,461	-	-	-	242,446,168
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	-	-	37,020,186	47,830,080	56,489,842	60,238,714	61,443,488	30,882,031	-	-	293,904,341
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	-	-	33,417,220	34,085,564	37,664,548	41,373,058	42,200,519	43,044,529	43,905,420	2,132,549	277,823,406
Total residential		-	-	110,600,692	129,350,599	142,538,045	155,449,583	156,270,467	73,926,560	43,905,420	2,132,549	814,173,915

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	3,937,577	621,723	-	414,482	(207,241)	(4,766,541)	-	-	-	(0)
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	3,629,430	967,848	725,886	241,962	-	(2,822,890)	(2,742,236)	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	3,276,198	-	273,017	273,017	-	-	-	(3,640,220)	(182,011)	-
Total finished lots		-	10,843,205	1,589,571	998,903	929,460	(207,241)	(7,589,431)	(2,742,236)	(3,640,220)	(182,011)	(0)

Alternative A

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Fund										
Revenues										
Property taxes	10,128,690	6	1,394	3,510	9,128	15,583	23,479	31,263	40,829	48,928
Specific ownership taxes	607,723	-	84	211	548	935	1,409	1,876	2,450	2,936
Less County treasurer fees	(151,933)	-	(21)	(53)	(137)	(234)	(352)	(469)	(612)	(734)
Available for operations	10,584,480	6	1,457	3,668	9,539	16,284	24,536	32,670	42,667	51,130
General Fund - Mill Levy		61.230	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))	45,000,000	45,000,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs	1,160,000	1,160,000								
Available for improvements	43,840,000	43,840,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	178,923,071	-	25,863	65,131	169,368	289,139	435,651	580,080	757,576	907,840
Specific ownership taxes	10,735,385	-	1,552	3,908	10,162	17,348	26,139	34,805	45,455	54,470
	189,658,456	-	27,415	69,039	179,530	306,487	461,790	614,885	803,031	962,310
Expenditures										
Debt service - Series 2021(3) (Exhibit II-A)	185,684,026	-	23,027	64,062	172,989	298,150	451,255	602,184	787,667	944,692
Paying agent / trustee fees	172,000	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	2,683,844	-	388	977	2,541	4,337	6,535	8,701	11,364	13,618
	188,539,870	-	27,415	69,039	179,530	306,487	461,790	614,885	803,031	962,310
Ending cash available	$ 1,118,586	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service		-	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy		61.230	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General Fund										
Revenues										
Property taxes	59,881	68,307	80,763	89,529	103,613	112,733	128,577	138,066	155,814	165,686
Specific ownership taxes	3,593	4,098	4,846	5,372	6,217	6,764	7,715	8,284	9,349	9,941
Less County treasurer fees	(898)	(1,025)	(1,211)	(1,343)	(1,554)	(1,691)	(1,929)	(2,071)	(2,337)	(2,485)
Available for operations	62,576	71,380	84,398	93,558	108,276	117,806	134,363	144,279	162,826	173,142
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	1,111,072	1,267,407	1,498,529	1,661,179	1,922,499	2,091,721	2,385,710	2,561,767	2,891,072	3,074,242
Specific ownership taxes	66,664	76,044	89,912	99,671	115,350	125,503	143,143	153,706	173,464	184,455
	1,177,736	1,343,451	1,588,441	1,760,850	2,037,849	2,217,224	2,528,853	2,715,473	3,064,536	3,258,697
Expenditures										
Debt service - Series 2021(3) (Exhibit II-A)	1,157,070	1,320,440	1,561,963	1,731,932	2,005,012	2,181,848	2,489,067	2,673,046	3,017,170	3,208,583
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	16,666	19,011	22,478	24,918	28,837	31,376	35,786	38,427	43,366	46,114
	1,177,736	1,343,451	1,588,441	1,760,850	2,037,849	2,217,224	2,528,853	2,715,473	3,064,536	3,258,697
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
General Fund										
Revenues										
Property taxes	185,489	195,760	217,663	227,010	247,468	253,203	271,397	274,516	294,115	297,360
Specific ownership taxes	11,129	11,746	13,060	13,621	14,848	15,192	16,284	16,471	17,647	17,842
Less County treasurer fees	(2,782)	(2,936)	(3,265)	(3,405)	(3,712)	(3,798)	(4,071)	(4,118)	(4,412)	(4,460)
Available for operations	193,836	204,570	227,458	237,226	258,604	264,597	283,610	286,869	307,350	310,742
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	3,441,696	3,632,266	4,038,670	4,212,096	4,591,688	4,698,101	5,035,683	5,093,555	5,457,203	5,517,413
Specific ownership taxes	206,502	217,936	242,320	252,726	275,501	281,886	302,141	305,613	327,432	331,045
	3,648,198	3,850,202	4,280,990	4,464,822	4,867,189	4,979,987	5,337,824	5,399,168	5,784,635	5,848,458
Expenditures										
Debt service - Series 2021(3) (Exhibit II-A)	3,592,573	3,791,718	4,216,410	4,397,641	4,794,314	4,905,515	5,258,289	5,318,765	5,698,777	5,761,697
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	51,625	54,484	60,580	63,181	68,875	70,472	75,535	76,403	81,858	82,761
	3,648,198	3,850,202	4,280,990	4,464,822	4,867,189	4,979,987	5,337,824	5,399,168	5,784,635	5,848,458
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
General Fund										
Revenues										
Property taxes	318,460	321,520	342,373	342,373	362,915	362,915	384,690	384,690	407,771	407,771
Specific ownership taxes	19,108	19,291	20,542	20,542	21,775	21,775	23,081	23,081	24,466	24,466
Less County treasurer fees	(4,777)	(4,823)	(5,136)	(5,136)	(5,444)	(5,444)	(5,770)	(5,770)	(6,117)	(6,117)
Available for operations	332,791	335,988	357,779	357,779	379,246	379,246	402,001	402,001	426,120	426,120
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 769
Revenues										
Property taxes	5,908,924	5,965,690	6,352,610	6,352,610	6,733,766	6,733,766	7,137,792	7,137,792	7,566,059	7,566,059
Specific ownership taxes	354,535	357,941	381,157	381,157	404,026	404,026	428,268	428,268	453,964	453,964
	6,263,459	6,323,631	6,733,767	6,733,767	7,137,792	7,137,792	7,566,060	7,566,060	8,020,023	8,020,023
Expenditures										
Debt service - Series 2021(3) (Exhibit II-A)	6,170,825	6,230,146	6,634,478	6,634,478	7,032,786	7,032,786	7,454,993	7,454,993	7,901,763	7,902,623
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	88,634	89,485	95,289	95,289	101,006	101,006	107,067	107,067	113,491	113,491
	6,263,459	6,323,631	6,733,767	6,733,767	7,137,792	7,137,792	7,566,060	7,566,060	8,019,254	8,020,114
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 769	$ 679
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

	2060	2061	2062	2063	2064	2065
General Fund						
Revenues						
Property taxes	432,237	432,237	458,172	458,172	485,662	485,662
Specific ownership taxes	25,934	25,934	27,490	27,490	29,140	29,140
Less County treasurer fees	(6,484)	(6,484)	(6,873)	(6,873)	(7,285)	(7,285)
Available for operations	451,687	451,687	478,789	478,789	507,517	507,517
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund						
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -
Revenues						
Bond proceeds - Series 2021(3))						
	-	-	-	-	-	-
Expenditures						
Issuance costs						
Available for improvements						
	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund						
Beginning cash available	$ 679	$ 812	$ 307	$ 818	$ 533	$ 1,118,586
Revenues						
Property taxes	8,020,022	8,020,022	8,501,223	8,501,223	9,011,296	-
Specific ownership taxes	481,201	481,201	510,073	510,073	540,678	-
	8,501,223	8,501,223	9,011,296	9,011,296	9,551,974	-
Expenditures						
Debt service - Series 2021(3) (Exhibit II-A)	8,376,790	8,377,428	8,879,268	8,880,063	8,294,753	-
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	
County treasurer fees	120,300	120,300	127,518	127,518	135,169	-
	8,501,090	8,501,728	9,010,786	9,011,581	8,433,922	-
Ending cash available	$ 812	$ 307	$ 818	$ 533	$ 1,118,586	$ 1,118,586
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	-
Total Mill levy	58.664	58.664	58.664	58.664	58.664	3.000

Exhibit I-A

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

Calculation of Assessed Valuation

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
Market values - residential property (000's)										
Beginning	-	-	-	-	-	24,813	54,077	89,848	126,379	171,223
Increases (see Exhibit III-A)	980,709		-	-	24,813	29,264	32,527	36,531	37,261	38,007
Biennial reassessment (6% biennially)	1,283,448	-	-	-	-	-	3,245	-	7,583	-
Ending	2,264,157	-	-	-	24,813	54,077	89,848	126,379	171,223	209,230
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	1,774	3,866	6,424	9,036	12,242	14,960
Market values - finished lots (000's)										
Beginning	0	0	0	1,602	4,035	4,374	4,579	4,836	4,776	4,715
Increases - Finished Lots (see Exhibit III-A)	-	-	-	2,433	380	252	310	-	-	-
Increases (decreases) - prior year	1,602	-	1,602							
Adjustments	(1,602)			-	(41)	(48)	(53)	(60)	(61)	(62)
Ending	0	0	1,602	4,035	4,374	4,579	4,836	4,776	4,715	4,653
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		0	465	1,170	1,269	1,328	1,402	1,385	1,367	1,349
Total assessed valuation		0.098	465	1,170	3,043	5,194	7,826	10,421	13,610	16,309

Exhibit I-A

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

Calculation of Assessed Valuation

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Market values - residential property (000's)										
Beginning	209,230	260,550	300,092	358,431	399,571	465,507	508,309	582,465	626,996	710,037
Increases (see Exhibit III-A)	38,767	39,542	40,333	41,140	41,962	42,802	43,658	44,531	45,421	46,330
Biennial reassessment (6% biennially)	12,554	-	18,006	-	23,974	-	30,499	-	37,620	-
Ending	260,550	300,092	358,431	399,571	465,507	508,309	582,465	626,996	710,037	756,367
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	18,629	21,457	25,628	28,569	33,284	36,344	41,646	44,830	50,768	54,080
Market values - finished lots (000's)										
Beginning	4,653	4,590	4,525	4,459	4,392	4,323	4,254	4,182	4,110	4,035
Increases - Finished Lots (see Exhibit III-A)	-	-	-	-	-	-	-	-	-	-
Increases (decreases) - prior year Adjustments	(63)	(65)	(66)	(67)	(69)	(70)	(71)	(73)	(74)	(76)
Ending	4,590	4,525	4,459	4,392	4,323	4,254	4,182	4,110	4,035	3,960
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	1,331	1,312	1,293	1,274	1,254	1,234	1,213	1,192	1,170	1,148
Total assessed valuation	19,960	22,769	26,921	29,843	34,538	37,578	42,859	46,022	51,938	55,229

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

Calculation of Assessed Valuation

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Market values - residential property (000's)										
Beginning	756,367	849,006	897,207	1,000,206	1,048,302	1,144,552	1,176,078	1,260,993	1,275,631	1,367,099
Increases (see Exhibit III-A)	47,257	48,202	49,166	48,096	33,353	31,526	14,351	14,638	14,930	15,229
Biennial reassessment (6% biennially)	45,382	-	53,832	-	62,898	-	70,565	-	76,538	-
Ending	849,006	897,207	1,000,206	1,048,302	1,144,552	1,176,078	1,260,993	1,275,631	1,367,099	1,382,328
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	60,704	64,150	71,515	74,954	81,835	84,090	90,161	91,208	97,748	98,836
Market values - finished lots (000's)										
Beginning	3,960	3,882	3,804	3,585	2,471	2,255	1,074	1,051	1,027	1,002
Increases - Finished Lots (see Exhibit III-A)	-	-	(138)	(1,036)	(161)	(1,129)	-	-	-	-
Increases (decreases) - prior year Adjustments	(77)	(79)	(80)	(79)	(54)	(51)	(23)	(24)	(24)	(25)
Ending	3,882	3,804	3,585	2,471	2,255	1,074	1,051	1,027	1,002	977
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	1,126	1,103	1,040	716	654	311	305	298	291	283
Total assessed valuation	61,830	65,253	72,554	75,670	82,489	84,401	90,466	91,505	98,038	99,120

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

Calculation of Assessed Valuation

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059
Market values - residential property (000's)										
Beginning	1,382,328	1,480,802	1,496,646	1,596,141	1,596,141	1,691,910	1,691,910	1,793,424	1,793,424	1,901,030
Increases (see Exhibit III-A)	15,534	15,844	9,697							
Biennial reassessment (6% biennially)	82,940	-	89,799	-	95,768	-	101,515	-	107,605	-
Ending	1,480,802	1,496,646	1,596,141	1,596,141	1,691,910	1,691,910	1,793,424	1,793,424	1,901,030	1,901,030
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	105,877	107,010	114,124	114,124	120,972	120,972	128,230	128,230	135,924	135,924
Market values - finished lots (000's)										
Beginning	977	952	562	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-A)	-	(364)	(546)							
Increases (decreases) - prior year Adjustments	(25)	(26)	(16)							
Ending	952	562	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	276	163	0	0	0	0	0	0	0	0
Total assessed valuation	106,153	107,173	114,124	114,124	120,972	120,972	128,230	128,230	135,924	135,924

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2065

Calculation of Assessed Valuation

	2060	2061	2062	2063	2064	2065
Market values - residential property (000's)						
Beginning	1,901,030	2,015,092	2,015,092	2,135,997	2,135,997	2,264,157
Increases (see Exhibit III-A)						
Biennial reassessment (6% biennially)	114,062	-	120,906	-	128,160	-
Ending	2,015,092	2,015,092	2,135,997	2,135,997	2,264,157	2,264,157
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	144,079	144,079	152,724	152,724	161,887	161,887
Market values - finished lots (000's)						
Beginning	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-A)						
Increases (decreases) - prior year Adjustments						
Ending	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0
Total assessed valuation	144,079	144,079	152,724	152,724	161,887	161,887

Exhibit II-A

RRC Metropolitan District No. 2
Projected Schedule of General Obligation Debt - Series 2021(3)
For the Years Ended December 31, 2021 through 2064

	Funds Available	5.250% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/17/2021							45,000,000
12/1/2022	23,027	2,231,250	-	23,027	2,208,223	23,027	45,000,000
12/1/2023	64,062	2,478,432	-	64,062	4,622,593	64,062	45,000,000
12/1/2024	172,989	2,605,186	-	172,989	7,054,790	172,989	45,000,000
12/1/2025	298,150	2,732,876	-	298,150	9,489,516	298,150	45,000,000
12/1/2026	451,255	2,860,700	-	451,255	11,898,961	451,255	45,000,000
12/1/2027	602,184	2,987,195	-	602,184	14,283,972	602,184	45,000,000
12/1/2028	787,667	3,112,409	-	787,667	16,608,714	787,667	45,000,000
12/1/2029	944,692	3,234,457	-	944,692	18,898,479	944,692	45,000,000
12/1/2030	1,157,070	3,354,670	-	1,157,070	21,096,080	1,157,070	45,000,000
12/1/2031	1,320,440	3,470,044	-	1,320,440	23,245,684	1,320,440	45,000,000
12/1/2032	1,561,963	3,582,898	-	1,561,963	25,266,619	1,561,963	45,000,000
12/1/2033	1,731,932	3,688,998	-	1,731,932	27,223,685	1,731,932	45,000,000
12/1/2034	2,005,012	3,791,743	-	2,005,012	29,010,416	2,005,012	45,000,000
12/1/2035	2,181,848	3,885,547	-	2,181,848	30,714,115	2,181,848	45,000,000
12/1/2036	2,489,067	3,974,991	-	2,489,067	32,200,039	2,489,067	45,000,000
12/1/2037	2,673,046	4,053,002	-	2,673,046	33,579,995	2,673,046	45,000,000
12/1/2038	3,017,170	4,125,450	-	3,017,170	34,688,275	3,017,170	45,000,000
12/1/2039	3,208,583	4,183,634	-	3,208,583	35,663,326	3,208,583	45,000,000
12/1/2040	3,592,573	4,234,825	-	3,592,573	36,305,578	3,592,573	45,000,000
12/1/2041	3,791,718	4,268,543	-	3,791,718	36,782,403	3,791,718	45,000,000
12/1/2042	4,216,410	4,293,576	-	4,216,410	36,859,569	4,216,410	45,000,000
12/1/2043	4,397,641	4,297,627	-	4,397,641	36,759,555	4,397,641	45,000,000
12/1/2044	4,794,314	4,292,377	-	4,794,314	36,257,618	4,794,314	45,000,000
12/1/2045	4,905,515	4,266,025	-	4,905,515	35,618,128	4,905,515	45,000,000
12/1/2046	5,258,289	4,232,452	-	5,258,289	34,592,290	5,258,289	45,000,000
12/1/2047	5,318,765	4,178,595	-	5,318,765	33,452,121	5,318,765	45,000,000
12/1/2048	5,698,777	4,118,736	-	5,698,777	31,872,080	5,698,777	45,000,000
12/1/2049	5,761,697	4,035,784	-	5,761,697	30,146,167	5,761,697	45,000,000
12/1/2050	6,170,825	3,945,174	-	6,170,825	27,920,516	6,170,825	45,000,000
12/1/2051	6,230,146	3,828,327	-	6,230,146	25,518,697	6,230,146	45,000,000
12/1/2052	6,634,478	3,702,232	-	6,634,478	22,586,451	6,634,478	45,000,000
12/1/2053	6,634,478	3,548,289	-	6,634,478	19,500,261	6,634,478	45,000,000
12/1/2054	7,032,786	3,386,264	-	7,032,786	15,853,739	7,032,786	45,000,000
12/1/2055	7,032,786	3,194,821	-	7,032,786	12,015,774	7,032,786	45,000,000
12/1/2056	7,454,993	2,993,328	-	7,454,993	7,554,109	7,454,993	45,000,000
12/1/2057	7,454,993	2,759,091	-	7,454,993	2,858,207	7,454,993	45,000,000
12/1/2058	7,902,532	2,512,556	2,531,000	5,370,763	-	7,901,763	42,469,000
12/1/2059	7,903,301	2,229,623	5,673,000	2,229,623	-	7,902,623	36,796,000
12/1/2060	8,377,602	1,931,790	6,445,000	1,931,790	-	8,376,790	30,351,000
12/1/2061	8,377,735	1,593,428	6,784,000	1,593,428	-	8,377,428	23,567,000
12/1/2062	8,880,085	1,237,268	7,642,000	1,237,268	-	8,879,268	15,925,000
12/1/2063	8,880,596	836,063	8,044,000	836,063	-	8,880,063	7,881,000
12/1/2064	9,413,338	413,753	7,881,000	413,753	-	8,294,753	-
		140,684,026	45,000,000	140,684,026		185,684,026	

Exhibit III-A

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2050

Schedule of Absorption

Property Description	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential - Units										
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)			13	15	15	17	17	17	17	17
Product 2 - 40' SFD 60' X 110' (Lennar)			10	13	15	16	16	16	16	16
Product 3 - 48' SFD 60' X 115' (Lennar)			8	8	9	10	10	10	10	10
Total residential	-	-	31	36	39	43	43	43	43	43

Schedule of Absorption - Finished Lots

Finished Lots	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential - Units										
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	13	2	-	2	-	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	10	3	2	1	-	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	8	-	1	1	-	-	-	-	-
Total residential	-	31	5	3	4	-	-	-	-	-

Schedule of Market Values

	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	-	-	9,160,048	10,780,672	10,996,285	12,711,706	12,965,940	13,225,258	13,489,764	13,759,559
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	-	-	8,226,708	10,908,615	12,838,601	13,968,397	14,247,765	14,532,721	14,823,375	15,119,843
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	-	-	7,426,049	7,574,570	8,691,819	9,850,728	10,047,743	10,248,697	10,453,671	10,662,745
Total residential		-	-	24,812,805	29,263,856	32,526,704	36,530,831	37,261,447	38,006,676	38,766,810	39,542,146

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	898,044	138,161	-	138,161	-	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	806,540	241,962	161,308	80,654	-	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	728,044	-	91,006	91,006	-	-	-	-	-
Total finished lots		-	2,432,628	380,123	252,314	309,820	-	-	-	-	-

Exhibit III-A

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2050

Schedule of Absorption

Property Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Residential - Units										
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	17	17	17	17	17	17	17	17	17	17
Product 2 - 40' SFD 60' X 110' (Lennar)	16	16	16	16	16	16	16	16	16	16
Product 3 - 48' SFD 60' X 115' (Lennar)	10	10	10	10	10	10	10	10	10	10
Total residential	43	43	43	43	43	43	43	43	43	43

Schedule of Absorption - Finished Lots

Finished Lots	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Residential - Units										
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	-	-	-	-	-	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	-	-	-	-	-	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	-	-	-	-	-	-	-	-	-
Total residential	-	-	-	-	-	-	-	-	-	-

Schedule of Market Values

	Market Value per Unit / Square foot	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	14,034,750	14,315,445	14,601,754	14,893,789	15,191,665	15,495,498	15,805,408	16,121,516	16,443,947	16,772,825
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	15,422,239	15,730,684	16,045,298	16,366,204	16,693,528	17,027,398	17,367,946	17,715,305	18,069,611	18,431,004
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	10,876,000	11,093,520	11,315,390	11,541,698	11,772,532	12,007,982	12,248,142	12,493,105	12,742,967	12,997,826
Total residential		40,332,989	41,139,649	41,962,442	42,801,691	43,657,724	44,530,879	45,421,497	46,329,926	47,256,525	48,201,656

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	-	-	-	-	-	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	-	-	-	-	-	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	-	-	-	-	-	-	-	-	-
Total finished lots		-	-	-	-	-	-	-	-	-	-

Exhibit III-A

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2050

Schedule of Absorption

Property Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	17	15										330
Product 2 - 40' SFD 60' X 110' (Lennar)	16	16	16	14								340
Product 3 - 48' SFD 60' X 115' (Lennar)	10	10	10	10	10	10	10	10	10	10	6	281
Total residential	43	41	26	24	10	10	10	10	10	10	6	951

Schedule of Absorption - Finished Lots

Finished Lots	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	(2)	(15)	-	-	-	-	-	-	-	-		-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	-	(2)	(14)	-	-	-	-	-	-		-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	-	-	-	-	-	-	-	-	(4)	(6)	-
Total residential	(2)	(15)	(2)	(14)	-	-	-	-	-	(4)	(6)	-

Schedule of Market Values

	Market Value per Unit / Square foot	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Residential - Units													
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	17,108,282	15,397,454	-	-	-	-	-	-	-	-	-	283,271,563
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	18,799,624	19,175,616	19,559,129	17,456,522	-	-	-	-	-	-	-	348,526,133
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	13,257,783	13,522,939	13,793,397	14,069,265	14,350,651	14,637,664	14,930,417	15,229,025	15,533,606	15,844,278	9,696,698	348,910,906
Total residential		49,165,689	48,096,009	33,352,526	31,525,788	14,350,651	14,637,664	14,930,417	15,229,025	15,533,606	15,844,278	9,696,698	980,708,602

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Residential - Units													
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	(138,161)	(1,036,205)	-	-	-	-	-	-	-	-	-	0
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	-	(161,308)	(1,129,156)	-	-	-	-	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	-	-	-	-	-	-	-	-	(364,022)	(546,033)	-
Total finished lots		(138,161)	(1,036,205)	(161,308)	(1,129,156)	-	-	-	-	-	(364,022)	(546,033)	0

Alternative B

Exhibit I-B

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Fund										
Revenues										
Property taxes	7,183,818	6	1,394	10,827	35,745	64,138	96,307	129,204	158,182	171,527
Specific ownership taxes	431,035	-	84	650	2,145	3,848	5,778	7,752	9,491	10,292
Less County treasurer fees	(107,757)	-	(21)	(162)	(536)	(962)	(1,445)	(1,938)	(2,373)	(2,573)
Available for operations	7,507,096	6	1,457	11,315	37,354	67,024	100,640	135,018	165,300	179,246
General Fund - Mill Levy		61.230	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))	45,000,000	45,000,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs	1,160,000	1,160,000								
Available for improvements	43,840,000	43,840,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	111,177,742	-	25,863	200,900	663,235	1,190,064	1,786,939	2,397,342	2,935,021	3,182,632
Specific ownership taxes	6,670,665	-	1,552	12,054	39,794	71,404	107,216	143,841	176,101	190,958
	117,848,407	-	27,415	212,954	703,029	1,261,468	1,894,155	2,541,183	3,111,122	3,373,590
Expenditures										
Debt service - Series 2021(3) (Exhibit II-B)	113,558,708	-	23,027	205,940	689,080	1,239,617	1,863,351	2,501,223	3,063,097	3,321,851
Paying agent / trustee fees	136,000	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	1,667,666	-	388	3,014	9,949	17,851	26,804	35,960	44,025	47,739
	115,362,374	-	27,415	212,954	703,029	1,261,468	1,894,155	2,541,183	3,111,122	3,373,590
Ending cash available	$ 2,486,033	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service		-	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy		61.230	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General Fund										
Revenues										
Property taxes	181,065	181,361	184,988	184,988	188,688	188,688	192,462	192,462	196,311	196,311
Specific ownership taxes	10,864	10,882	11,099	11,099	11,321	11,321	11,548	11,548	11,779	11,779
Less County treasurer fees	(2,716)	(2,720)	(2,775)	(2,775)	(2,830)	(2,830)	(2,887)	(2,887)	(2,945)	(2,945)
Available for operations	189,213	189,523	193,312	193,312	197,179	197,179	201,123	201,123	205,145	205,145
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 858
Revenues										
Property taxes	3,359,607	3,365,089	3,432,391	3,432,391	3,501,038	3,501,038	3,571,059	3,571,059	3,642,480	3,642,480
Specific ownership taxes	201,576	201,905	205,943	205,943	210,062	210,062	214,264	214,264	218,549	218,549
	3,561,183	3,566,994	3,638,334	3,638,334	3,711,100	3,711,100	3,785,323	3,785,323	3,861,029	3,861,029
Expenditures										
Debt service - Series 2021(3) (Exhibit II-B)	3,506,789	3,512,518	3,582,848	3,582,848	3,654,584	3,654,584	3,727,757	3,727,757	3,801,534	3,802,970
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	50,394	50,476	51,486	51,486	52,516	52,516	53,566	53,566	54,637	54,637
	3,561,183	3,566,994	3,638,334	3,638,334	3,711,100	3,711,100	3,785,323	3,785,323	3,860,171	3,861,607
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 858	$ 280
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

Exhibit I-B

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
General Fund										
Revenues										
Property taxes	200,237	200,237	204,242	204,242	208,326	208,326	212,493	212,493	216,743	216,743
Specific ownership taxes	12,014	12,014	12,255	12,255	12,500	12,500	12,750	12,750	13,005	13,005
Less County treasurer fees	(3,004)	(3,004)	(3,064)	(3,064)	(3,125)	(3,125)	(3,187)	(3,187)	(3,251)	(3,251)
Available for operations	209,247	209,247	213,433	213,433	217,701	217,701	222,056	222,056	226,497	226,497
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ 280	$ 582	$ 670	$ 706	$ 863	$ 542	$ 198	$ 603	$ 471	$ 82
Revenues										
Property taxes	3,715,330	3,715,330	3,789,636	3,789,636	3,865,429	3,865,429	3,942,737	3,942,737	4,021,592	4,021,592
Specific ownership taxes	222,920	222,920	227,378	227,378	231,926	231,926	236,564	236,564	241,296	241,296
	3,938,250	3,938,250	4,017,014	4,017,014	4,097,355	4,097,355	4,179,301	4,179,301	4,262,888	4,262,888
Expenditures										
Debt service - Series 2021(3) (Exhibit II-B)	3,878,218	3,878,433	3,956,133	3,956,013	4,035,695	4,035,718	4,115,755	4,116,293	4,198,953	4,198,063
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	55,730	55,730	56,845	56,845	57,981	57,981	59,141	59,141	60,324	60,324
	3,937,948	3,938,163	4,016,978	4,016,858	4,097,676	4,097,699	4,178,896	4,179,434	4,263,277	4,262,387
Ending cash available	$ 582	$ 670	$ 706	$ 863	$ 542	$ 198	$ 603	$ 471	$ 82	$ 584
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
General Fund											
Revenues											
Property taxes	221,078	221,078	225,499	225,499	230,009	230,009	234,609	234,609	239,302	239,302	244,088
Specific ownership taxes	13,265	13,265	13,530	13,530	13,801	13,801	14,077	14,077	14,358	14,358	14,645
Less County treasurer fees	(3,316)	(3,316)	(3,382)	(3,382)	(3,450)	(3,450)	(3,519)	(3,519)	(3,590)	(3,590)	(3,661)
Available for operations	231,027	231,027	235,647	235,647	240,360	240,360	245,167	245,167	250,070	250,070	255,072
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund											
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues											
Bond proceeds - Series 2021(3))											
	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
Issuance costs											
Available for improvements											
	-	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund											
Beginning cash available	$ 584	$ 796	$ 321	$ 816	$ 355	$ 519	$ 2,486,033	$ 2,486,033	$ 2,486,033	$ 2,486,033	$ 2,486,033
Revenues											
Property taxes	4,102,024	4,102,024	4,184,064	4,184,064	4,267,745	4,267,745	-	-	-	-	-
Specific ownership taxes	246,121	246,121	251,044	251,044	256,065	256,065	-	-	-	-	-
	4,348,145	4,348,145	4,435,108	4,435,108	4,523,810	4,523,810	-	-	-	-	-
Expenditures											
Debt service - Series 2021(3) (Exhibit II-B)	4,282,403	4,283,090	4,367,853	4,368,808	4,455,630	1,970,280	-	-	-	-	-
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	-	-	-	-	-
County treasurer fees	61,530	61,530	62,761	62,761	64,016	64,016	-	-	-	-	-
	4,347,933	4,348,620	4,434,614	4,435,569	4,523,646	2,038,296	-	-	-	-	-
Ending cash available	$ 796	$ 321	$ 816	$ 355	$ 519	$ 2,486,033	$ 2,486,033	$ 2,486,033	$ 2,486,033	$ 2,486,033	$ 2,486,033
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	-	-	-	-	-
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	3.000	3.000	3.000	3.000	3.000

Exhibit I-B

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
Market values - residential property (000's)										
Beginning	-	-	-	-	-	110,601	239,951	387,288	542,738	709,863
Increases (see Exhibit III-B)	814,174		-	-	110,601	129,351	142,538	155,450	156,270	73,927
Biennial reassessment (2% biennially)	323,762	-	-	-	-	-	4,799	-	10,855	-
Ending	1,137,936	-	-	-	110,601	239,951	387,288	542,738	709,863	783,790
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	7,908	17,157	27,691	38,806	50,755	56,041
Market values - finished lots (000's)										
Beginning	0	0	0	1,602	12,445	13,817	14,562	15,211	14,698	6,801
Increases - Finished Lots (see Exhibit III-B)	-	-	-	10,843	1,590	999	929	(207)	(7,589)	(2,742)
Increases (decreases) - prior year	1,602	-	1,602							
Adjustments	(1,602)			-	(218)	(254)	(280)	(306)	(307)	(145)
Ending	0	0	1,602	12,445	13,817	14,562	15,211	14,698	6,801	3,913
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		0	465	3,609	4,007	4,223	4,411	4,262	1,972	1,135
Total assessed valuation		0.098	465	3,609	11,915	21,379	32,102	43,068	52,727	57,176

Exhibit I-B

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Market values - residential property (000's)										
Beginning	783,790	843,371	845,503	862,414	862,414	879,662	879,662	897,255	897,255	915,200
Increases (see Exhibit III-B)	43,905	2,133								
Biennial reassessment (2% biennially)	15,676	-	16,910	-	17,248	-	17,593	-	17,945	-
Ending	843,371	845,503	862,414	862,414	879,662	879,662	897,255	897,255	915,200	915,200
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	60,301	60,453	61,663	61,663	62,896	62,896	64,154	64,154	65,437	65,437
Market values - finished lots (000's)										
Beginning	3,913	187	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-B)	(3,640)	(182)								
Increases (decreases) - prior year Adjustments	(86)	(4)								
Ending	187	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	54	0	0	0	0	0	0	0	0	0
Total assessed valuation	60,355	60,454	61,663	61,663	62,896	62,896	64,154	64,154	65,437	65,437

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Market values - residential property (000's)										
Beginning	915,200	933,504	933,504	952,174	952,174	971,218	971,218	990,642	990,642	1,010,455
Increases (see Exhibit III-B)										
Biennial reassessment (2% biennially)	18,304	-	18,670	-	19,043	-	19,424	-	19,813	-
Ending	933,504	933,504	952,174	952,174	971,218	971,218	990,642	990,642	1,010,455	1,010,455
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	66,746	66,746	68,080	68,080	69,442	69,442	70,831	70,831	72,248	72,248
Market values - finished lots (000's)										
Beginning	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-B)										
Increases (decreases) - prior year Adjustments										
Ending	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	66,746	66,746	68,081	68,081	69,442	69,442	70,831	70,831	72,248	72,248

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
Market values - residential property (000's)											
Beginning	1,010,455	1,030,664	1,030,664	1,051,277	1,051,277	1,072,303	1,072,303	1,093,749	1,093,749	1,115,624	1,115,624
Increases (see Exhibit III-B)											
Biennial reassessment (2% biennially)	20,209	-	20,613	-	21,026	-	21,446	-	21,875	-	22,312
Ending	1,030,664	1,030,664	1,051,277	1,051,277	1,072,303	1,072,303	1,093,749	1,093,749	1,115,624	1,115,624	1,137,936
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	73,692	73,692	75,166	75,166	76,670	76,670	78,203	78,203	79,767	79,767	81,362
Market values - finished lots (000's)											
Beginning	0	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-B)											
Increases (decreases) - prior year Adjustments											
Ending	0	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	73,693	73,693	75,166	75,166	76,670	76,670	78,203	78,203	79,767	79,767	81,363

Exhibit II-B

RRC Metropolitan District No. 2
Projected Schedule of General Obligation Debt - Series 2021(3)
For the Years Ended December 31, 2021 through 2055

	Funds Available	5.250% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/17/2021							45,000,000
12/1/2022	23,027	2,257,500	-	23,027	2,234,473	23,027	45,000,000
12/1/2023	205,940	2,479,810	-	205,940	4,508,343	205,940	45,000,000
12/1/2024	689,080	2,599,188	-	689,080	6,418,451	689,080	45,000,000
12/1/2025	1,239,617	2,699,469	-	1,239,617	7,878,302	1,239,617	45,000,000
12/1/2026	1,863,351	2,776,111	-	1,863,351	8,791,062	1,863,351	45,000,000
12/1/2027	2,501,223	2,824,031	-	2,501,223	9,113,870	2,501,223	45,000,000
12/1/2028	3,063,097	2,840,978	-	3,063,097	8,891,751	3,063,097	45,000,000
12/1/2029	3,321,851	2,829,317	-	3,321,851	8,399,217	3,321,851	45,000,000
12/1/2030	3,506,789	2,803,459	-	3,506,789	7,695,887	3,506,789	45,000,000
12/1/2031	3,512,518	2,766,534	-	3,512,518	6,949,903	3,512,518	45,000,000
12/1/2032	3,582,848	2,727,370	-	3,582,848	6,094,425	3,582,848	45,000,000
12/1/2033	3,582,848	2,682,457	-	3,582,848	5,194,035	3,582,848	45,000,000
12/1/2034	3,654,584	2,635,187	-	3,654,584	4,174,637	3,654,584	45,000,000
12/1/2035	3,654,584	2,581,668	-	3,654,584	3,101,722	3,654,584	45,000,000
12/1/2036	3,727,757	2,525,340	-	3,727,757	1,899,305	3,727,757	45,000,000
12/1/2037	3,727,757	2,462,214	-	3,727,757	633,762	3,727,757	45,000,000
12/1/2038	3,802,392	2,395,772	772,000	3,029,534	-	3,801,534	44,228,000
12/1/2039	3,803,250	2,321,970	1,481,000	2,321,970	-	3,802,970	42,747,000
12/1/2040	3,878,800	2,244,218	1,634,000	2,244,218	-	3,878,218	41,113,000
12/1/2041	3,879,102	2,158,433	1,720,000	2,158,433	-	3,878,433	39,393,000
12/1/2042	3,956,839	2,068,133	1,888,000	2,068,133	-	3,956,133	37,505,000
12/1/2043	3,956,875	1,969,013	1,987,000	1,969,013	-	3,956,013	35,518,000
12/1/2044	4,036,237	1,864,695	2,171,000	1,864,695	-	4,035,695	33,347,000
12/1/2045	4,035,916	1,750,718	2,285,000	1,750,718	-	4,035,718	31,062,000
12/1/2046	4,116,358	1,630,755	2,485,000	1,630,755	-	4,115,755	28,577,000
12/1/2047	4,116,763	1,500,293	2,616,000	1,500,293	-	4,116,293	25,961,000
12/1/2048	4,199,035	1,362,953	2,836,000	1,362,953	-	4,198,953	23,125,000
12/1/2049	4,198,646	1,214,063	2,984,000	1,214,063	-	4,198,063	20,141,000
12/1/2050	4,283,199	1,057,403	3,225,000	1,057,403	-	4,282,403	16,916,000
12/1/2051	4,283,411	888,090	3,395,000	888,090	-	4,283,090	13,521,000
12/1/2052	4,368,668	709,853	3,658,000	709,853	-	4,367,853	9,863,000
12/1/2053	4,369,163	517,808	3,851,000	517,808	-	4,368,808	6,012,000
12/1/2054	4,456,149	315,630	4,140,000	315,630	-	4,455,630	1,872,000
12/1/2055	4,456,313	98,280	1,872,000	98,280	-	1,970,280	-
		68,558,708	45,000,000	68,558,708		113,558,708	

Exhibit III-B

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2029

Schedule of Absorption

Property Description	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)			57	66	66	72	69				330
Product 2 - 40' SFD 60' X 110' (Lennar)			45	57	66	69	69	34			340
Product 3 - 48' SFD 60' X 115' (Lennar)			36	36	39	42	42	42	42	2	281
Total residential	-	-	138	159	171	183	180	76	42	2	951

Schedule of Absorption - Finished Lots

Finished Lots	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units											
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	57	9	-	6	(3)	(69)	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	45	12	9	3	-	(35)	(34)	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	36	-	3	3	-	-	-	(40)	(2)	-
Total residential	-	138	21	12	12	(3)	(104)	(34)	(40)	(2)	-

Schedule of Market Values

	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	-	-	40,163,286	47,434,955	48,383,654	53,837,812	52,626,461	-	-	-	242,446,168
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	-	-	37,020,186	47,830,080	56,489,842	60,238,714	61,443,488	30,882,031	-	-	293,904,341
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	-	-	33,417,220	34,085,564	37,664,548	41,373,058	42,200,519	43,044,529	43,905,420	2,132,549	277,823,406
Total residential		-	-	110,600,692	129,350,599	142,538,045	155,449,583	156,270,467	73,926,560	43,905,420	2,132,549	814,173,915

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Residential - Units												
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	3,937,577	621,723	-	414,482	(207,241)	(4,766,541)	-	-	-	(0)
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	3,629,430	967,848	725,886	241,962	-	(2,822,890)	(2,742,236)	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	3,276,198	-	273,017	273,017	-	-	-	(3,640,220)	(182,011)	-
Total finished lots		-	10,843,205	1,589,571	998,903	929,460	(207,241)	(7,589,431)	(2,742,236)	(3,640,220)	(182,011)	(0)

Alternative C

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
General Fund										
Revenues										
Property taxes	6,979,999	6	1,394	7,074	22,099	39,225	58,511	78,216	99,713	120,213
Specific ownership taxes	418,803	-	84	424	1,326	2,354	3,511	4,693	5,983	7,213
Less County treasurer fees	(104,698)	-	(21)	(106)	(331)	(588)	(878)	(1,173)	(1,496)	(1,803)
Available for operations	7,294,104	6	1,457	7,392	23,094	40,991	61,144	81,736	104,200	125,623
General Fund - Mill Levy		61.230	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))	45,000,000	45,000,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs	1,160,000	1,160,000								
Available for improvements	43,840,000	43,840,000								
	45,000,000	45,000,000	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	129,511,459	-	25,863	131,249	410,047	727,809	1,085,659	1,451,269	1,850,136	2,230,517
Specific ownership taxes	7,770,689	-	1,552	7,875	24,603	43,669	65,140	87,076	111,008	133,831
	137,282,148	-	27,415	139,124	434,650	771,478	1,150,799	1,538,345	1,961,144	2,364,348
Expenditures										
Debt service - Series 2021(3) (Exhibit II-C)	133,576,731	-	23,027	133,155	424,499	756,561	1,130,514	1,512,576	1,929,392	2,326,890
Paying agent / trustee fees	156,000	-	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	1,942,673	-	388	1,969	6,151	10,917	16,285	21,769	27,752	33,458
	135,675,404	-	27,415	139,124	434,650	771,478	1,150,799	1,538,345	1,961,144	2,364,348
Ending cash available	$ 1,606,744	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service		-	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy		61.230	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
General Fund										
Revenues										
Property taxes	143,368	161,682	175,315	181,219	189,952	192,283	196,129	196,129	200,051	200,051
Specific ownership taxes	8,602	9,701	10,519	10,873	11,397	11,537	11,768	11,768	12,003	12,003
Less County treasurer fees	(2,151)	(2,425)	(2,630)	(2,718)	(2,849)	(2,884)	(2,942)	(2,942)	(3,001)	(3,001)
Available for operations	149,819	168,958	183,204	189,374	198,500	200,936	204,955	204,955	209,053	209,053
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund										
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Property taxes	2,660,152	2,999,950	3,252,918	3,362,450	3,524,499	3,567,748	3,639,103	3,639,103	3,711,885	3,711,885
Specific ownership taxes	159,609	179,997	195,175	201,747	211,470	214,065	218,346	218,346	222,713	222,713
	2,819,761	3,179,947	3,448,093	3,564,197	3,735,969	3,781,813	3,857,449	3,857,449	3,934,598	3,934,598
Expenditures										
Debt service - Series 2021(3) (Exhibit II-C)	2,775,859	3,130,948	3,395,299	3,509,760	3,679,102	3,724,297	3,798,862	3,798,862	3,874,920	3,874,920
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	39,902	44,999	48,794	50,437	52,867	53,516	54,587	54,587	55,678	55,678
	2,819,761	3,179,947	3,448,093	3,564,197	3,735,969	3,781,813	3,857,449	3,857,449	3,934,598	3,934,598
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

Exhibit I-C

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

General Fund

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Revenues										
Property taxes	204,052	204,052	208,133	208,133	212,296	212,296	216,542	216,542	220,873	220,873
Specific ownership taxes	12,243	12,243	12,488	12,488	12,738	12,738	12,993	12,993	13,252	13,252
Less County treasurer fees	(3,061)	(3,061)	(3,122)	(3,122)	(3,184)	(3,184)	(3,248)	(3,248)	(3,313)	(3,313)
Available for operations	213,234	213,234	217,499	217,499	221,850	221,850	226,287	226,287	230,812	230,812
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000

Capital Project Fund

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues										
Bond proceeds - Series 2021(3))										
	-	-	-	-	-	-	-	-	-	-
Expenditures										
Issuance costs										
Available for improvements										
	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Debt Service Fund

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ 282	$ 284	$ 726	$ 673
Revenues										
Property taxes	3,786,122	3,786,122	3,861,845	3,861,845	3,939,081	3,939,081	4,017,863	4,017,863	4,098,220	4,098,220
Specific ownership taxes	227,167	227,167	231,711	231,711	236,345	236,345	241,072	241,072	245,893	245,893
	4,013,289	4,013,289	4,093,556	4,093,556	4,175,426	4,175,426	4,258,935	4,258,935	4,344,113	4,344,113
Expenditures										
Debt service - Series 2021(3) (Exhibit II-C)	3,952,497	3,952,497	4,031,628	4,031,628	4,112,340	4,112,058	4,194,665	4,194,225	4,278,693	4,278,343
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	56,792	56,792	57,928	57,928	59,086	59,086	60,268	60,268	61,473	61,473
	4,013,289	4,013,289	4,093,556	4,093,556	4,175,426	4,175,144	4,258,933	4,258,493	4,344,166	4,343,816
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ 282	$ 284	$ 726	$ 673	$ 971
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
General Fund											
Revenues											
Property taxes	225,290	225,290	229,796	229,796	234,392	234,392	239,080	239,080	243,861	243,861	248,739
Specific ownership taxes	13,517	13,517	13,788	13,788	14,064	14,064	14,345	14,345	14,632	14,632	14,924
Less County treasurer fees	(3,379)	(3,379)	(3,447)	(3,447)	(3,516)	(3,516)	(3,586)	(3,586)	(3,658)	(3,658)	(3,731)
Available for operations	235,428	235,428	240,137	240,137	244,940	244,940	249,839	249,839	254,835	254,835	259,932
General Fund - Mill Levy	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000	3.000
Capital Project Fund											
Beginning cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Revenues											
Bond proceeds - Series 2021(3))											
	-	-	-	-	-	-	-	-	-	-	-
Expenditures											
Issuance costs											
Available for improvements											
	-	-	-	-	-	-	-	-	-	-	-
Ending cash available	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Fund											
Beginning cash available	$ 971	$ 150	$ 322	$ 573	$ 243	$ 218	$ 192	$ 882	$ 409	$ 567	$ 26
Revenues											
Property taxes	4,180,184	4,180,184	4,263,788	4,263,788	4,349,064	4,349,064	4,436,045	4,436,045	4,524,766	4,524,766	4,615,261
Specific ownership taxes	250,811	250,811	255,827	255,827	260,944	260,944	266,163	266,163	271,486	271,486	276,916
	4,430,995	4,430,995	4,519,615	4,519,615	4,610,008	4,610,008	4,702,208	4,702,208	4,796,252	4,796,252	4,892,177
Expenditures											
Debt service - Series 2021(3) (Exhibit II-C)	4,365,113	4,364,120	4,451,408	4,451,988	4,540,798	4,540,798	4,630,978	4,632,140	4,724,223	4,724,923	3,212,230
Paying agent / trustee fees	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
County treasurer fees	62,703	62,703	63,957	63,957	65,236	65,236	66,541	66,541	67,871	67,871	69,229
	4,431,816	4,430,823	4,519,365	4,519,945	4,610,034	4,610,034	4,701,519	4,702,681	4,796,094	4,796,794	3,285,459
Ending cash available	$ 150	$ 322	$ 573	$ 243	$ 218	$ 192	$ 882	$ 409	$ 567	$ 26	$ 1,606,744
Mill Levy - Debt Service	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664	55.664
Total Mill levy	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664	58.664

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	Total	2021	2022	2023	2024	2025	2026	2027	2028	2029
Market values - residential property (000's)										
Beginning	-	-	-	-	-	66,591	144,700	233,366	325,940	426,884
Increases (see Exhibit III-C)	845,199		-	-	66,591	78,109	85,772	92,574	94,425	96,314
Biennial reassessment (2% biennially)	314,420	-	-	-	-	-	2,894	-	6,519	-
Ending	1,159,619	-	-	-	66,591	144,700	233,366	325,940	426,884	523,198
Residential assessment ratio		7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)		-	-	-	4,761	10,346	16,686	23,305	30,522	37,409
Market values - finished lots (000's)										
Beginning	0	0	0	1,602	8,131	8,984	9,410	9,718	9,542	9,363
Increases - Finished Lots (see Exhibit III-C)	-	-	-	6,529	979	575	470	-	-	-
Increases (decreases) - prior year	1,602	-	1,602							
Adjustments	(1,602)			-	(126)	(148)	(163)	(175)	(179)	(183)
Ending	0	0	1,602	8,131	8,984	9,410	9,718	9,542	9,363	9,181
Commercial assessment ratio		29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)		0	465	2,358	2,605	2,729	2,818	2,767	2,715	2,662
Total assessed valuation		0.098	465	2,358	7,366	13,075	19,504	26,072	33,238	40,071

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Market values - residential property (000's)										
Beginning	523,198	631,902	732,107	807,537	835,271	880,265	896,423	914,352	914,352	932,639
Increases (see Exhibit III-C)	98,240	100,205	60,788	27,734	28,288	16,158				
Biennial reassessment (2% biennially)	10,464	-	14,642	-	16,705	-	17,928	-	18,287	-
Ending	631,902	732,107	807,537	835,271	880,265	896,423	914,352	914,352	932,639	932,639
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	45,181	52,346	57,739	59,722	62,939	64,094	65,376	65,376	66,684	66,684
Market values - finished lots (000's)										
Beginning	9,181	8,995	5,339	2,412	2,360	1,305	0	0	0	0
Increases - Finished Lots (see Exhibit III-C)	-	(3,466)	(2,811)	-	(1,001)	(1,274)				
Increases (decreases) - prior year Adjustments	(186)	(190)	(115)	(53)	(54)	(31)				
Ending	8,995	5,339	2,412	2,360	1,305	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	2,608	1,548	700	684	378	0	0	0	0	0
Total assessed valuation	47,789	53,894	58,438	60,406	63,317	64,094	65,376	65,376	66,684	66,684

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Market values - residential property (000's)										
Beginning	932,639	951,291	951,291	970,317	970,317	989,724	989,724	1,009,518	1,009,518	1,029,708
Increases (see Exhibit III-C)										
Biennial reassessment (2% biennially)	18,653	-	19,026	-	19,406	-	19,794	-	20,190	-
Ending	951,291	951,291	970,317	970,317	989,724	989,724	1,009,518	1,009,518	1,029,708	1,029,708
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	68,017	68,017	69,378	69,378	70,765	70,765	72,181	72,181	73,624	73,624
Market values - finished lots (000's)										
Beginning	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-C)										
Increases (decreases) - prior year Adjustments										
Ending	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	68,017	68,017	69,378	69,378	70,765	70,765	72,181	72,181	73,624	73,624

Exhibit I-C

RRC Metropolitan District No. 2
Projected Sources and Uses of Cash
For the Years Ended December 31, 2021 through 2060

Calculation of Assessed Valuation

	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060
Market values - residential property (000's)											
Beginning	1,029,708	1,050,303	1,050,303	1,071,309	1,071,309	1,092,735	1,092,735	1,114,589	1,114,589	1,136,881	1,136,881
Increases (see Exhibit III-C)											
Biennial reassessment (2% biennially)	20,594	-	21,006	-	21,426	-	21,855	-	22,292	-	22,738
Ending	1,050,303	1,050,303	1,071,309	1,071,309	1,092,735	1,092,735	1,114,589	1,114,589	1,136,881	1,136,881	1,159,619
Residential assessment ratio	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
Assessed value - residential (000's)	75,097	75,097	76,599	76,599	78,131	78,131	79,693	79,693	81,287	81,287	82,913
Market values - finished lots (000's)											
Beginning	0	0	0	0	0	0	0	0	0	0	0
Increases - Finished Lots (see Exhibit III-C)											
Increases (decreases) - prior year Adjustments											
Ending	0	0	0	0	0	0	0	0	0	0	0
Commercial assessment ratio	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
Assessed value - commercial (000's)	0	0	0	0	0	0	0	0	0	0	0
Total assessed valuation	75,097	75,097	76,599	76,599	78,131	78,131	79,693	79,693	81,287	81,287	82,913

Exhibit II-C

RRC Metropolitan District No. 2
Projected Schedule of General Obligation Debt - Series 2021(3)
For the Years Ended December 31, 2021 through 2060

	Funds Available	5.250% Accrued Interest	Principal Paid	Interest Paid	Unpaid Interest	Total Paid	Principal Balance
12/17/2021							45,000,000
12/1/2022	23,027	2,257,500	-	23,027	2,234,473	23,027	45,000,000
12/1/2023	133,155	2,479,810	-	133,155	4,581,128	133,155	45,000,000
12/1/2024	424,499	2,603,009	-	424,499	6,759,638	424,499	45,000,000
12/1/2025	756,561	2,717,381	-	756,561	8,720,458	756,561	45,000,000
12/1/2026	1,130,514	2,820,324	-	1,130,514	10,410,268	1,130,514	45,000,000
12/1/2027	1,512,576	2,909,039	-	1,512,576	11,806,731	1,512,576	45,000,000
12/1/2028	1,929,392	2,982,353	-	1,929,392	12,859,693	1,929,392	45,000,000
12/1/2029	2,326,890	3,037,634	-	2,326,890	13,570,436	2,326,890	45,000,000
12/1/2030	2,775,859	3,074,948	-	2,775,859	13,869,525	2,775,859	45,000,000
12/1/2031	3,130,948	3,090,650	-	3,130,948	13,829,227	3,130,948	45,000,000
12/1/2032	3,395,299	3,088,534	-	3,395,299	13,522,463	3,395,299	45,000,000
12/1/2033	3,509,760	3,072,429	-	3,509,760	13,085,132	3,509,760	45,000,000
12/1/2034	3,679,102	3,049,469	-	3,679,102	12,455,500	3,679,102	45,000,000
12/1/2035	3,724,297	3,016,414	-	3,724,297	11,747,616	3,724,297	45,000,000
12/1/2036	3,798,862	2,979,250	-	3,798,862	10,928,004	3,798,862	45,000,000
12/1/2037	3,798,862	2,936,220	-	3,798,862	10,065,362	3,798,862	45,000,000
12/1/2038	3,874,920	2,890,932	-	3,874,920	9,081,374	3,874,920	45,000,000
12/1/2039	3,874,920	2,839,272	-	3,874,920	8,045,726	3,874,920	45,000,000
12/1/2040	3,952,497	2,784,901	-	3,952,497	6,878,130	3,952,497	45,000,000
12/1/2041	3,952,497	2,723,602	-	3,952,497	5,649,234	3,952,497	45,000,000
12/1/2042	4,031,628	2,659,085	-	4,031,628	4,276,691	4,031,628	45,000,000
12/1/2043	4,031,628	2,587,026	-	4,031,628	2,832,090	4,031,628	45,000,000
12/1/2044	4,112,340	2,511,185	-	4,112,340	1,230,934	4,112,340	45,000,000
12/1/2045	4,112,340	2,427,124	454,000	3,658,058	-	4,112,058	44,546,000
12/1/2046	4,194,949	2,338,665	1,856,000	2,338,665	-	4,194,665	42,690,000
12/1/2047	4,194,951	2,241,225	1,953,000	2,241,225	-	4,194,225	40,737,000
12/1/2048	4,279,366	2,138,693	2,140,000	2,138,693	-	4,278,693	38,597,000
12/1/2049	4,279,313	2,026,343	2,252,000	2,026,343	-	4,278,343	36,345,000
12/1/2050	4,365,263	1,908,113	2,457,000	1,908,113	-	4,365,113	33,888,000
12/1/2051	4,364,442	1,779,120	2,585,000	1,779,120	-	4,364,120	31,303,000
12/1/2052	4,451,980	1,643,408	2,808,000	1,643,408	-	4,451,408	28,495,000
12/1/2053	4,452,231	1,495,988	2,956,000	1,495,988	-	4,451,988	25,539,000
12/1/2054	4,541,015	1,340,798	3,200,000	1,340,798	-	4,540,798	22,339,000
12/1/2055	4,540,990	1,172,798	3,368,000	1,172,798	-	4,540,798	18,971,000
12/1/2056	4,631,859	995,978	3,635,000	995,978	-	4,630,978	15,336,000
12/1/2057	4,632,549	805,140	3,827,000	805,140	-	4,632,140	11,509,000
12/1/2058	4,724,790	604,223	4,120,000	604,223	-	4,724,223	7,389,000
12/1/2059	4,724,948	387,923	4,337,000	387,923	-	4,724,923	3,052,000
12/1/2060	4,818,974	160,230	3,052,000	160,230	-	3,212,230	-
		88,576,731	45,000,000	88,576,731		133,576,731	

Exhibit III-C

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2033

Schedule of Absorption

Property Description	Prior	2021	2022	2023	2024	2025	2026	2027
Residential - Units								
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)			34	40	40	43	43	43
Product 2 - 40' SFD 60' X 110' (Lennar)			27	34	40	41	41	41
Product 3 - 48' SFD 60' X 115' (Lennar)			22	22	23	25	25	25
Total residential	-	-	83	96	103	109	109	109

Schedule of Absorption - Finished Lots

Finished Lots	Prior	2021	2022	2023	2024	2025	2026	2027
Residential - Units								
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	34	6	-	3	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	27	7	6	1	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	22	-	1	2	-	-	-
Total residential	-	83	13	7	6	-	-	-

Schedule of Market Values

	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027
Residential - Units									
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	-	-	23,957,048	28,748,458	29,323,427	32,153,137	32,796,200	33,452,124
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	-	-	22,212,112	28,530,223	34,236,268	35,794,018	36,509,899	37,240,097
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	-	-	20,421,634	20,830,067	22,212,426	24,626,820	25,119,356	25,621,744
Total residential		-	-	66,590,794	78,108,748	85,772,121	92,573,976	94,425,455	96,313,964

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	Prior	2021	2022	2023	2024	2025	2026	2027
Residential - Units									
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	2,348,730	414,482	-	207,241	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	2,177,658	564,578	483,924	80,654	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	2,002,121	-	91,006	182,011	-	-	-
Total finished lots		-	6,528,509	979,060	574,930	469,906	-	-	-

RRC Metropolitan District No. 2
Projected Schedules of Absorption and Market Values
For the Years Ended December 31, 2021 through 2033

Schedule of Absorption

Property Description	2028	2029	2030	2031	2032	2033	Total
Residential - Units							
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	43	43	1				330
Product 2 - 40' SFD 60' X 110' (Lennar)	41	41	34				340
Product 3 - 48' SFD 60' X 115' (Lennar)	25	25	25	25	25	14	281
Total residential	109	109	60	25	25	14	951

Schedule of Absorption - Finished Lots

Finished Lots	2028	2029					Total
Residential - Units							
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	-	(42)	(1)	-	-	-	-
Product 2 - 40' SFD 60' X 110' (Lennar)	-	(7)	(34)	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	-	-	-	-	(11)	(14)	-
Total residential	-	(49)	(35)	-	(11)	(14)	-

Schedule of Market Values

	Market Value per Unit / Square foot	2028	2029	2030	2031	2032	2033	Total
Residential - Units								
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	690,803	34,121,167	34,803,590	825,574	-	-	-	250,180,725
Product 2 - 40' SFD 60' X 110' (Lennar)	806,540	37,984,898	38,744,596	32,772,259	-	-	-	304,024,370
Product 3 - 48' SFD 60' X 115' (Lennar)	910,055	26,134,178	26,656,862	27,189,999	27,733,799	28,288,475	16,158,377	290,993,738
Total residential		98,240,244	100,205,048	60,787,831	27,733,799	28,288,475	16,158,377	845,198,832

Schedule of Market Values - Finished Lots

Finished Lots (10% of Market Values)	Market Value per Unit / Square foot	2028	2029	2030	2031	2032	2033	Total
Residential - Units								
Product 1 - 3 Story Cluster SFD 40' X 70' (Lennar)	69,080	-	(2,901,373)	(69,080)	-	-	-	(0)
Product 2 - 40' SFD 60' X 110' (Lennar)	80,654	-	(564,578)	(2,742,236)	-	-	-	-
Product 3 - 48' SFD 60' X 115' (Lennar)	91,006	-	-	-	-	(1,001,061)	(1,274,077)	-
Total finished lots		-	(3,465,951)	(2,811,316)	-	(1,001,061)	(1,274,077)	(0)

APPENDIX B

MARKET STUDY

Red Rocks Ranch
in the Unincorporated Jefferson County Area

Jefferson County

Prepared for:

RRC Metropolitan District

Fourth Quarter 2021

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Study Analysis/Original Deliverable: November 22, 2021
Minor Edit Adjustment: November 29, 2021

RRC Metropolitan District
C/o Simmons & Wheeler PC

304 Inverness Way South, Suite 490
Englewood, Colorado 80112

RE: RRC Metropolitan District Market Study

Dear Metropolitan District Representative(s):

Zonda Advisory is pleased to present this market analysis and absorption forecast for the RRC Metropolitan District. We have evaluated the Denver Market area as well as the competitive area around the community, and rendered our conclusions in the following report. Zonda Advisory has reviewed the financial projections utilized in sizing the proposed Bond issuance and the District's ability to meet the debt service requirements of such Bonds including absorption rates, valuation, growth, and inflation rates, and has evaluated the same in comparison to current and projected market conditions for the Denver Market and the Red Rocks Ranch Competitive Market Area.

Tom Hayden, Senior Vice President of Advisory, and Kapil Gopal, Consultant, conducted this report, with participation from John Covert, Senior Director of Colorado. Zonda Advisory (previously noted under Metrostudy) has been engaged in analyzing residential market conditions since 1975 with its proprietary lot-by-lot survey, and locally within the State of Colorado since 2001.

Please contact us at your convenience with any comments or questions regarding this report, or any other matter relevant to your real estate market research needs.

Respectfully Submitted,

Zonda Advisory

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Executive Summary

The purpose of this report is to provide the RRC Metropolitan District ("The District") with an overview of the Denver Market ("The Market", "Greater Denver", "Denver") economy and the competitive market area ("CMA") surrounding the Subject Property, the future RRC community to be marketed under the name "Red Rocks Ranch" and built by Lennar, within the unincorporated area of Jefferson County, Colorado. The District totals 951 single-family detached lots, within the overall +/-357.5-acre development; this District analysis will focus on the for-sale residential components of the development; the future planned 225 MF Apartments and commercial mix of office and retail development are beyond the scope of this analysis.

Zonda Advisory analyzed the competitive position of Red Rocks Ranch as it relates to other communities in the competitive market area. We have compiled data on the Denver Market economy, including demographics for Greater Denver and the Red Rocks Ranch CMA. We have collected and reviewed data for both new and resale single-family detached and attached housing, and we have conducted field research in the competitive market area. Utilizing these data and research, Zonda Advisory has provided its conclusions about the marketability, competitive positioning, product mix, and absorption levels that should be achievable within the development.

Note: This report was completed during the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, which emerged in late February 2020. Vaccines were developed in record time and were approved for distribution in December 2020. The State of Colorado removed its previous mask-mandate order in May 2021 (unless the setting requires otherwise). The nation is now in the middle of a fourth wave (Delta variant).

While the availability to the vaccine moved to the full population in April 2021, still unknown, is the long term efficacy among the population, which will continue play a large role in the future outlook for the local economy, the state, as well as the nation. Our research and conclusions are based upon the best information available to us at the time of publication.

Socioeconomic Overview

As of September 2021, employment figures by the Colorado Department of Labor and Employment showed the Denver Market is recouping job losses from the shutdown since bottoming out in January; while still below pre-pandemic total employment of 1,740,400 in February of last year, the Market has added 62,900 jobs the past six months. Year-over-year, Denver employers reported an +81,000 annual job gain to their payrolls over the past twelve months ending in September, and raised total employment levels for the Market to 1,718,300 workers. The Professional & Business Services and Leisure & Hospitality sectors led the Market in job creation over the past twelve months and there were no sectors with a net loss in job growth. The average annual growth rate rose to +4.9%, and resulted in the sixth consecutive month of gains.

The unemployment rate in the Denver Market was at 4.7% as of September, down from May 2020's 11.9%, but considerably higher than the 2.7% reported in pre-pandemic February 2020. This was in-line with the statewide unemployment level of 4.6%, and a tick below the national 4.8%

rate. Jefferson County ranked in the middle of the pack (sixth lowest) when comparing county rates across the Colorado Front Range at 4.3% (trending back down from 11.7% in May 2020, but still well above the 2.6% reported in February 2020).

Looking ahead, Denver's population is anticipated to continue growing into the future, with current estimates expecting the area to approach the 3.7 million mark by 2026. Household formations are expected to rise 8.7% over the next five years. Estimates indicate the CMA population will rise at an annual rate of 0.8%, rising to more than 427,100 residents and 175,800 households by 2026. The CMA is older in age with a lower level of wealth when compared to the Denver Market overall, with a median age of 40.6 years (Denver Market = 38.5) and median household income of $85,068 (Denver Market = $88,193).

Within the Red Rocks Ranch CMA, the greatest percentage increase is forecasted to occur in the Over 65 age group (+2.1%), though the 45-54 segment is also expected to tick up (+0.9%). In terms of household incomes within the CMA, the largest gains are forecasted to be in the $150,000+ income range (approximately +2,900 households over the next five years).

For-Sale New Housing Market Overview

Denver Market

Since the Great Recession, Denver's housing market has been on a steady climb in volume and pricing. While still not back to the previous peak of housing starts achieved in 2006, the COVID-19 pandemic squeezed an already tight supply of housing to remarkably low levels, while accelerating pent-up demand and pushing prices to all-time highs. With a strong economic growth base, high in-migration, and supply-restricted housing on the resale side as well, conditions have provided a widening gap between owning and renting. Existing homeowners have magnified home equity gains, while conditions have simultaneously reduced the ability of first-time homebuyers to enter the market. Like the overall Denver Market, the high priced segments have continued to operate under an imbalance between demand and available supply levels.

Denver experienced a 26% increase in annual starts and a 5% increase in annual closings from 3Q20 to 3Q21. A total of 15,189 new homes were started in the Denver Market over the trailing four quarters, compared to 12,059 new homes recorded in 3Q20. A total of 13,874 new homes were closed over the trailing four quarters, compared to 13,254 closings the preceding four quarters.

Denver reported 10,808 single-family detached annual starts over the four quarters ended 3Q21, up 22% from the 8,839 single-family detached homes started the preceding year, a gain of 1,969 homes. The 9,670 single-family detached home closings from 3Q20 to 3Q21 was a 2% rise over the 9,442 closings over the same period a year earlier. The single-family detached market experienced a 17% decrease in Vacant Developed Lots ("VDL"), down from 12,880 home sites at the end of 3Q20 to 10,656 home sites at the end of 3Q21. With the large gains in detached annual starts and a dip in VDL, the months-of-supply fell to the current 11.8 months-of-supply compared to 17.5 months reported in 3Q20.

As single-family detached home prices escalate across the metropolitan Denver area, attached housing demand continues to gain traction despite a dip in production between 2019 and 2020. The Denver Market reported 4,381 attached annual starts as of 3Q21, up 36% from a year ago. Annual closings also rose, up 10% to 4,204 attached homes closed compared to 3,812 attached home closings a year ago, marking a steadily increasing number of closings over the past five years from the 2,237 attached home closings recorded in 3Q16 (+51%). The Denver Market experienced a 14% gain in the number of VDL designated for attached housing from 4,410 (3Q20) to 5,021 as of 3Q21. With gains in VDL trailing the attached annual starts pace, the months-of-supply dipped from 16.4 months in 3Q20 to a 13.8-month supply as of 3Q21.

Red Rocks Ranch CMA

Historically, the Red Rocks Ranch CMA which includes portions of the cities of Lakewood, Littleton, and Morrison, has generally been a limited new housing sub-market given the lack of developable land. When available, new home communities generally perform well.

At 722 single-family detached and 465 attached home starts through the four quarters ended 3Q21 (1,187 total annual starts), the Red Rocks Ranch CMA reported a production increase of 76% over the past year from the 676 total annual starts noted in 3Q20. Through 3Q21, annual closings rose 29% to 798 homes closed from 620 home closings the previous year.

Annual lot deliveries through 3Q21 totaled 1,475 home sites, a 27% increase over the 1,160 annual lots delivered in 3Q20 (46% were attached deliveries). Annual lot deliveries in 3Q21 were 24% above the pace of home production (1,187 home starts), as CMA lot deliveries have reached their highest third quarter level since Zonda began its lot-by-lot survey (in 2001, and start production has reached its highest total since 2002. With the bump in lot absorption, the 3Q21 VDL months-of-supply registered a 17.6-month supply, down from 25.7 months as noted in 3Q20.

A total of 437 new lots were delivered in the third quarter of 2021, 16% above the starts pace for the quarter. This followed a combined total of 488 lot deliveries through the first half of 2021 and the 1,046 lots delivered through the latter half of 2020. The 376 home starts in the quarter was 157 starts above the two-year historical average pace. Nearly all of this activity was single-family detached (75% of lot deliveries and 63% of starts). With the influx of CMA lots in 2021 coming from Sterling Ranch, Solstice, Green Gables Reserve, and Red Rocks Ranch (each delivered between 73 and 495 lots in the last four quarters), the CMA remains positioned for growth through the remainder of 2021 and beyond.

Market Forecast

The considerable momentum the Greater Denver new housing market had at the start of 2020 was interrupted by the COVID-19 health crisis. Beginning in mid-March of that year, the COVID-19 pandemic began significantly influencing the local economy. After a dire outlook and initial economic collapse, pent-up-demand reappeared to unexpected levels in the latter half of 2020 with sales momentum buoyed by record low levels of both resale inventory and mortgage interest rates. This only further accelerated the pace to a level in 2021 that many homebuilders, already facing uncertain rising material costs and increased production times, have had to more strategically meter out lot releases and sales, raise base prices, and accommodate delayed supply orders, all to protect margins and their future lot pipeline.

While some economic volatility and uncertainty around the pandemic remain, the Federal Reserve has held interest rates low to stimulate the economy, and many households have remained motivated to make a home purchase. The pandemic has caused several paradigm shifts, some short term and others likely longer term. This has included some increased migration from urban, higher density areas to less dense suburban and more rural locations. Other shifting home buying demands include the need for new home designs that accommodate working remotely, including quiet work and study areas, exercise space, and multi-generational house sharing. In addition, there are increased requirements for better in-home technology (work and school-related) and better in-home wellness standards (health-related). All further influenced by the continued advancement of the millennial generation entering into life stages that encourage home ownership. **Low mortgage rates and an undersupplied resale environment favor continued growth for new home demand in the Denver Market.**

As builders collectively adapt to these changing preferences in a way the resale market cannot, new home demand should continue to expand. However, how the actual and artificial restraints on supply play out in both the resale and new for-sale markets remains to be seen, while demand looks to slow should mortgage rates rise (likely to move upwards but not by much), or overall costs of living continue to climb (i.e. inflation), at which time affordability concerns will likely intensify. Due to new and existing home supply constraints, coupled with the meteoric rise in material costs of late, builders accelerated base price increases over much of the current year to cover costs and slow the pace of sales to avoid gapping out of lots. Many homebuilders reached their sales goals early in 2021, but deliveries, will fall short for many. Sales have moved upwards again in recent months, as homebuyers are feeling some urgency with expected mortgage rate increases and rising prices all anticipated into 2022. This should carry strong momentum into the New Year.

After finishing 2020 up 6% in new home starts over 2019, but down 1% in home closings, **Zonda Advisory believes the Denver Market's new housing levels will likely see a +/-21% increase in new home starts and a 12% gain in annual new home closings from 2020 volume levels in 2021.** In this scenario, start activity would surpass closing levels after two years of trailing, and with this momentum, start activity is anticipated to increase by +/-12% in early 2022 projections, while closing activity would rise by +/-13% by the end of 2022. Denver is experiencing strengthening growth projections, and apartment vacancies have levelled off throughout the Market thanks to the difficulty in finding an available home to buy. Concerns remain for the potential combination of low existing home supply and continued slow build times on the new home side, along with escalating home prices and the rapidly rising costs of living.

Still, demand remains rich with seemingly a sharp rise in mortgage rates, continued inflation, and rising costs the only credible threat to dampening momentum in the short term. Attaining these projected figures will be based on the economic and housing assumptions staying within the general parameters described throughout this study analysis.

Denver Market and Red Rocks Ranch CMA Closing Forecasts													
	10-Yr Avg	2019	2020	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Market	9,535	13,277	13,195	14,757	16,673	18,405	19,608	20,642	21,554	22,263	22,963	23,456	23,948
CMA	435	634	608	888	1,225	1,381	1,445	1,414	1,234	976	945	927	1,004
CMA %	5%	5%	5%	6%	7%	8%	7%	7%	6%	4%	4%	4%	4%

Note: For additional information, please refer to Exhibits 12 & 13.

The Subject Property and CMA have the following positive features:

- Good commuter access to various attractions and employment centers in the western, northern, and southern portions of the Denver Market, with its close proximity to C-470 Highway, Highway 6/6th Avenue, Hampden Avenue/Highway 285Kipling Parkway, Wadsworth Boulevard/Highway 121, Santa Fe Drive/Highway 85, and Interstate 70. The community has access to a variety of neighborhood support services and retail amenities, and an abundance of recreation and entertainment activities. Red Rocks Park and Amphitheater, Colorado Mills Mall, Bandimere Speedway, Bear Creek Lake Park, Chatfield State Park, Downtown Morrison, and Downtown Golden, are all within a 10-15 minute drive.

- The central Jefferson County location is a high-demand area, where a significant number of potential new home buyers are likely to come from existing local households looking to upgrade their home, while remaining in the area. Additionally, the western side of the Denver Market has long been a desired location for out-of-state relocations.

- Location within a market area that has seen strong new home sales volume and healthy price increases over the last five years. The average home closing price of a new detached home in the CMA rose 8% from $690,600 in 2015 to $737,700 in year-to-date in 2021 (or just the last six months at an average of $751,500). Over the same period, reflecting both the strong demand to live in the area and the limited new home options, resale (average) prices rose by over 71% from $381,200 to $653,000 YTD, and then another 2% in just the last six months of 2021 to $664,100.

- Year-to-date, the average new home single-family detached closing price in the CMA was $737,700 including areas in the Ken Caryl Census Designated Place ("CDP") with 22 deeds at $624,800, the Dakota Ridge CDP with four deeds at $679,100, and in Lakewood (portion of the City that is within the CMA, with 22 deeds at $893,400). Price escalation has continued in new home communities with Solterra ($1,009,100), the first home closing at Richmond's Belleview Village community ($778,900), Solstice ($687,900), Meadowbrook Heights ($624,800), and Sterling Ranch (at $621,600).

- Base prices have increased sharply in the CMA since the end of 1Q21, with the average base price of detached floor plans offered in the CMA increasing 15% (+$98,000). **While absorption may slow, this should continue to translate into a bump in closing prices compared to current deed transactions over the next 3-6 months.**

- More than 18% of new and resale home CMA buyers in 2020 purchased homes in cash, with no mortgage (and nearly 46% put down at least 20%). This trend has advanced thus far in 2021, with 24% of CMA buyers purchasing homes in cash and over 41% putting down at least 20%. **This area remains a stronghold for Red Rocks Ranch's primary target consumer groups: growing and maturing family move-up buyers, with rollover equity, above average household income levels. The location should also attract empty-nester move-down couples with fewer concerns about rises in mortgage rates.**

- With the site's terrain and land plan design, many homes will have attractive quality western and northwestern mountain views.

Some potential challenges and concerns associated with the project are:

- Covid-19 (Coronavirus) Influenced Events as discussed in the market forecast.

- Competitive levels, while spread out in a large CMA, will remain high. There may be little direct competition in the immediate area near Morrison itself and Red Rocks Ranch is likely to enter the market ahead of several other nearby planned communities, but much of the active CMA competition that will likely be actively selling at the same time as the Subject Property is closer to employment centers and some are in larger master planned communities that offer more onsite amenities (Sterling Ranch, Solstice, Ken Caryl Ranch North). There will be trade-off choices for prospective homebuyers and a lot of competition will also come from the existing home market, specifically in areas around Downtown Littleton, Lakewood, Ken Caryl, and Highlands Ranch, where buyers could potentially get more house for the money.

- Traffic noise from E-470 Highway and the nearby Bandimere Speedway (heard, but buffered somewhat with the rolling terrain on the property) may present some trade-off concerns for some potential homebuyers.

- Impacting all homebuilders today is navigating through the challenge mix of shortages in labor and materials, delays in development processes, and extended build times that, even with strategic lot releases, is generating historically high backlogs of contracts to work through to fulfillment. These circumstances will likely further widen the gap between initial demand (sales contracts) and the realization of that demand (i.e. home completions and closings). This has the likely impact of an "artificial" slowing of home absorption volume; less because of changes in demand and more due these constraining forces on the market overall.

Based on the proposed product offerings and trends in the surrounding CMA, Zonda Advisory believes the RRC Metropolitan District has the potential to absorb up to 183 +/- homes during its anticipated peak year of 2025, an average of 15.0 to 16.0 home closings per month. This rate is based upon projected growth of the Denver Market and upon forecasted levels of home production in the Market, the Red Rocks Ranch CMA capture rate of the Market, and the Subject Property's capture rate within the CMA.

Subject Property Absorption Projection Summary (Home Closings)

	2020	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
Red Rocks Ranch MD Closings	0	0	**138**	159	171	183	180	76	42	**2**	0
Red Rocks Ranch Mkt Share of CMA	0%	0%	11%	12%	12%	13%	15%	8%	4%	0%	0%

Note: For additional information, please refer to Exhibits 16, 17, & 18.

Additional information utilized in this analysis and our conclusions for the Subject Property are included within the context of the report beginning on the next page, as well as the Exhibit Package beginning on page 37.

Introduction

The RRC Metropolitan District is inclusive of the future planned +/-357.5-acre community development, featuring 951 for-sale single-family detached lots among three-product line offerings, all to be built by Lennar. Marketed as "Red Rocks Ranch", the community is also anticipated to feature 225 multi-family apartments and a commercial mix of office and retail development (not included within our analysis for this District).

Red Rocks Ranch has the opportunity to create the next large master planned development along the C-470 Highway Corridor, with three product lines of both traditional and high-density cluster single-family detached products in a quality, family-driven community, within a market area where demand remains strong and new housing supply has generally been low in recent years. The majority of active competitive master planned communities in this CMA are located further south (in Douglas County) with a sprinkling of small-to-mid size subdivisions interspersed among infill locations to the multiple cities (in areas including Lakewood and Littleton). Few communities have been as centrally located along the corridor (aside from 89% built-out Solterra), while Red Rock Ranch's direct access to C-470 and subsequent connection to both Interstate 70 and Highway 285 will offer quick and simple access to employment and attractions throughout the Denver Market as well as into the mountain areas.

Existing services are nearby and plentiful, and with a future commercial parcel slated at the southeast side of the development, some services will be within walking distance to future homeowners. Existing schools at each tier (elementary, middle, and high) are reasonably close, and there is a future school site reserved on the property. In addition to Red Rock Ranch's accessibility, the site will benefit from good land planning that capitalizes on the open space, rolling topography, and mountain foothills views of the site.

Lennar has a long, established record of acceptance and success as a top developer and homebuilder in the area, with a several communities successfully actively selling throughout the CMA, and the overall Market.

Exhibit 1 ***: Red Rocks Ranch Site View (Southwest to Northwest from WMF Station)***

Specifically, the future community is located off the western C-470 Highway Corridor, at the northeast corner of the intersection between C-470 and Morrison Road (across the highway from the Bandimere Speedway and south of the existing Solterra community), within the unincorporated area of Jefferson County, Colorado.

For local conveniences, the Subject Property is located within a few miles from retail, grocery, gas, and dining. A Walmart Superstore sits just 3.6 miles to the south via C-470, and a King Soopers and two Safeway grocery stores are within 4.0 miles. There are five gas stations within three miles of the community.

Historic Downtown Morrison is located less than one mile west across C-470, just minutes from Red Rocks Ranch. Morrison's commercial strip along Bear Creek Avenue offers quick serve and sit-down dining options, boutique retail shopping, and small-town community events planned throughout the year.

Exhibit 2 *: **Location of Subject Property***

The Colorado Mills Mall (8.7 miles) is within a 12-minute drive, while the Southwest Plaza Mall (8.3) and the Belmar shopping district (8.3) are under 15 minutes; each providing a wealth of shopping, entertainment, and dining options. Popular destinations Downtown Golden (9.0 miles) and Downtown Littleton (13.0) are also within a 15-to-20 minute drive.

There is an abundance of additional entertainment and recreation options. Public courses Fox Hollow Golf Course is 3.3 miles to the east, the Homestead (4.9 miles to the east), Foothills Golf Course (5.8), Meadows Golf Course (7.4), and Fossil Trace Golf Course is 7.5 miles (10 minutes). Private courses at the Bear Creek Golf Club (2.4 miles) and Red Rocks Country Club (5.5) are also nearby.

In addition to the many golf courses, Bandimere Speedway (1.8 miles), Bear Creek Lake Park (1.8), Mount Falcon Park (3.1), Red Rocks Park and Amphitheatre (3.3), Matthews/Winters Park (4.8), and William F Hayden Green Mountain Park (4.8 miles) are all within about 10 minutes.

Chatfield State Park (11.6 miles to the south) is within about a 15 minute drive.

Connecting off C-470 to Interstate 70 (7.2 miles to the north, 10 minutes) and to Highway 285 (4.0 miles to the south, 7 minutes) offer mountain access. Fairplay is about 69.2 miles west (80 minutes) and Dillon is 61.6 miles (65 minutes).

Exhibit 3 ***: Site Surrounding Area Aerial Map***

The 224-bed St. Anthony Hospital (formerly St. Anthony Central Hospital that transitioned its ER and hospital facilities to its new campus in Lakewood in 2011) is located about 6.0 miles northeast of the site. The Denver Health Medical Center (525-beds) is about 16.5 miles to the northeast. Swedish Medical Center (408-beds) is 11.3 miles to the east. All three of these Level-I Trauma Centers are within a 20-minute drive. There are also two urgent care centers within about 8.0 miles; the closest is Rocky Mountain Urgent Care & Family Medicine (3.5) east on Morrison Road to Kipling Parkway.

The site is under the jurisdiction of the Jefferson County School District R-1, which is ranked 22nd among 83 school districts in the State of Colorado (according to Schooldigger.com). The schools serving the site are:

- Hutchinson Elementary (PK-5; 2.6 miles to the northeast, 260 students, with an individual rank of 367 of 703 schools),
- Dunstan Middle (6-8; 3.1 miles to the northeast, 941 students, with an individual rank of 92 of 366), and
- Green Mountain High School (9-12; 3.7 miles to the north, 1,124 students, with an individual rank of 82 out of 208 schools).

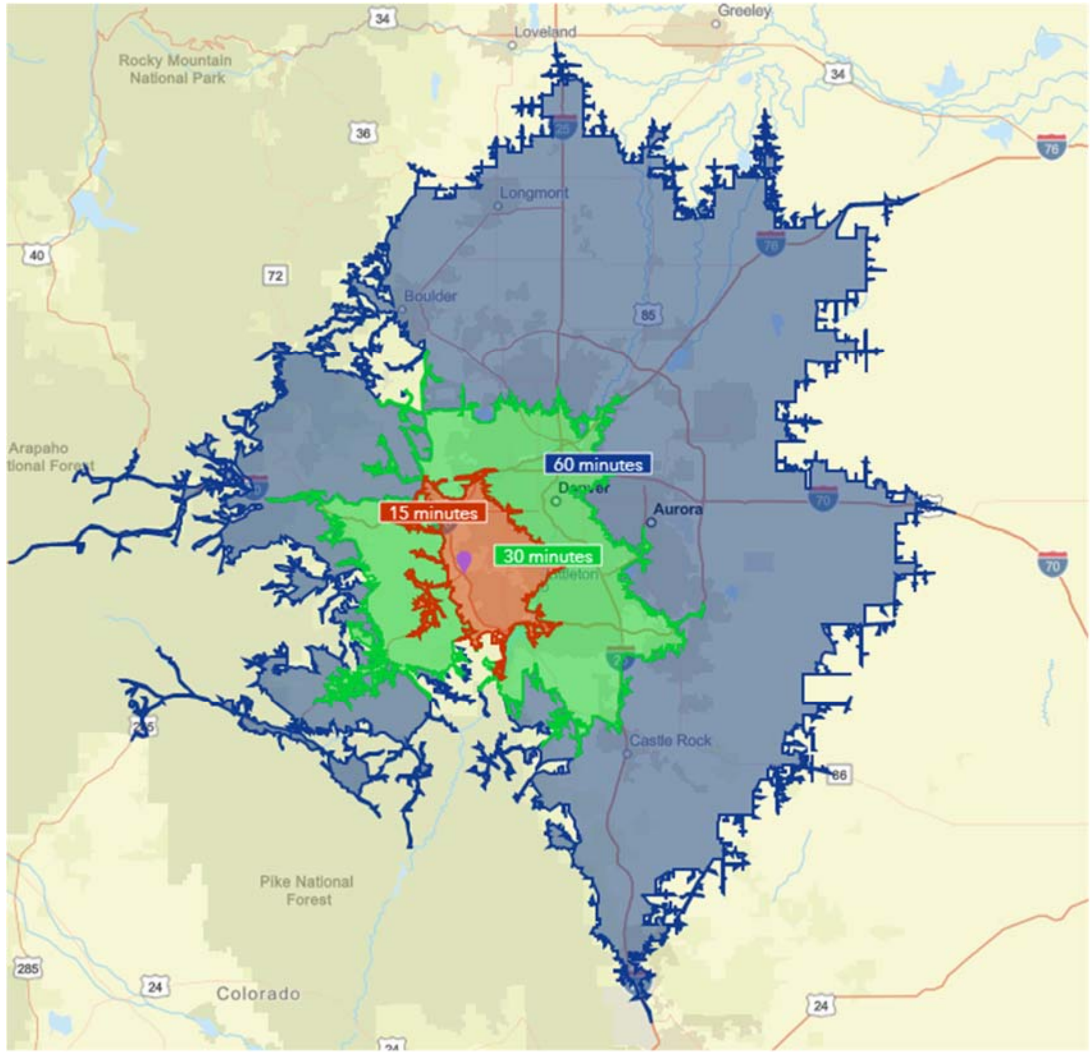
Major employment centers, including those in Highlands Ranch, Downtown Littleton, the Denver Tech Center, Downtown Denver, and Interlocken are all within a reasonable commute, off corridors that include Highway C-470, Interstate 70, Highway 285/Hampden Avenue, and Highway 6/6th Avenue.

The Denver Tech Center is located 18 miles to the east via Highway 285/Hampden Avenue, with Downtown Denver (LoDo) approximately 23 miles northeast of the Subject Property via Interstate 70 (both about 25-30 minutes). Employment centers including Meridian Office Park, and those in Littleton and Highlands Ranch are between 15 and 25 miles to the southeast, while to the north Interlocken is about 29.2 miles, and can be easily accessed via Highway C-470.

Denver International Airport is located 41.8 miles to the northeast via Highway C-470 and Interstate 70 (45-minute drive time).

With these and local transit routes, many locations around Morrison, Lakewood, Littleton, Highlands Ranch, Golden, Wheat Ridge, Arvada, City of Denver, and Greenwood Village are within about a 15-30-minute drive (minus high traffic volume time periods).

Exhibit 4 ***: Site Drive-Time Analysis Map***



The vast majority of residents (90%) commute less than 25 miles into employment. Specifically, more than 60% of CMA residents have a under 10-mile commute into employment while nearly 30% travel between 10 and 24 miles, so the drive time to the employment centers mentioned previously should be compatible with homebuyer expectations.

Exhibit 5 *: **Employment Location Map***

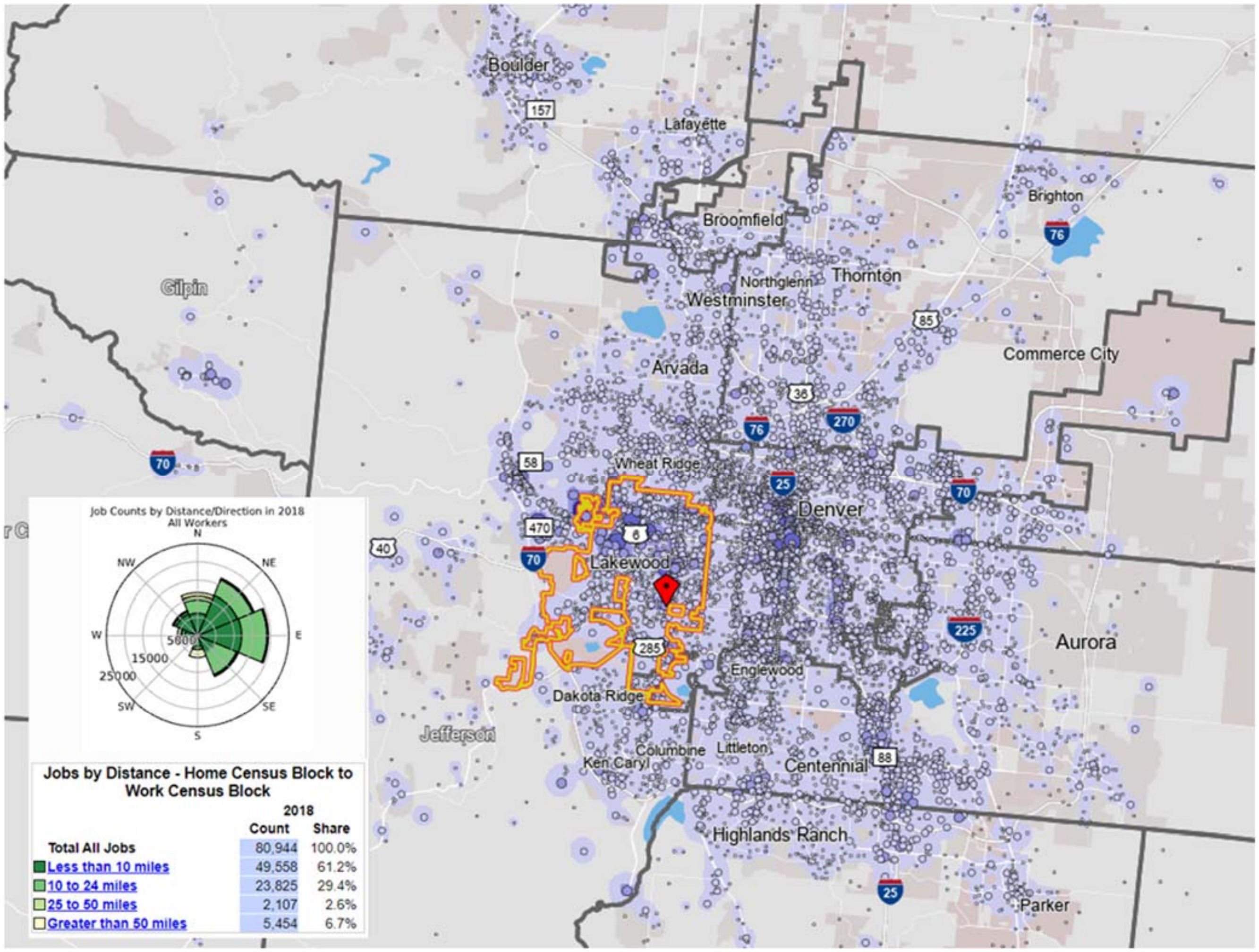


Exhibit 6 ***: Subject Property Site Map***

As mentioned, the future planned community will encompass 357.5 acres of development and will be marketed as Red Rocks Ranch. As a whole, the community is expected to include 951 for-sale single-family detached home sites, and eventually 225 multifamily apartments, and a commercial mix of office and retail development (not analyzed within this study).

National homebuilder, Lennar is the developer and homebuilder for the community, and has a long, established record of acceptance and success as a top homebuilder in the competitive area, with several successfully selling communities actively offering similar floor plans in the CMA.

Lot development is underway and expected to require approximately 14 months to complete, with first lot deliveries anticipated by September 2021. Onsite, Lennar has begun construction of its first model homes, with plans to open sales by mid-January 2022 and models estimated to be ready and available for showing by mid-March. Assuming this development timeline, it is expected that first home closings will materialize by March 2022.

At the end of the narrative of the report, an Exhibit Package has been included (page 37). In this package, additional exhibits and information utilized to analyze the market and determine conclusions are provided.

Methodology

The Denver Market and Red Rocks Ranch Competitive Market Area were analyzed by evaluating historical trends in housing supply, demographics, employment, and household formation to determine economic expansion trends and associated levels of housing demand. Further, to supplement the data indicating increasing demand from surrounding areas into the broader Denver Market area, we reviewed nearby major employment centers and known workforce commuting patterns.

The Zonda housing survey monitors the supply of detached and attached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex and single-family construction activity in the 11-county Colorado Front Range. The survey allows for accurately tracking the size of the total market, as well as supply and demand within the sub-markets. Further, it helps establish the depth of the market and the scope of the competition. In this study, Zonda Advisory supplemented the quarterly data with specific fieldwork needed to analyze the Red Rocks Ranch competitive market area within the Denver Market.

Definitions

- **Annual Starts:** The number of homes started during the last four quarters. A "start" occurs when a slab or foundation is initiated.
- **Annual Closings:** The number of homes closed during the last four quarters. A "closing" occurs when a home is moved into and occupied. Zonda tracks move-ins, as they are a better indicator of demand than deed deliveries.
- **Square Footage:** All measures of a home size are in terms of air-conditioned space.
- **Models:** Must be fully finished, furnished and decorated.
- **Finished Vacant:** Construction is complete, the site is clean, but there is no evidence of occupancy.
- **Finished Vacant Months of Supply:** F/V months of supply is calculated by dividing the number of F/V homes by the current annual closings pace; and then multiplying by twelve to yield months.
- **Vacant Developed Lots:** Also referred to as "VDL" and "Finished Lots"; a lot on a recorded plat with streets and utilities in place, ready for construction of a new home.
- **Vacant Developed Lots Months of Supply:** VDL months-of-supply is calculated by dividing the number of VDL by the current annual starts pace; and then multiplying by twelve to yield months.
- **Future Lots:** Lots that are platted, but not yet developed.

Exhibit 7 ***: Denver Market Map***

- **Denver Market:** Defined as the Denver MSA, or Denver Metropolitan Statistical Area, including all of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Elbert and Jefferson counties. This market area also includes the southern portion of Weld County, as demarcated in the adjoining map.

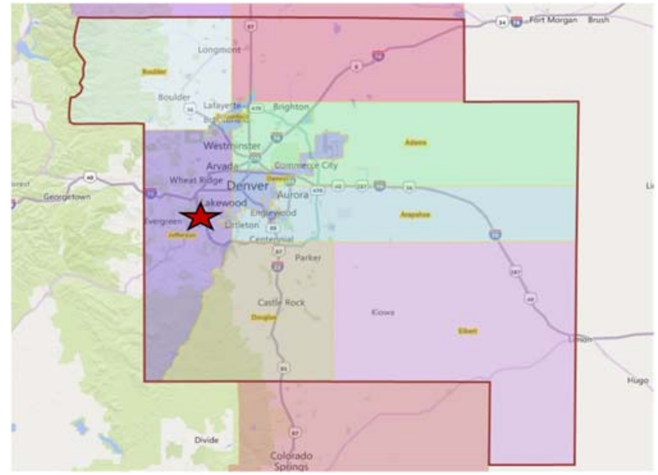
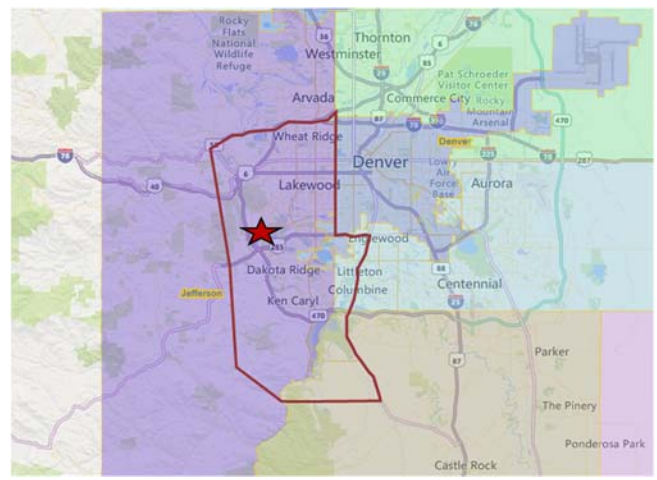


Exhibit 8 ***: Red Rocks Ranch CMA Map***

- **Red Rocks Ranch CMA:** The Competitive Market Area ("Red Rocks Ranch CMA", "CMA") has been defined to encompass a territory that includes a representative portion of the competitive new housing market in the western Denver Market. The polygon is focused on new housing development within eastern Jefferson County along the Highway C-470 corridor. The north border generally follows West 44th Avenue and Interstate 70; the east border follows Sheridan Boulevard and Highway 85/Santa Fe Drive; the south border falls just south of Titan Road near the Town of Louviers, Colorado; and the west border runs just west of Highway C-470 through Morrison, Colorado and into Golden, Colorado. The CMA boundary includes competitive developments that are comparable to Subject Property's product types being proposed. The boundary considers drive times, school districts, county lines, infrastructure, and other socioeconomic factors.



Housing Market Economic Statistics and Analysis

Despite the challenges of the pandemic, the latter half of 2020 and nearly completed 2021 have been a strong growth cycle for the new home industry in the Denver Market. With the Federal Reserve holding interest rates low to stimulate the economy, many households, including apartment dwellers, have remained motivated to make a home purchase.

Further benefiting the new home market has been the exceptionally low inventory levels and high number of competing bids in the resale market. With the limited supply and a shrinking gap between the prices of new versus resale (outside of trade-offs of age, home and lot sizes), more potential buyers have considered new homes.

Looking back, the most recent low point for Denver Market housing starts came at the end of the Great Recession in 2009 when builders started fewer than 3,100 homes. From there up until 2019, home starts had continued to grow year-to-year. In 2019, homebuilders started 12,132 new homes, which was a 9.6% decline from the 13,419 new homes started in 2018; this was the first decline in starts for the Denver Market in eight years. Start production in 2020 finished at 12,897 homes, a rebound of 6.3%. **Through the third quarter of 2021, the Denver Market started 11,814 new homes YTD, 24.1% more than the market started through the first three quarters of 2020 (9,522 starts).**

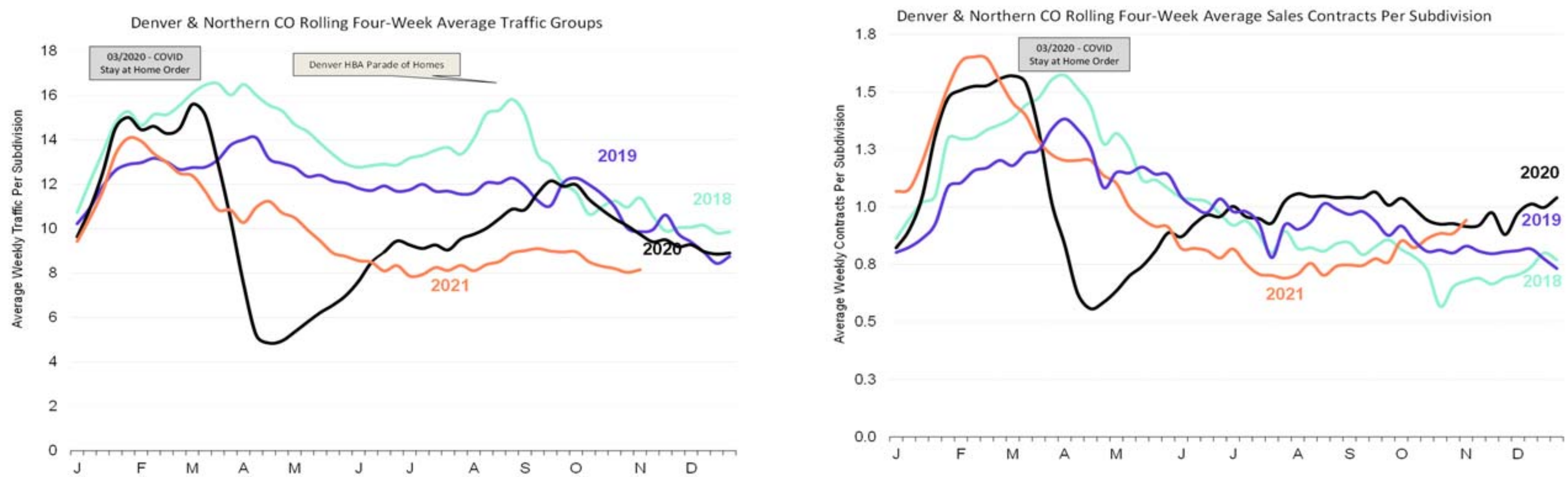
Exhibit 9 **: *Denver Market Leading Indicators***

Denver Market Leading Indicators	Active Comparison					Sources; Notes
New Home Trends						
Annual Lot Deliveries	13,576	13,863	-2.1%	12,119	12.0%	Zonda
	3Q21	3Q20	---	3Q19	---	
Annual Starts Production	15,189	12,059	26.0%	12,365	22.8%	Zonda
	3Q21	3Q20	---	3Q19	---	
Annual Contract Sales	12,121	12,080	0.3%	10,124	19.7%	Zonda
	3Q21	3Q20	---	3Q19	---	
Annual Home Closings	13,874	13,254	4.7%	13,395	3.6%	Zonda
	3Q21	3Q20	---	3Q19	---	
Vacant Developed Lot Supply	12.4	17.2	---	15.0	---	Zonda
	3Q21	3Q20	---	3Q19	---	
Total Home Inventory Supply	8.8	8.0	---	9.0	---	Zonda
	3Q21	3Q20	---	3Q19	---	
Median Home Base Price	---	---	---	---		
SF Detached	$662,751	$645,423	2.7%	$540,717	22.6%	Zonda
	$278	$273	1.8%	$226	23.0%	Zonda
Townhome/Duplex	$590,562	$569,301	3.7%	$542,128	8.9%	Zonda
	$336	$322	4.3%	$304	10.5%	Zonda
Condominium	$604,858	$527,021	14.8%	$551,146	9.7%	Zonda
	$554	$518	6.9%	$492	12.6%	Zonda
	3Q21	2Q21		3Q20		
Median Home Closing (Deed) Price	6 Months	1 Year	---	1 Year Ago	---	
SF Detached	$622,508	$597,963	4.1%	$574,363	8.4%	Zonda
	$261	$246	6.1%	$221	18.1%	Zonda
Townhome/Duplex	$500,699	$493,447	1.5%	$468,364	6.9%	Zonda
	$301	$295	2.0%	$282	6.7%	Zonda
Condominium	$548,005	$503,145	8.9%	$506,529	8.2%	Zonda
	$520	$464	12.1%	$435	19.5%	Zonda
		As of 9/30/2021				
Building Permits						
Total	21,985	14,389	52.8%	17,913	22.7%	U.S. H.U.D. (SOCDS)
SF Detached	10,159	8,381	21.2%	9,797	3.7%	U.S. H.U.D. (SOCDS)
MF Attached	11,826	6,008	96.8%	8,116	45.7%	U.S. H.U.D. (SOCDS)
	Sep 2021	Sep 2020	---	Sep 2019	---	
Existing Home Trends						
Annual Sales	66,875	65,398	2.3%	59,186	13.0%	Zonda
	Sep 2021	Apr 2021	---	Sep 2020	---	
Months of Supply	0.8	0.5	---	1.1	---	Zonda
	Sep 2021	Apr 2021	---	Sep 2020	---	
Listings	4,280	2,836	50.9%	5,567	-23.1%	Denver MLS
	Sep 2021	Apr 2021	---	Sep 2020	---	
Resale % of Total (N + R) Sales	82.8%	83.1%	---	81.5%	---	Zonda
Home Closing (Deed) Price	6 Months	1 Year	---	1 Year Ago	---	
SF Detached	$684,845	$650,706	5.2%	$546,503	25.3%	Zonda
	$332	$317	4.7%	$263	26.2%	
Townhom/Duplex	$512,518	$485,455	5.6%	$409,388	25.2%	Zonda
	$323	$306	5.6%	$265	21.9%	
Condominium	$378,984	$359,777	5.3%	$317,871	19.2%	Zonda
	$341	$324	5.2%	$291	17.2%	
		As of 9/30/2021				

The most recent low for new home closings came in 2011 when builders closed under 4,700 homes. With final new home closing figures reaching 13,277 transactions in 2019, the Denver Market experienced its ninth consecutive year of positive gains. However, following a decline of home start production in 2019, annual home closings ticked down 0.6% in 2020 to 13,195 homes closed. **Through the third quarter of 2021, the Denver Market has closed 10,884 new homes YTD, 6.7% above levels closed through the third quarter of 2020 (10,205 closings).**

Denver Market Leading Indicators		Active Comparison					Sources; Notes
For-Rent Trends							
Occupancy Rate	↑	96.8%	94.6%	---	95.3%	---	Real Page
Average Monthly Rate	↑	$1,739	$1,525	14.0%	$1,536	13.2%	Real Page
Annual New Additions	↓	7,735	7,890	-2.0%	9,610	-19.5%	Real Page
		3Q21	1Q21	---	3Q20	---	
Demographics							
		2010 Cen	2021 Est.	---	2026 F	---	
Total Population/Growth Rate	↑	2,882,576	3,446,616	-16.4%	3,750,572	-23.1%	U.S. Census; Neustar
Annual Growth Rate	↑	---	---	1.6%	---	1.7%	
Median Age (2021 Est.)	↑	35.6	37.7	---	39.6	---	U.S. Census; Neustar
Total Households/Growth Rate	↑	1,135,216	1,356,813	-16.3%	1,475,327	-23.1%	U.S. Census; Neustar
Annual Growth Rate	↑	---	---	1.6%	---	1.7%	
Median Household Income (2021 Est.)	↑	$59,546	$88,193	48.1%	$90,443	2.6%	U.S. Census; Neustar
Household Size	↑	2.5	2.5	---	2.5	---	U.S. Census; Neustar
Economy							
Total Employment	↑	1,718,300	1,672,000	---	1,637,300	---	U.S. Bureau Labor Statistics
1-Yr Job Gain/Loss		81,000	4.9%	---	---	---	
5-Yr Job Gain/Loss		84,600	5.2%	---	---	---	
Unemployment Rate	↓	4.7%	6.3%	---	7.1%	---	CO Dept Labor & Employment
		Sep 2021	Apr 2020	---	Sep 2020	---	
30Yr FRM Rate	↑	3.14%	2.81%	---	3.78%	---	FreddieMac
		Oct 2021	Oct 2020	---	Oct 2019	---	
Consumer Price Index	↑	5.39%	1.37%	---	1.71%	---	U.S. Bureau Labor Statistics
		Sep 2021	Sep 2020	---	Sep 2019	---	
Consumer Confidence (U.S.)	↑	109.8	101.3	---	126.3	---	The Conference Board
Consumer Confidence (Mountain)	↑	118.6	98.9	---	130.1	---	The Conference Board
		Sep 2021	Sep 2020	---	Sep 2019	---	
Retail Vacancy Rate	↓	7.3%	7.6%	---	8.8%	---	CBRE
Retail YTD Net Absorption	↑	282,000	210,300	34.1%	141,000	100.0%	CBRE
Retail Avg Asking Rent (PSF)	↑	$20.33	$20.63	-1.5%	$20.05	1.4%	CBRE
		3Q2021	2Q2021	---	3Q2020	---	
Office Vacancy Rate	↑	19.4%	19.4%	---	15.0%	---	CBRE
Office YTD Net Absorption	↑	-194,369	-430,000	-54.8%	-547,000	-64.5%	CBRE
Office Avg Asking Rent (PSF)	↑	$31.47	$31.16	1.0%	$29.02	8.4%	CBRE
		3Q2021	2Q2021	---	3Q2020	---	
Industrial Vacancy Rate	↓	6.8%	6.9%	---	6.9%	---	CBRE
Industrial YTD Net Absorption	↑	4,500,000	2,100,000	114.3%	966,000	365.8%	CBRE
Industrial Avg Asking Lease Rate (PSF)	↑	$9.03	$8.39	7.6%	$7.65	18.0%	CBRE
		3Q2021	2Q2021	---	1H2020	---	
Colorado Oil Production	↓	12,113	13,804	-12.3%	16,577	-26.9%	U.S. Energy Information Admin.
		Aug 2021	Aug 2020	---	Aug 2019	---	
Colorado Oil Price	↑	$84.64	$35.64	137.5%	$54.02	56.7%	U.S. Energy Information Admin.
		Oct 2021	Oct 2020	---	Oct 2019	---	
CO Regular (All Forms) Gas Price	↑	$3.383	$2.143	57.9%	$2.596	30.3%	U.S. Energy Information Admin.
		Oct 2021	Oct 2020	---	Oct 2019	---	
Airport Passenger Traffic (DIA)	↑	5,942,674	2,985,681	99.0%	6,455,071	-7.9%	Denver International Airport
Domestic	↑	5,750,445	2,953,913	94.7%	6,170,444	-6.8%	
International	↑	192,229	31,768	505.1%	284,627	-32.5%	
		Aug 2021	Aug 2020	---	Aug 2019	---	

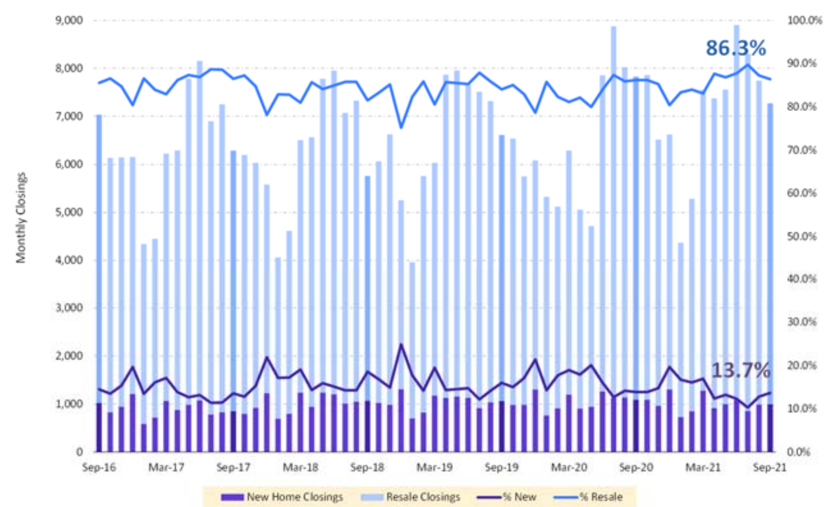
Exhibit 10 *: **Denver and Northern CO Markets Combined Weekly Traffic and Sales Contract Trends***



Above, Zonda's Traffic and Contracts reporting provides another leading indicator of consumer sentiment and activity moving forward. While both consumer traffic (i.e. groups visiting a sales community) and sales contracts trended down as home prices escalated early in 2021, sales contracts have trended upwards in recent months ahead of 2018 and 2019 levels.

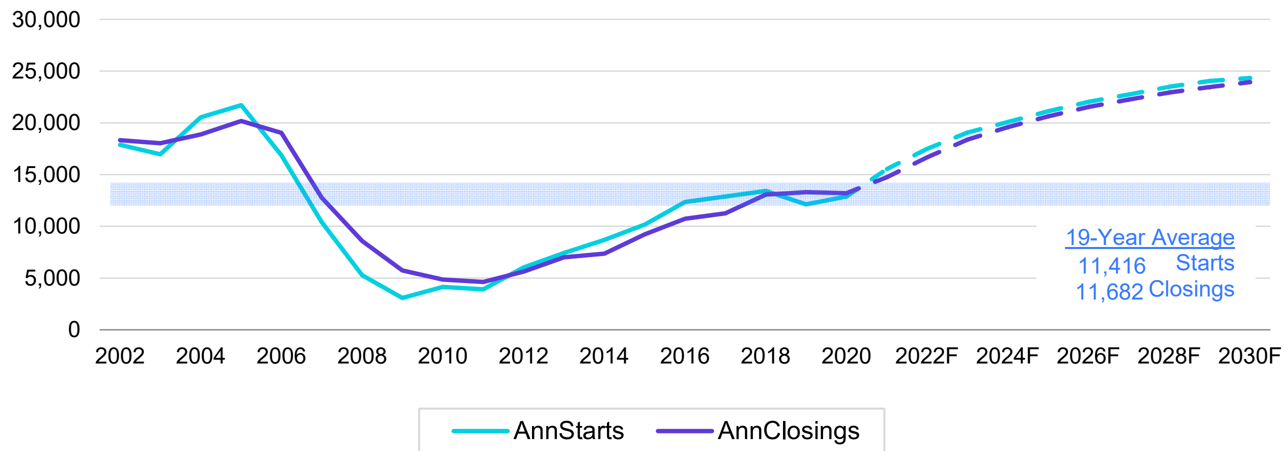
To the right is an illustrated review of new home versus existing resale home closing transaction volumes throughout the Denver Market over the last five years to further inform the short and long term trends of consumer demand. Most recently, as existing home supply shrunk to historically low levels in 2021, the capture of new home closings has trended up. This trend would likely be higher if not for the numerous challenges homebuilders face that have resulted in delayed build and delivery times.

Exhibit 11 *: **Market New v. Resale Volume and Capture***



Zonda Advisory believes the Denver Market's new housing levels by year-end 2021 will likely see a +/-21% gain in new home starts and a +/-12% increase in annual new home closings from 2020 volume levels. Under this projection, start activity would surpass closing levels after two years of trailing, and with this momentum, start activity is anticipated to increase by +/-12% in early 2022 projections, while closing activity would rise by +/-13% by the end of 2022. Attaining these figures will be based on economic (and health) trends following anticipated paths assumed within this forecast and discussed throughout the study.

Exhibit 12 ***: Denver Market Historical & Forecast of Total Starts & Closings***



Ongoing Market Influences:

- The COVID-19 hospitalizations in Colorado have risen sharply during the current "Delta" wave, while the level of vaccinations have leveled off. Despite this, State-ordered mask mandates were removed in mid-May 2021 (unless the setting – i.e. private business – requires otherwise). Further changes to State policy, hospitalizations, school, daycare, and business closures, will all continue to have a great influence over the local economy.

- Continued job recovery. While some employment sectors have seen growth, or have even regained jobs lost during the unprecedented shutdown between March and April 2020, many sectors are still below their pre-pandemic levels (February 2020), particularly tourism and hospitality, government, education, and healthcare.

- The duration of the significant supply/demand imbalance. While beneficial to homebuilders in the short term, especially when targeting existing homeowners who are benefiting from price appreciation and potential equity gain rollover, it also discourages some potential home sellers from moving because of the rising costs for them to replace that home with a new home.

- Rising consumer prices as a result of strained supply chains. Consumers are already facing sharply rising costs for food, rent, utilities, and a range of other goods. With prices likely to rise further in the months ahead, the question of whether current high inflation is transitory and will resolve as bottlenecks in the supply chain subside, or is headed towards more problematic longer term implications remains undetermined.

- Levels of housing supply as homebuilders must navigate inventory management, build times, and material supply and labor disruptions, while in the resale market, the number of listings, or sellers willing to open their homes for potential buyers may fluctuate with health concerns. Home prices, in both new and resale markets, have experienced very sharp rises this past year and not only are recent levels of appreciation not sustainable, but some groups of consumers are showing signs of pushing back (and moving to the sidelines).

- While still early in the Denver Market with many communities considering the option, but only a few actively open, the rise of Build-for-Rent ("BFR") community development figures to delay and shift some demand away from home purchases.

- The potential of interest rates rising from the currently historic low rates, even slightly with high inflation trends, quickly diminishes purchasing power and exacerbates the financial needs to qualify and provide a down payment for a new home. Every uptick in interest rates will have a hurtful impact on affordability and consumer movement. Already throughout Colorado, the number of mortgage down payments under 20% (no PMI) and all-cash (equity rollover, no mortgage) have risen, as both ends of the spectrum gain momentum.

- Millennial demand continues to flood the market. This generation is reaching traditional home-buying ages (life cycle/families); and with little-to-no debt and low mortgage interest rates, are likely to continue expanding their capture of the homebuyer population in the years to come.

- As with any upcycle, there remains a high-level of speculation on real demand levels with investment potentially elevating those perceptions. Private equity firms and other investment groups are acquiring, and sometimes even building, properties. iBuying firms like Zillow, Opendoor, Offerpad, and Orchard use algorithm-driven purchases to buy homes; through 2021 however, these firms only account for approximately 1.1% of existing home purchases in the Denver Market (much lower than in metros like Phoenix, Austin, and Houston).

- Stock market declines and volatility, as most indices are near, or at, all-time highs.

- High municipal, raw water and land costs.

Zonda Advisory will continue to monitor the market and update our Covid-19 (Coronavirus) Addendum as further events unfold.

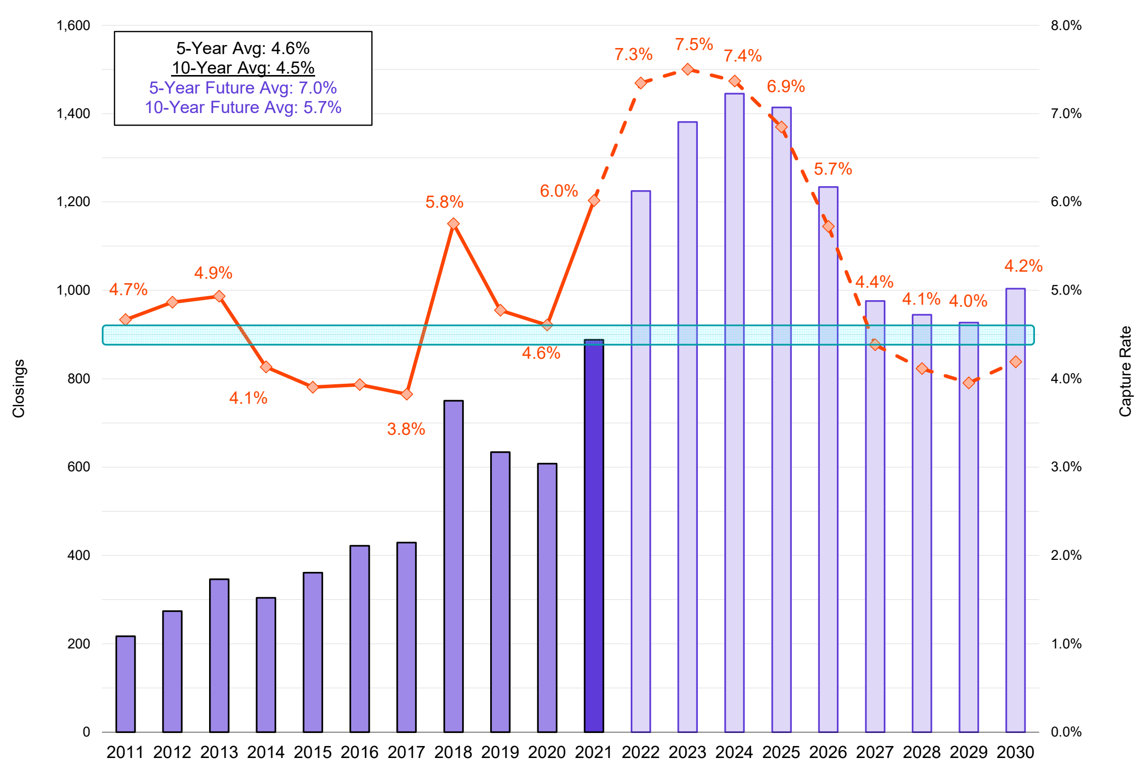
Competitive Market Analysis

In reviewing the most competitive master planned communities and subdivisions within the Red Rocks Ranch CMA, Zonda Advisory coupled data obtained from its quarterly survey database with field research, wherein the various developments and site locations were inspected, and sales agents and developers were interviewed.

Historically, the Red Rocks Ranch CMA has been a high demand, but lot constrained sub-area that has driven economic growth. When new housing options are available, the CMA has experienced higher levels of capture among Denver's housing market.

- The CMA reached its historical peak in 2003, with 1,218 home closings and a 6.8% share of all new home closings in the Denver Market.
- Between 2003 and 2006, the CMA closings at least 990 homes each year, and held an average 5.7% capture of market-wide closings.
- In 2006, the CMA reported 1,012 new home closings, representing 5.3% of all closings within the Denver Market.
- In 2007, the CMA experienced a precipitous 41% drop in closing volume, recording 597 closings, while its share of the Denver Market dipped to 4.7%.

Exhibit 13 ***: Red Rocks Ranch CMA Ten-Year Forecast & Market Capture***



- Following another sharp 35% decline in 2008, closing volumes continued to fall another 45% through 2011 from 391 closings in 2008 to a record low of 217 home closings in 2011, capturing 4.7% of market-wide closings as the devastating effects of the housing recession continued.

- New home closings grew 26% to 274 closings in 2012 and jumped an additional 26% to 346 closings in 2013, as the CMA emerged from the recession doldrums. In 2014, the CMA reported a 12% decline to 304 homes closed, capturing 4.1% of market-wide closings. By 2016, the CMA reported annual growth of 17% to 422 home closings, but only a 3.9% share of Denver Market closings.

- In 2017, with the completion/near completion of several projects and delay in some replacement opportunities, the CMA experienced only a 2% increase in new home closings, at 429 home closings and a 3.8% share. In 2018, the CMA rebounded to its most recent high mark, with a 75% annual gain, at 750 homes and a 5.8% share.

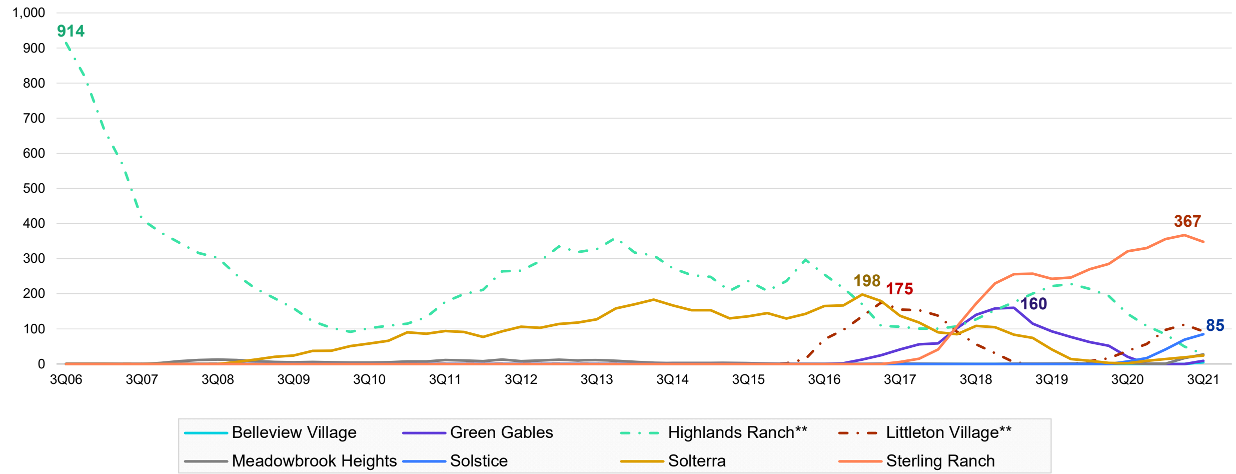
- In 2019, several more developments moved towards completion without replacement, and the CMA reported an annual closings decline of 16% (634 closings and a 4.8% capture). In 2020, the trend continued as new community introductions shifted outside the CMA, the CMA dipped another 4% over the previous year to 608 homes closed and a 4.6% capture of market-wide closings.

- Through the end of 3Q21, the CMA has begun to grow again in both the volume of lot deliveries and home starts. Annual closings were up 29% over the previous four quarters ended 3Q20, at 798 homes closed and a 5.8% capture of market-wide closings. Annual starts jumped 76% from 3Q20, at its highest 3Q mark since 2002 (1,187 annual starts and a 7.8% capture). Foreshadowing this trend's continuance, CMA annual lot deliveries rose 27% from 3Q20's delivery pace with its third-highest one-quarter total over the past four years; the annual rate reported 1,475 lot deliveries and accounted for an impressive 10.9% of market-wide deliveries.

On the previous page is an illustration of the CMA's historical and projected closings volumes and capture rates of the Denver Market. Actual annual closings within the CMA are noted from 2011 through 2020 in the solid purple columns. The solid orange line represents the CMA's capture of all annual closings within the Denver Market. A housing forecast for 2021 through 2030 is provided, identified by the light purple columns. More discussion of these figures is offered in the following pages concentrating on the CMA's Housing and Lot Supply Build-out model (Exhibit 16). The forecasted annual closings totals are derived from the Denver Market housing forecasts (as represented in Exhibit 12). Zonda Advisory believes that as the Denver Market's new housing activity moves forward, the Red Rocks Ranch CMA is likely to continuing growing its share of that activity as the area remains in high demand and the introduction of new housing options in an otherwise mature market area is expected to be well-received in the short term. As supply levels diminish, the CMA is likely to return back to its historical share. This conclusion is based on the economic trends outlined within this analysis and existing supply constraints in other areas of the Denver Market, which continue to push demand into the CMA.

As can be seen within the following exhibits, the Red Rocks Ranch CMA is composed primarily of mid-size to large master planned communities with a mix of single and multiple builder-controlled developments. In addition, as shown below, individual project volumes fluctuate from year to year depending on the life stage of the community (introduction, growth, maturity, and closeout), as well as when lots are delivered and made available in the individual communities.

Exhibit 14 **: *Selected CMA Communities Historical Closings Trends & Peak***



For the trailing four quarters ended 3Q21, Sterling Ranch led the CMA with 348 new home closings (43.6% capture rate of CMA activity and registered the second-highest volume market-wide), followed by Solstice (85 closings – 10.7% share), Meadowbrook Heights (27 closings – 3.4% share), and Solterra (24 closings – 3.0% share).

Exhibit 15 **: *Selected Communities Profile and Starts/Closings Capture of CMA***

MPCs	Built-Out	Lots Remain	VDL	Home Inv	Ann Starts Capture	Historical Capture Peak & Qtr		Ann Close Capture	Historical Capture Peak & Qtr	
Belleview Village	5.4%	88	54	34	3.3%	3.3%	3Q21	0.6%	0.6%	3Q21
Green Gables	64.6%	166	95	71	6.6%	19.6%	3Q17	1.1%	21.9%	3Q18
Highlands Ranch***	99.0%	92	2	5	---	---	---	---	---	---
Littleton Village***	100.0%	0	0	0	---	---	---	---	---	---
Meadowbrook Heights	61.2%	59	36	23	4.2%	6.5%	3Q11	3.4%	6.0%	2Q12
Solstice	8.3%	1,010	378	134	14.1%	14.1%	3Q21	10.7%	10.7%	3Q21
Solterra	87.7%	166	51	14	1.8%	55.7%	1Q14	3.0%	53.7%	3Q14
Sterling Ranch	11.1%	8,692	564	282	36.2%	52.7%	1Q20	43.6%	54.3%	4Q20
Silver Leaf	10.0%	45	35	10	1.0%	1.0%	3Q21	0.6%	0.6%	3Q21
Combined Total	---	10,318	1,215	573						

Note: Highlands Ranch and Littleton Village are located just outside the CMA and listed as a reference point for the broader area.

Lot Supplies

Through the end of 3Q21, there were 1,737 vacant developed lots and an estimated 9,796 undeveloped future lots in actively selling communities within the CMA. In addition, future projects currently moving through the development process will continue to enter the market in the next decade, pending entitlement approvals, development financing and ultimately, land development. These future proposed communities have an additional 5,284 potential lots (many of these lots are conceptual and still raw land). Based on the closing pace of 1,187 new homes closed in the CMA through 3Q21, the lots identified in the active communities equate to 9.7 years of potential supply. The future proposed lots equate to another 4.5 years of potential supply.

For the purpose of understanding market supply in the years ahead, we have projected a build-out of active CMA communities' remaining lots, as well as estimated future projects' lots. This build-out model helps to identify when demand for lots and new home options in this portion of the Denver Market will no longer be met within the CMA within the framework of the currently active developments. This is a comprehensive list of all known lots in this CMA at the present time, featuring larger communities while grouping together the smaller scale communities. Projected absorptions for 2021 through 2030 are based on reasonable absorption projections of their remaining supply based on past performance and the stage of the community (introduction, growth, mature, close-out). In addition to detached home sites, attached units including townhome, duplex, and condominiums are also reflected within this model.

In our model, we have listed the competitive communities with their current housing trends, build-out percentage (highlighted in blue), historical absorption and projected an annual future absorption based on projected growth in the CMA, product segmentation, location strength analysis, and their overall anticipated position within the CMA housing market segment.

Six future planned communities are represented within the model. All reasonable efforts have been made to determine the conceptual plans of these future communities, but many of these communities, even those fully platted, could face potential delays of one kind or another, changes in product segmentation to reflect market conditions, financing and other variables that could affect their market entry timeline. It is important to remember many are still conceptual and undefined future communities, while seeking a more macro view of the future lot supply within the Red Rocks Ranch CMA.

In purple at the bottom of the exhibit, we have listed the CMA communities' combined annual closings, as well as their combined historical and projected closing totals, representing the CMA totals based on these community absorptions, and further tracking the forecasted CMA capture rate of closings within the overall Denver Market. This has been done in coordination with Zonda Advisory's Denver Market housing forecast, also represented in purple. The Denver Market actual and projected annual closings are also provided.

Exhibit 16 : ***CMA Projected Build-Out Model***

	CMA Selected MPCs	Ann Lot Del	Ann St	Ann Cl	Hm Inv	VDL Inv	Future¹	Built-Out %	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Beyond
		Total New Housing							Actual Historical Closings Volume										Projected Closings Volume										
	Red Rocks Ranch MD	0	0	0	0	0	0	**0.0%**	0	0	0	0	0	0	0	0	0	0	0	138	159	171	183	180	76	42	2	0	---
		5%	0%	0%	0%	4%	9%	---	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	12%	12%	13%	15%	8%	4%	0%	0%	---
Active Development	Belleview Village	0	39	5	34	54	0	5.4%	0	0	0	0	0	0	0	0	0	0	20	40	30	3							
	Green Gables	169	78	9	71	95	0	64.6%	0	0	0	0	0	2	56	158	77	1	25	75	75								
	Kipling Park West	53	1	0	1	52	0	0.0%	0	0	0	0	0	0	0	0	0	0	0	25	25	3							
	Meadowbrook Heights	0	50	27	23	36	0	61.2%	10	10	9	3	1	0	1	0	2	1	35	47	2	2							
	Montane	0	7	9	9	16	0	75.0%	0	0	0	0	0	0	3	29	22	15	8	10	10	3							
	Ravenna	0	29	18	26	70	0	59.7%	1	11	1	1	1	12	30	19	21	15	25	20	20	20	20	9					
	Silver Leaf	0	12	5	10	35	0	10.0%	0	0	0	0	0	0	0	0	0	0	10	20	20								
	Solstice	441	167	85	134	378	498	8.3%	0	0	0	0	0	0	0	0	0	17	100	200	210	225	200	150					
	Solterra	15	21	24	14	51	101	87.7%	91	103	158	153	145	167	118	105	14	9	30	30	50	50	23						
	Sterling Ranch	495	430	348	282	564	7,846	11.1%	0	0	0	0	0	0	15	229	246	330	360	375	375	400	425	450	450	450	450	450	4,777
	Wild Plum	0	41	19	31	45	0	20.0%	0	0	0	0	0	0	0	0	0	2	25	25	25	18							
	Other (Combined)⁴	229	310	249	234	270	76	95.3%	115	150	178	147	214	241	206	210	252	218	250	200	200	100	49						
	Active Summary	1,475	1,187	798	871	1,737	9,796	52.3%	217	274	346	304	361	422	429	750	634	608	888	1,205	1,201	995	900	789	526	492	452	450	4,777
Future Development	Deer Creek at Ken Caryl	0	0	0	0	0	124	0.0%	0	0	0	0	0	0	0	0	0	0		20	40	40	24						
	Indigo at Red Rocks	0	0	0	0	0	737	0.0%	0	0	0	0	0	0	0	0	0	0							25	50	75	125	462
	Ken Caryl Ranch North	0	0	0	0	0	249	0.0%	0	0	0	0	0	0	0	0	0	0			30	100	80	39					
	Santa Fe Park South	0	0	0	0	0	403	0.0%	0	0	0	0	0	0	0	0	0	0				50	100	100	100	53			
	South Golden Road	0	0	0	0	0	404	0.0%	0	0	0	0	0	0	0	0	0	0						50	75	100	100	79	
	Three Hills	0	0	0	0	0	286	0.0%	0	0	0	0	0	0	0	0	0	0			60	110	110	6					
	Other (Combined)⁴	0	0	0	0	0	2,492	0.0%	0	0	0	0	0	0	0	0	0	0			50	150	200	250	250	250	300	350	692
	Future Summary	0	0	0	0	0	4,695	0.0%	0	0	0	0	0	0	0	0	0	0	0	20	180	450	514	445	450	453	475	554	1,154
								CMA Totals:	217	274	346	304	361	422	429	750	634	608	888	1,225	1,381	1,445	1,414	1,234	976	945	927	1,004	NA
								Denver Market:	4,649	5,631	7,014	7,355	9,246	10,730	11,214	13,034	13,277	13,195	14,757	16,673	18,405	19,608	20,642	21,554	22,263	22,963	23,456	23,948	NA
								CMA Capture of Market:	**4.7%**	**4.9%**	**4.9%**	**4.1%**	**3.9%**	**3.9%**	**3.8%**	**5.8%**	**4.8%**	**4.6%**	**6.0%**	**7.3%**	**7.5%**	**7.4%**	**6.9%**	**5.7%**	**4.4%**	**4.1%**	**4.0%**	**4.2%**	**NA**

Notes:

1- Future lot counts are based on currently known breakouts of lots already identified within the Competitive Market Area. This figure may increase/decrease as future development parcel plans are realized.

2- 2021 forecast is based on the actual housing trends through the third quarter of 2021 with a projected fourth quarter (based on Zonda's lot-by-lot survey).

3- Information including total lots, closing pace and market entry time frames are estimated for all future communities based on information collected from developers and planners. Some of these future communities may have additional lot counts and sizes as several have not yet been platted. There may be additional future communities currently unknown at this time that enter the market during this time period; some of the communities listed may utlimately not enter the market. Actual lot counts and product type may prove different than information collected at this time.

4- Other (Combined) represent the combined total of remaining CMA subdivisions identified at this time, both within Active and Future segments.

This model tracks a moving target with many variables and requires amending over time as existing and future competition evolve. The most notable observation from this model is that with the delivery of new communities, and lots, to market, the CMA is expected to experience sharp gains in its share of market-wide closings over the next few years, beginning with 2021. This is evidenced by about a half dozen new developments of various sizes recently opened and/or expected to begin selling in the next two years, while few currently selling communities should reach completion until 2024, all of which should increase supply to levels above the norm in the CMA for the five-to-six years. Competition levels are increasing, but along with high levels of demand. The Red Rocks Ranch CMA has a ten-year historical Denver Market closings capture rate of new home closings of 4.5%, and a five-year average of 4.6%, and finished 2020 at 4.6%. With the long awaited introductions of several communities, all future indicators (3Q21 starts at 7.8% and lot deliveries at 10.7% of market-wide levels) suggest continued growth now that there will be ready lots available to meet demand. Following the identified communities in the model, there are no large single-family detached home sites noted (most will be small infill locations under 50 total lots), as most of the remaining future supply are primarily scattered infill sites with attached housing options. **This should result in gains of capture for CMA over the next few years, returning back down to historical levels with diminishing supply, as defined.**

If some of the replacement communities fail to gain traction, due to challenges many developers/land owners face in trying to secure entitlements, water, services, and financing, the potential for existing communities to gain market volume exists. Success will be dependent on each of these communities' relevance to the consumer based on work commute times, price attainability, and lifestyle.

Demand Analysis

The assessment of housing demand and market capture is an iterative process with numerous ever-changing variables to consider. We have approached demand using our projected new home closings forecast within the Denver Market. We accounted for demand based on a review of all active and future lots within the CMA, and all the variables previously discussed to generate a supply-based CMA capture rate (as noted within the build-out model). From there, we reviewed the ratio of currently active to future planned lots, the transition of communities to build-out, and plausible timelines for new communities. We then reviewed demographic and economic trends and the outlook for new housing supply availability, and projected a CMA capture rate, estimated at an average of 7.0% over the next five years (and 5.7% over ten years).

We then calculated a potential demand variance of +/- 2.0% to account for unknown factors that could cause a negative or positive market movement from our estimate.

The resulting model is featured on the following page:

Exhibit 17 ***: Demand Variance Analysis Model***

	Red Rocks Ranch CMA														
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Actual					Forecast									
Total Denver Mkt Closings Projections[1]	10,730	11,214	13,034	13,277	13,195	14,757	16,673	18,405	19,608	20,642	21,554	22,263	22,963	23,456	23,948
Total CMA Capture[2]	422	429	750	634	608	888	1,225	1,381	1,445	1,414	1,234	976	945	927	1,004
	3.9%	3.8%	5.8%	4.8%	4.6%	6.0%	7.3%	7.5%	7.4%	6.9%	5.7%	4.4%	4.1%	4.0%	4.2%
Active Communitity Capture[3]	422	429	750	634	608	888	1,205	1,201	995	900	789	526	492	452	450
	100%	100%	100%	100%	100%	100%	98%	87%	69%	64%	64%	54%	52%	49%	45%
Future Community Capture[4]	0	0	0	0	0	0	20	180	450	514	445	450	453	475	554
	0%	0%	0%	0%	0%	0%	2%	13%	31%	36%	36%	46%	48%	51%	55%
Red Rocks Ranch	0	0	0	0	0	0	138	**159**	**171**	**183**	**180**	**76**	**42**	2	0
Closings & CMA %	0%	0%	0%	0%	0%	0%	11%	**12%**	**12%**	**13%**	**15%**	**8%**	**4%**	0%	0%
Potential Demand Variance[6]															
CMA @ 3.7% Capture	NA	NA	NA	NA	NA	-335	-600	-692	-711	-641	-427	-142	-85	-48	-107
CMA @ 7.7% Capture	NA	NA	NA	NA	NA	255	66	45	74	185	436	748	834	890	851

Notes:

[1] Annual closings for 2016 to 2020 are based on the Zonda 4Q20 lot survey data results for the Red Rocks Ranch CMA. Future annual closings between 2021 through 2030 are forecasted by Zonda Advisory. This level of sales can only be achieved if the housing market fundamentals continue to improve and homebuilders offer appropriately priced product in locations with price ranges in demand by the homebuying public.

[2] Includes all annual closings within the Red Rocks Ranch CMA per Zonda Advisory. Market share percentages between 2016 and 2020 are actual capture rates, at an average of 4.6%. Future closings within this segment were forecasted based on estimated capture rates that follow established start production and closing trends which are consistent with those listed in previous exhibits.

[3] The combined total of all currently active selling communities' related closings within the CMA. 2016 through 2020 figures are actual capture counts, therefore equal 100%. Future closings with this segment were forecasting based on historical and anticipated absorption of these same communities within the CMA up until their completion.

[4] The combined total of all currently future planned communities and their closings within the CMA. Years 2016 through 2020 will not have any activity since these communities are yet to enter the market. Future closings within this segment were forecasted based on estimated market entry for each community and anticipated absorption given what is currently known about each potential community. As with any future plans, all estimates are subject to change. Given today's current housing development environment, it is very possible that some of these communities may never be fully realized, may enter the market at another time than projected, and/or that additional communities currently unknown may enter the market over the next five years.

[5] Based on the absorption analysis for the Subject Property, as shown within the build-out model.

[6] Zonda Advisory acknowledges the possibilities of a variance in demand brought on by unforeseen circumstances such as interest rates spikes, gaps in lot deliveries and the ebb and flow of consumer confidence brought on by a variety of factors. Therefore, we have shown a +/- 2.0% variance from the average 5.7% capture rate by the CMA over the next ten years.

This demand analysis is consistent with historical trending and current projected upward growth within the Red Rocks Ranch CMA. While we believe that these figures represent a realistic view of the market based on our experience, these types of demand models are best served as points of discussion.

Conclusions

Under current assumptions for the development, the RRC Metropolitan District has the potential ability to capture up to a 14.0% share of the CMA's home buying demand, creating the next lines of single-family detached products in a quality, family-driven community, within a competitive area that is stretched along the C-470 Corridor, with limited direct competition between Highway 6 and Ken Caryl Avenue. Demand in the area remains strong, but developable land supply continue to diminish. While builder and product programs are conceptual at this time, it is likely the community will appeal to young, growing, and maturing families, as well as some move-down empty nester and professional couples. There is likely to be a mix of buyers that are from out-of-state, as well as those that are nearby, local residents interested in a new home with upgraded features and less maintenance, that also hold high value to staying within the surrounding southwestern portion of the Market.

Based on this review of the competitive market area, a projected build-out and demand analysis, product mix, and other information provided by the District and planned homebuilder regarding the Subject Property, Zonda Advisory has provided an absorption schedule forecast of the lots within the RRC Metropolitan District (set forth in Exhibit 18 below), which we believe is reasonable and supported within this report.

Exhibit 18 ***: Absorption Summary (based on the build-out model)***

Product Type[3]	Average Close Price[1]	Unit Mix[2] Lots	Unit Mix[2] %	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4
Product 1 - 3-Story Cluster SFD 40' x 70' (Lennar)	$690,803	330	34.7%					**12**	15	15	15
Product 2 - 40' SFD 60' x 110' (Lennar)	$806,540	340	35.8%					**9**	12	12	12
Product 3 - 48' SFD 60' x 115' (Lennar)	$910,055	281	29.5%					**9**	9	9	9
Total		951	100.0%	0	0	0	0	30	36	36	36
				0				**138**			

Product Type[3]	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Product 1 - 3-Story Cluster SFD 40' x 70' (Lennar)	15	18	18	15	15	18	18	15	18	18	18	18
Product 2 - 40' SFD 60' x 110' (Lennar)	12	15	15	15	15	18	18	15	15	18	18	18
Product 3 - 48' SFD 60' x 115' (Lennar)	9	9	9	9	9	9	12	9	9	12	12	9
Total	36	42	42	39	39	45	48	39	42	48	48	45
	159				**171**				**183**			

Product Type[3]	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3	2027 Q4	2028 Q1	2028 Q2	2028 Q3	2028 Q4	2029 Q1	2029 Q2	2029 Q3	2029 Q4	2030 Q1	2030 Q2	2030 Q3	2030 Q4
Product 1 - 3-Story Cluster SFD 40' x 70' (Lennar)	18	18	18	**15**																
Product 2 - 40' SFD 60' x 110' (Lennar)	15	18	18	18	15	18	**1**													
Product 3 - 48' SFD 60' x 115' (Lennar)	9	12	12	9	9	12	12	9	9	12	12	9	**2**							
Total	42	48	48	42	24	30	13	9	9	12	12	9	2	0	0	0	0	0	0	0
	180				**76**				**42**				**2**				**0**			

Notes:

1- Average Close Price was calculated as the average among a representative sampling of builder floor plans (if available) selling as base prices with a lot premium average and option/upgrade package estimate based on all currently available information regarding the Subject Property as provided by the Developer and homebuilder, and an analysis within the competitive market. Lennar's "Everything Included" model was factored into the pricing analysis, typically lowering premium and upgrades with a higher base price.

2- Unit and product line mix is based upon preliminary information from the developer and homebuilder. Construction and closings schedule is based on anticipated lot development plan, which assumes lots to be delivered by September 2021 with sales beginning in January 2022 and first home closings by March 2022. The first model homes were under construction at the time of this study.

3- Product information modeled on actively-selling product offerings in current filings within the Red Rocks Ranch community, with conceptual information provided by the developer.

Based on this product offering and trends in the surrounding CMA, Zonda Advisory believes that RRC Metropolitan District has the potential to absorb up to 183 homes during its peak year (2025), an average of 15.0 to 16.0 home closings per month. With the current scheduled lot delivery, anticipated opening, and first projected home closings, we estimate full District build-out to occur by the first quarter of 2029.

The CMA's capture rate of the Denver Market has averaged 4.5% over the past ten years and 4.6% over just last five years (2016 to 2020), with a dip in 2020 to 4.6% after capturing 5.8% in 2018 and 4.8% in 2019. The dip was largely due to delays in delivering new lots to the area, as most of the new lot supply is coming from large master plan development and a handful of smaller, infill projects. Based on current economic and competitive conditions, land availability, pent-up demand expectations, and established history of the area, Zonda Advisory estimates the future capture rate of the CMA to expand as more new development enters the market in the next few years and average closer to between 7.0% and 8.0% of the Denver Market's new housing activity over at least the next five years. This projection follows previously noted current trends in lot deliveries and start production. Zonda Advisory believes that the community, inclusive of District, has the potential to capture about 11.0% to 14.0% of the CMA's total home closings, which seems reasonable given previous capture rates by similar-sized communities in the CMA, factoring in higher price point positioning, and the potential demand for housing within the CMA.

If the Denver Market achieves greater volumes than those forecasted by Zonda Advisory, absorption potential would obviously increase. On the other hand, if a down cycle occurs within our current projection, Denver's volumes may fall off pace, resulting in potentially lower absorption. And finally, should other communities build-out earlier than expected, or run short on available lots, capture rates would also increase (at the same time, of other competition emerges sooner than expected, capture rates could potentially decline).

Price Positioning in the Competitive Market

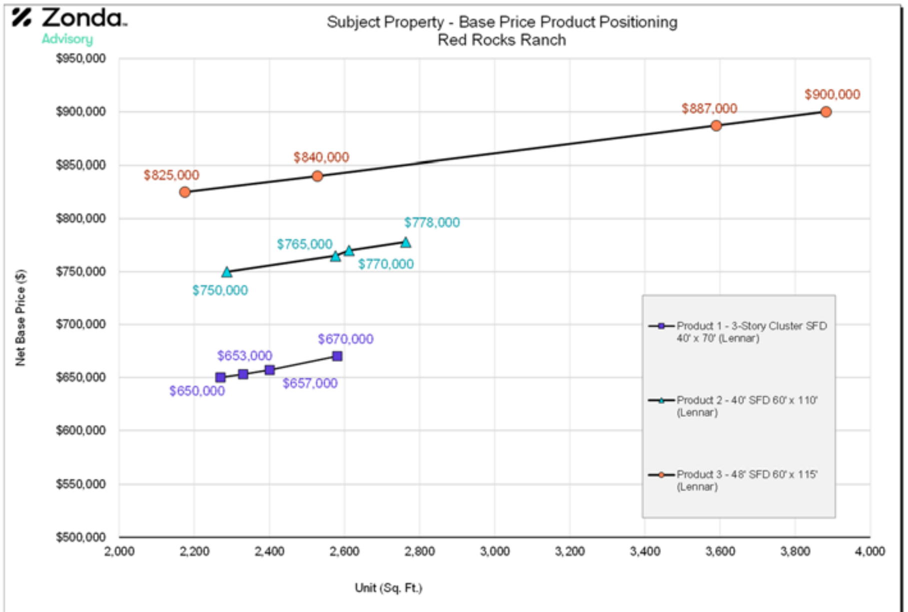
Zonda Advisory has evaluated the CMA in terms of price positioning, absorption levels, and market share. The recommendations and conclusions of Zonda Advisory with respect to estimated pricing for the Subject Property, which are based on present competition and market conditions, are set forth in Exhibit 19. We have utilized plan and price information of Lennar product offerings planned at the community as indicated by the developer and homebuilder, coupled with fieldwork to evaluate the competitive area.

Pricing for future releases may need adjustment as the market continues to evolve. Over the past year, competitive single-family detached communities within the CMA have reported an average 21.5% increase in base price of all floor plans offered overall, at $686,200 (and gains in PSF from $245 to $289). **Single-family detached new home closings prices ticked down 0.8% to $743,700, while the average square footage fell 12.1% to 2,701 square feet (PSF rose from $247 to $276).** Resale closing prices rose 17.4% to $632,500, with a 0.8% decline in home size at 1,899 square feet (PSF up from $303 to $356).

Over the past year, attached CMA communities (15 active townhome/duplex projects) have reported an average 10.9% rise in the average base price of all floor plans offered overall, at $542,600 (and a gain in PSF from $313 to $339). **Attached new home closing prices held flat - 0.3% to $489,500, while the average square footage fell 2.3% to 1,581 square feet (PSF moved up from $312 to $313, off 311 transactions).** Resale closing prices for attached housing increased 15.9% to $399,400, with a 0.5% dip in home size at 1,354 square feet (PSF rose from $260 to $304; off 845 transactions).

These prices represent the current minimum base price for all active product lines within the Subject Property. These base prices were matched against other competitive offerings base prices within the CMA. To calculate average closing prices, past deed records were reviewed and values for lot premiums and options/upgrades were estimated based on field data collected from interviews with sales agents and a review of deed records, factoring in Lennar's "Everything Included" program, which generally results in lower premium and upgrades. Premiums varied based on the product line offered and consumer targeted. Lot premium values are typically based on orientation, size, topography, and the quality of views and open space behind the home site. Typical options/upgrades are the addition and finishing of basements and improvements to kitchens, bathrooms, and floorings from the base offering by the homebuilder. For details per product line on estimated premiums and options/upgrades, please refer to the Red Rocks Ranch Pricing Program in Exhibit 19 on the next page.

Exhibit 19 **: *Red Rocks Ranch Home Pricing Program***



Product	Plan	Unit Size (Sq. Ft.)	Base Price ($)	Base $ / Sq. Ft.	Lot Premium	Opt / Upgrade	Est. Close Price	Close $ / Sq. Ft.
Product 1 - 3-Story Cluster SFD 40' x 70' (Lennar)	1	2,270	$650,000	$286.34	2.0%	2.5%	$679,575	$299.37
	2	2,330	$653,000	$280.26	2.0%	3.0%	$686,042	$294.44
	3	2,401	$657,000	$273.64	2.0%	3.0%	$690,244	$287.48
	4	2,581	$670,000	$259.59	2.5%	3.0%	$707,353	$274.06
	Average	2,396	$657,500	$274.47	2.1%	2.9%	$690,803	$288.38
Product 2 - 40' SFD 60' x 110' (Lennar)	1	2,287	$750,000	$327.94	2.0%	2.5%	$784,125	$342.86
	2	2,576	$765,000	$296.97	2.5%	2.5%	$803,728	$312.01
	3	2,612	$770,000	$294.79	2.5%	3.0%	$812,928	$311.23
	4	2,763	$778,000	$281.58	3.0%	3.0%	$825,380	$298.73
	Average	2,560	$765,750	$299.18	2.5%	2.8%	$806,540	$315.12
Product 3 - 48' SFD 60' x 115' (Lennar)	1	2,175	$825,000	$379.31	2.5%	2.5%	$866,766	$398.51
	2	2,528	$840,000	$332.28	2.5%	3.0%	$886,830	$350.80
	3	3,590	$887,000	$247.08	2.5%	3.0%	$936,450	$260.85
	4	3,882	$900,000	$231.84	2.5%	3.0%	$950,175	$244.76
	Average	3,044	$863,000	$283.53	2.5%	2.9%	$910,055	$298.99

--- Notes ---

- Product prices and plan information for the Subject Property is based on all currently available information regarding the Subject Property as provided by the Developer, and identified homebuilder. Additional assumptions and estimates have been included based on an analysis within the competitive market to determine the most likely additional product information.
- Average prices for the Subject Property is based on all currently available information regarding the Subject Property, as provided by the Developer and Homebuilder. Plan information used was from actively selling product lines from within other active Lennar communities where possible, paired with competitive market information for the most reasonable product comparison. Product finished floor plan square footages has been estimated to 4-5 plans per product line, when possible aligning the overall anticipated average size into each product line.
- All information is based on current market conditions. Pricing at the Subject Property's release may need adjustment. Zonda Advisory estimates a 3.0% annual increase in pricing in the CMA due to rising material and labor costs.

Exhibit Package

Economic Overview

Employment and Job Growth

Exhibit 20 : ***Denver, CO Employment by Industry Sector***

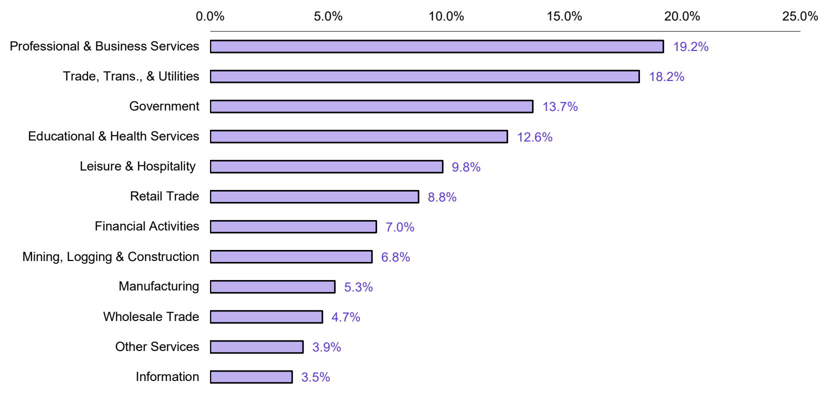
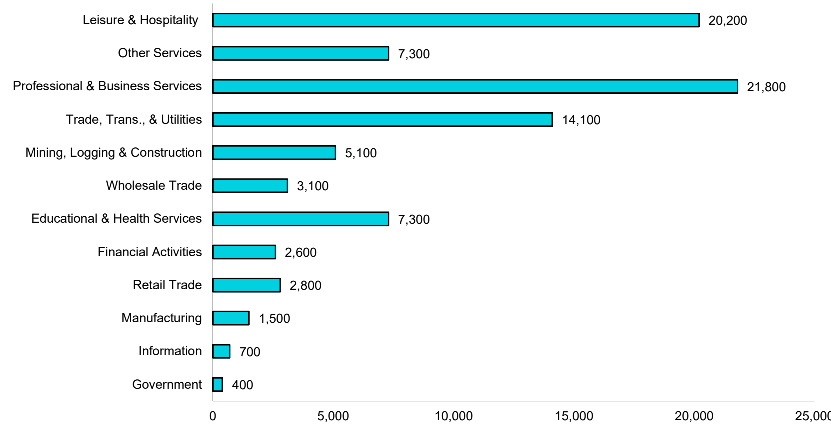


Exhibit 21 : ***Denver, CO Employment Growth Year-Over-Year***



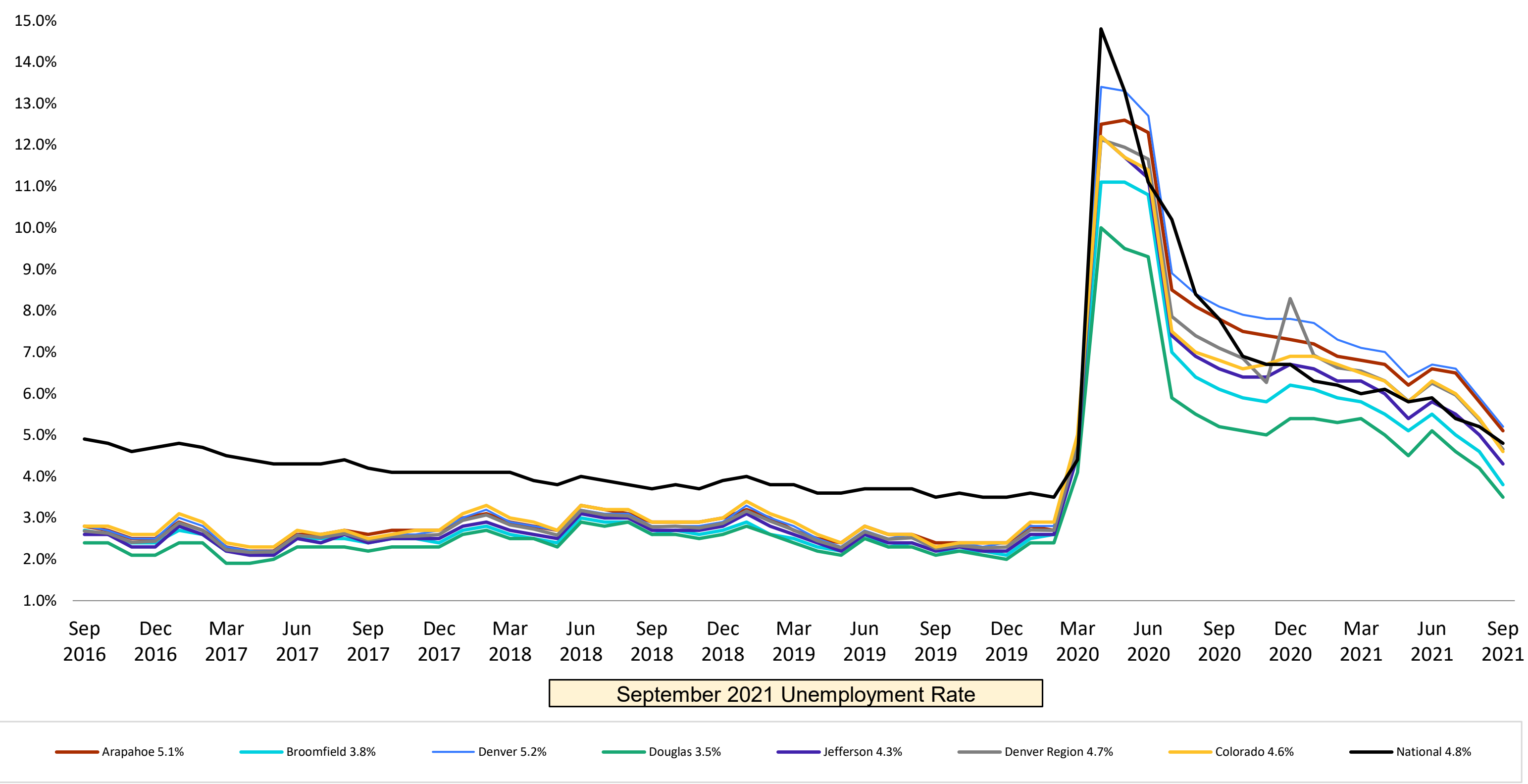
Ranked by Current Industry Sector One-Year Growth

Sector	Sep 2021	Sep 2020	Net Jobs 1-Yr	Net Jobs 3-Yr	Net Jobs 5-Yr	Capture %	YOY %
Leisure & Hospitality	169,100	148,900	20,200	-22,800	-16,900	9.8%	13.6%
Other Services	67,500	60,200	7,300	3,000	4,600	3.9%	12.1%
Professional & Business Services	329,800	308,000	21,800	19,700	35,000	19.2%	7.1%
Trade, Trans., & Utilities	312,200	298,100	14,100	13,700	25,300	18.2%	4.7%
Mining, Logging & Construction	117,700	112,600	5,100	1,500	13,000	6.8%	4.5%
Wholesale Trade	81,500	78,400	3,100	1,600	4,200	4.7%	4.0%
Educational & Health Services	216,200	208,900	7,300	1,700	8,000	12.6%	3.5%
Financial Activities	120,900	118,300	2,600	2,100	7,100	7.0%	2.2%
Retail Trade	151,600	148,800	2,800	-3,800	-1,900	8.8%	1.9%
Manufacturing	90,700	89,200	1,500	1,600	4,000	5.3%	1.7%
Information	59,500	58,800	700	1,000	5,000	3.5%	1.2%
Government	234,700	234,300	400	-7,400	-500	13.7%	0.2%
Total Non-Farm	1,718,300	1,637,300	81,000	14,100	84,600	100.0%	4.9%

To further break down the economic characteristics of the area, we have provided a historical look at select county unemployment rates, as well as against the Denver region, the state, and national rates. As some rates begin to fall, there are some additional factors to consider when reviewing unemployment rate trends. These include fewer people looking for work and demographic shifts as workers who delayed retirement during the recession now begin to leave the workforce, leaving job openings to fill.

Jefferson County (purple-colored line), where Red Rocks Ranch is located, continues to rank in the middle when comparing unemployment rates among the eight counties in the Front Range. Based on the most recent data available, Jefferson County's unemployment rate stood at 4.3%, below September levels in the Denver Region (4.7%), Colorado (4.6%), and the National (4.8%) rate.

Exhibit 22 ***: Regional Unemployment Rate Trends by County***



Demographic Overview

Population and Households

Exhibit 23 : ***Denver Market Total Population***

	Total Population 2010 Census	2021 Estimate	2026 Projection
Population	2,880,569	3,413,268	3,572,096
Total Numerical Change	---	532,699	158,828
Total Percent Change	---	18.5%	4.7%
Annual Number Change	---	48,427	31,766
Annual Percent Change	---	1.6%	0.9%
Households	1,135,213	1,343,645	1,405,442
Total Numerical Change	---	208,432	61,797
Total Percent Change	---	18.4%	4.6%
Annual Number Change	---	18,948	12,359
Annual Percent Change	---	1.5%	0.9%
Average Household Size	2.5	2.5	2.5

Source: Zonda Advisory/Neustar/U.S. Census Bureau

Exhibit 24 : ***Red Rocks Ranch CMA Total Population***

	Total Population 2010 Census	2021 Estimate	2026 Projection
Population	381,255	410,455	427,117
Total Numerical Change	---	29,200	16,662
Total Percent Change	---	7.7%	4.1%
Annual Number Change	---	2,655	3,332
Annual Percent Change	---	0.7%	0.8%
Households	157,473	169,028	175,819
Total Numerical Change	---	11,555	6,791
Total Percent Change	---	7.3%	4.0%
Annual Number Change	---	1,050	1,358
Annual Percent Change	---	0.6%	0.8%
Average Household Size	2.4	2.4	2.4
Population	13.2%	12.0%	12.0%
Households	13.9%	12.6%	12.5%

Source: Zonda Advisory/Neustar/U.S. Census Bureau

Age Distribution

Exhibit 25 : ***Market Age Distribution***

Age Group	2010 Census Total	%	2021 Estimate Total	%	2026 Projection Total	%
0-24	977,672	33.9%	1,044,089	30.6%	1,074,657	30.1%
25-34	436,926	15.2%	571,984	16.8%	508,906	14.2%
35-44	425,262	14.8%	499,354	14.6%	540,779	15.1%
45-54	424,330	14.7%	435,703	12.8%	467,694	13.1%
55-64	328,768	11.4%	406,437	11.9%	414,494	11.6%
65-74	161,924	5.6%	283,378	8.3%	327,814	9.2%
75-84	88,791	3.1%	123,321	3.6%	173,002	4.8%
85+	36,896	1.3%	49,002	1.4%	64,749	1.8%
Total	2,880,569	100.0%	3,413,268	100.0%	3,572,096	100.0%
Annual Change						
0-24	-	-	6,038	0.6%	6,114	0.6%
25-34	-	-	12,278	2.5%	-12,616	-2.3%
35-44	-	-	6,736	1.5%	8,285	1.6%
45-54		-	1,034	0.2%	6,398	1.4%
55-64	-	-	7,061	1.9%	1,611	0.4%
65-74	-	-	11,041	5.2%	8,887	3.0%
75-84	-	-	3,139	3.0%	9,936	7.0%
85+	-	-	1,101	2.6%	3,149	5.7%
Median Age	35.6		36.7		38.6	

Source: Zonda Advisory/Neustar/U.S. Census Bureau

Exhibit 26 : ***CMA Age Distribution***

Age Group	2010 Census Total	%	2021 Estimate Total	%	2026 Projection Total	%
0-24	118,584	31.1%	110,272	26.9%	115,605	27.1%
25-34	50,713	13.3%	61,787	15.1%	53,896	12.6%
35-44	50,895	13.3%	62,466	15.2%	64,682	15.1%
45-54	61,787	16.2%	50,602	12.3%	56,650	13.3%
55-64	49,809	13.1%	51,962	12.7%	50,995	11.9%
65-74	26,587	7.0%	42,783	10.4%	45,832	10.7%
75-84	16,118	4.2%	21,936	5.3%	28,001	6.6%
85+	6,761	1.8%	8,646	2.1%	11,457	2.7%
Total	381,255	100.0%	410,455	100.0%	427,117	100.0%
Annual Change						
0-24	-	-	-756	-0.7%	1,067	0.9%
25-34	-	-	1,007	1.8%	-1,578	-2.7%
35-44	-	-	1,052	1.9%	443	0.7%
45-54	-	-	-1,017	-1.8%	1,210	2.3%
55-64	-	-	196	0.4%	-193	-0.4%
65-74	-	-	1,472	4.4%	610	1.4%
75-84	-	-	529	2.8%	1,213	5.0%
85+	-	-	171	2.3%	562	5.8%
Median Age	39.3		40.0		41.8	

Source: Zonda Advisory/Neustar/U.S. Census Bureau

Household Income

Exhibit 27 : ***Market Household Income***

Annual Household Inc.	2010 Census Total HH	2010 Census %	2021 Estimate Total HH	2021 Estimate %	2026 Projection Total HH	2026 Projection %
Under $25,000	229,058	20.2%	152,270	11.3%	150,682	10.7%
$25,000-$34,000	107,778	9.5%	77,050	5.7%	76,064	5.4%
$35,000-$49,000	149,894	13.2%	126,600	9.4%	127,490	9.1%
$50,000-$74,000	203,454	17.9%	221,420	16.5%	227,621	16.2%
$75,000-$99,000	150,325	13.2%	179,207	13.3%	185,875	13.2%
$100,000-$149,000	168,257	14.8%	267,880	19.9%	286,179	20.4%
$150,000+	126,447	11.1%	319,218	23.8%	351,531	25.0%
	1,135,213	100.0%	1,343,645	100.0%	1,405,442	100.0%
Average Household Inc.	$78,919		$112,889		$116,054	
Median Household Inc.	$59,546		$88,180		$91,255	

Source: Zonda Advisory/Neustar/U.S. Census Bureau

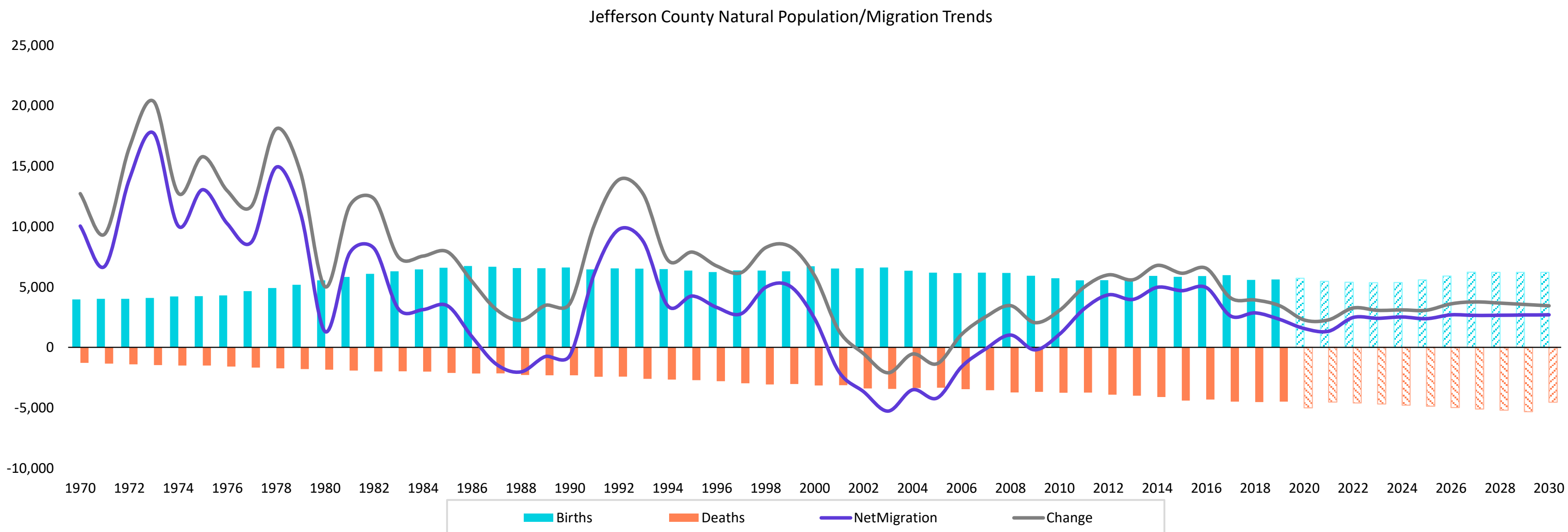
Exhibit 28 : ***CMA Household Income***

Annual Household Inc.	2010 Census Total HH	2010 Census %	2021 Estimate Total HH	2021 Estimate %	2026 Projection Total HH	2026 Projection %
Under $25,000	30,721	19.5%	19,075	11.3%	19,218	10.9%
$25,000-$34,000	15,858	10.1%	9,926	5.9%	9,826	5.6%
$35,000-$49,000	20,653	13.1%	17,237	10.2%	17,586	10.0%
$50,000-$74,000	30,205	19.2%	29,422	17.4%	30,251	17.2%
$75,000-$99,000	21,137	13.4%	21,984	13.0%	22,700	12.9%
$100,000-$149,000	23,237	14.8%	34,718	20.5%	36,715	20.9%
$150,000+	15,661	9.9%	36,665	21.7%	39,522	22.5%
	157,473	100.0%	169,028	100.0%	175,819	100.0%
Average Household Inc.	$76,402		$109,112		$111,192	
Median Household Inc.	$59,194		$85,068		$87,145	

Source: Zonda Advisory/Neustar/U.S. Census Bureau

Exhibit 29 *: **Natural Population and Migration Trends into Jefferson County, CO***

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Population	535,651	540,617	546,616	552,207	558,985	565,118	571,648	575,722	579,641	583,081	585,341	587,617	590,865	593,926	597,021	600,090	603,690	607,450	611,105	614,658	618,093
Change	3,045	4,966	5,999	5,591	6,778	6,133	6,530	4,074	3,919	3,440	2,260	2,276	3,249	3,060	3,096	3,068	3,600	3,760	3,656	3,553	3,435
Births	5,723	5,545	5,565	5,633	5,917	5,838	5,903	5,977	5,589	5,626	5,721	5,457	5,380	5,347	5,366	5,580	5,896	6,214	6,212	6,210	6,207
Deaths	3,757	3,744	3,906	4,003	4,110	4,397	4,322	4,489	4,521	4,493	5,014	4,516	4,599	4,687	4,779	4,877	4,982	5,092	5,209	5,331	5,458
Net Migration	1,079	3,165	4,340	3,961	4,971	4,692	4,949	2,586	2,851	2,307	1,553	1,335	2,468	2,400	2,509	2,366	2,686	2,637	2,652	2,673	2,687

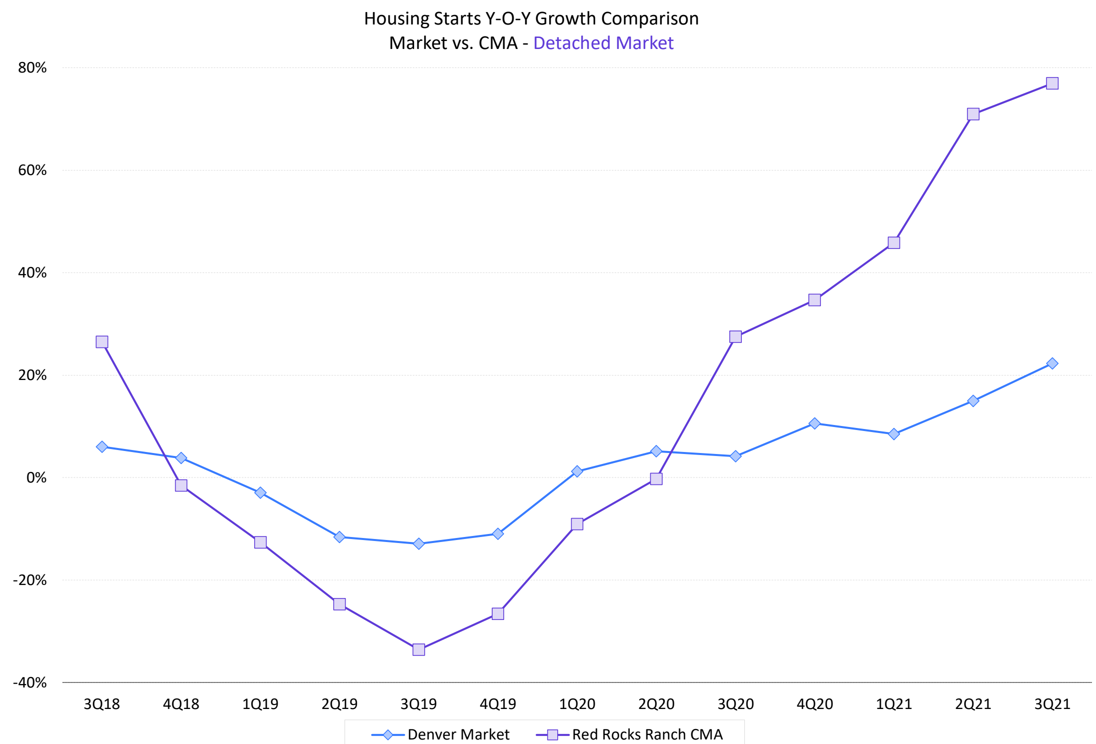


Source: Colorado Department of Local Affairs

Housing Market Overview

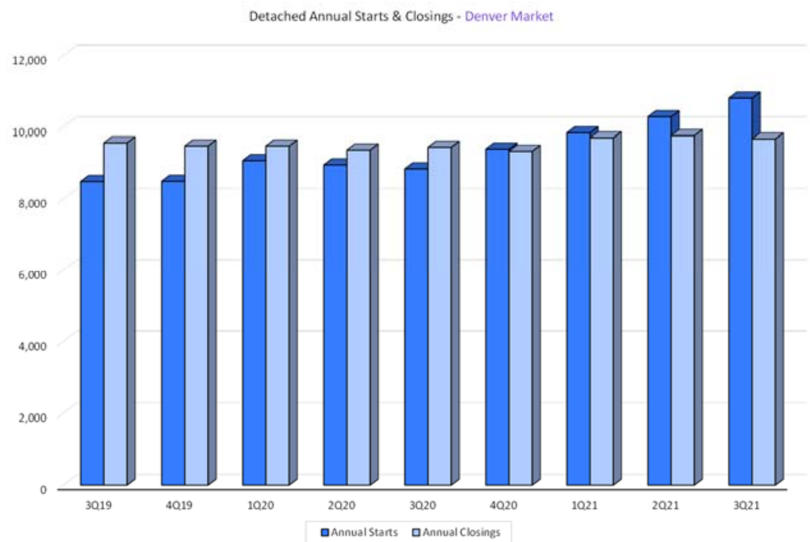
New Home Production

Exhibit 30 *: **Housing Starts Activity – Detached***



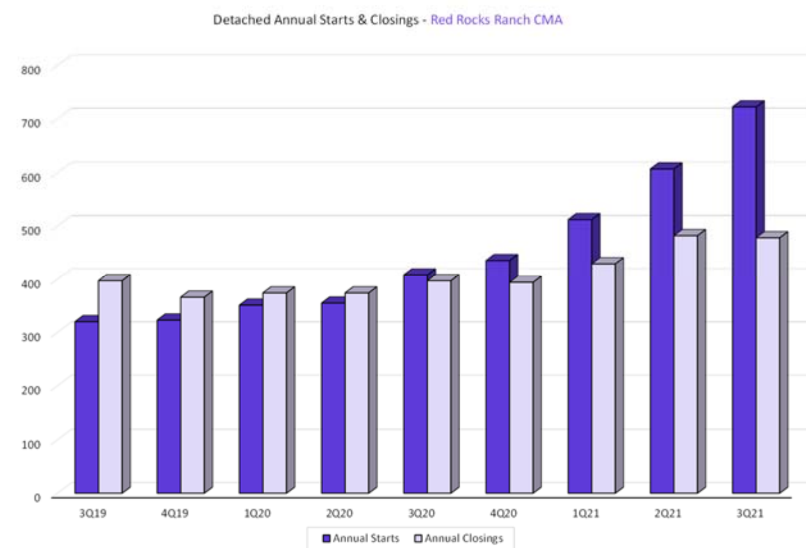
	Denver Market		Red Rocks Ranch CMA	
Quarter	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
3Q17	9,193	*	381	*
4Q17	9,190	*	447	*
1Q18	9,232	*	442	*
2Q18	9,629	*	473	*
3Q18	9,747	6.0%	482	26.5%
4Q18	9,542	3.8%	440	-1.6%
1Q19	8,961	-2.9%	386	-12.7%
2Q19	8,513	-11.6%	356	-24.7%
3Q19	8,486	-12.9%	320	-33.6%
4Q19	8,493	-11.0%	323	-26.6%
1Q20	9,070	1.2%	351	-9.1%
2Q20	8,950	5.1%	355	-0.3%
3Q20	8,839	4.2%	408	27.5%
4Q20	9,391	10.6%	435	34.7%
1Q21	9,842	8.5%	512	45.9%
2Q21	10,288	14.9%	607	71.0%
3Q21	10,808	22.3%	722	77.0%
Hist. Avg.	9,304	2.9%	438	13.4%

Exhibit 31 : ***New Housing Starts and Closings Activity Comparison - Detached***



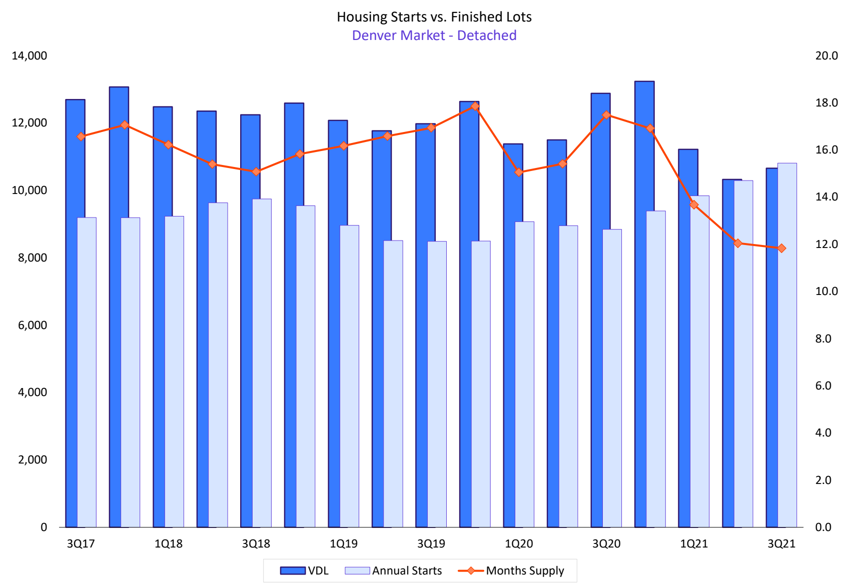
Denver Market - Detached					
Quarter	Annual Starts		Annual Closings		St - Cl
3Q19	8,486	-12.9%	9,562	3.1%	-1,076
4Q19	8,493	-11.0%	9,477	-0.8%	-984
1Q20	9,070	1.2%	9,477	0.1%	-407
2Q20	8,950	5.1%	9,365	-1.1%	-415
3Q20	8,839	4.2%	9,442	-1.3%	-603
4Q20	9,391	10.6%	9,329	-1.6%	62
1Q21	9,842	8.5%	9,701	2.4%	141
2Q21	10,288	14.9%	9,763	4.2%	525
3Q21	10,808	22.3%	9,670	2.4%	1,138
9-Qtr Avg	9,352	4.8%	9,532	0.8%	-180

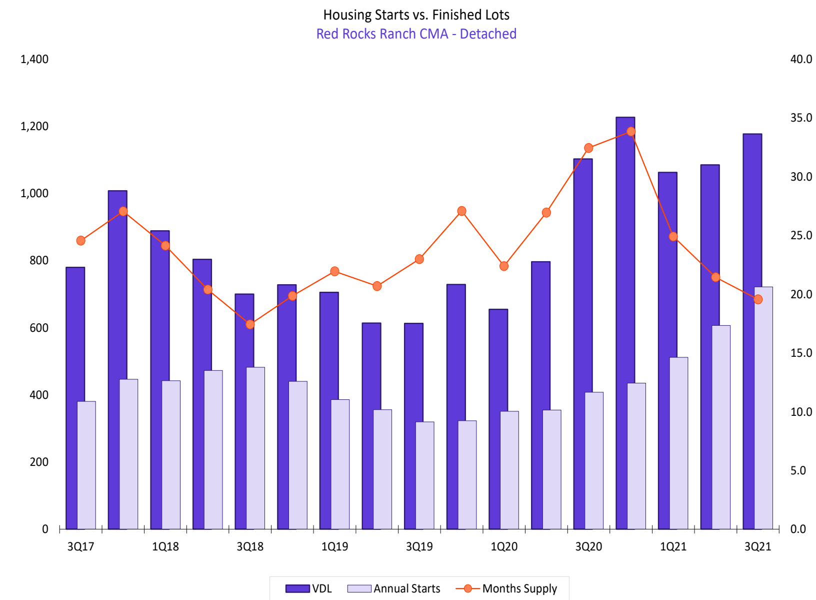
Red Rocks Ranch CMA - Detached					
Quarter	Annual Starts		Annual Closings		St - Cl
3Q19	320	-33.6%	397	-4.6%	-77
4Q19	323	-26.6%	366	-25.2%	-43
1Q20	351	-9.1%	374	-20.3%	-23
2Q20	355	-0.3%	374	-11.4%	-19
3Q20	408	27.5%	397	0.0%	11
4Q20	435	34.7%	394	7.7%	41
1Q21	512	45.9%	429	14.7%	83
2Q21	607	71.0%	482	28.9%	125
3Q21	722	77.0%	478	20.4%	244
9-Qtr Avg	448	20.7%	410	1.1%	38



Lot Supply

Exhibit 32 **: *Vacant Developed Lots and Months of Supply – Detached***

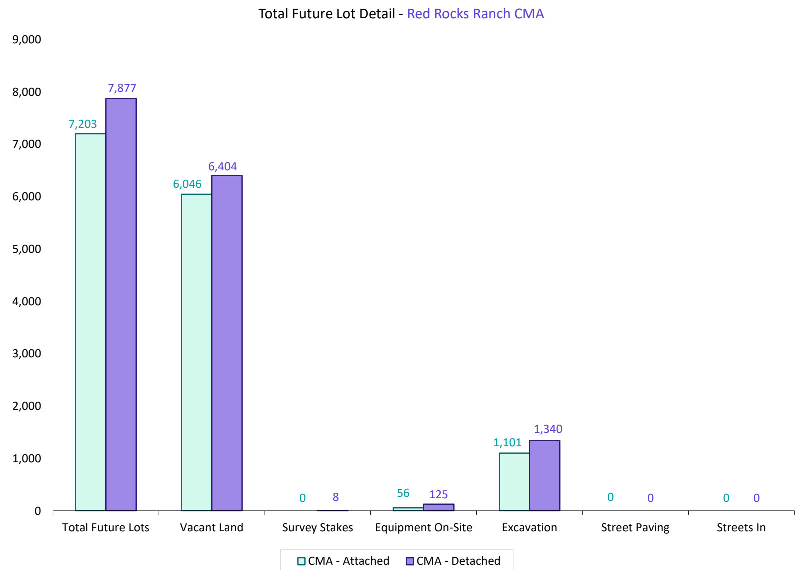




Quarter	Denver Market - Detached			Red Rocks Ranch CMA - Detached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
3Q18	12,245	9,747	15.1	700	482	17.4
3Q19	11,975	8,486	16.9	613	320	23.0
3Q20	12,880	8,839	17.5	1,103	408	32.4
3Q21	10,656	10,808	11.8	1,177	722	19.6
Hist. Avg	12,062	9,304	15.6	863	438	23.7

Future Lot Supply

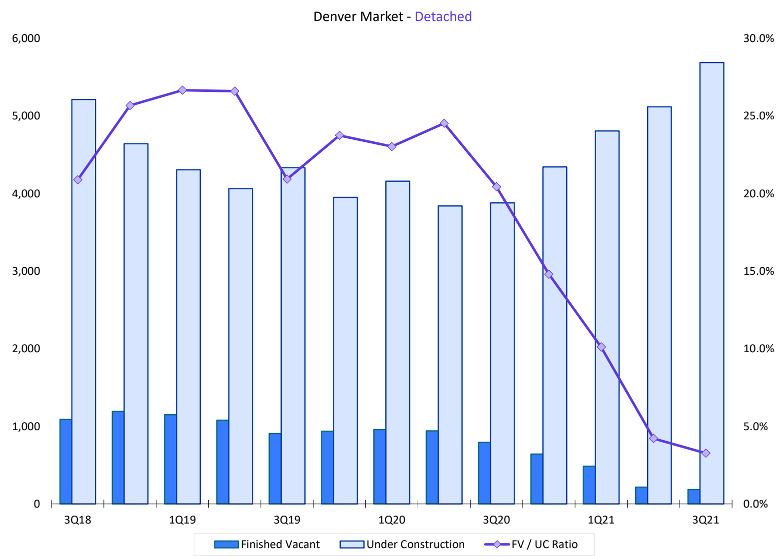
Exhibit 33 *: **Development Status of Future Lots and Future Supply***

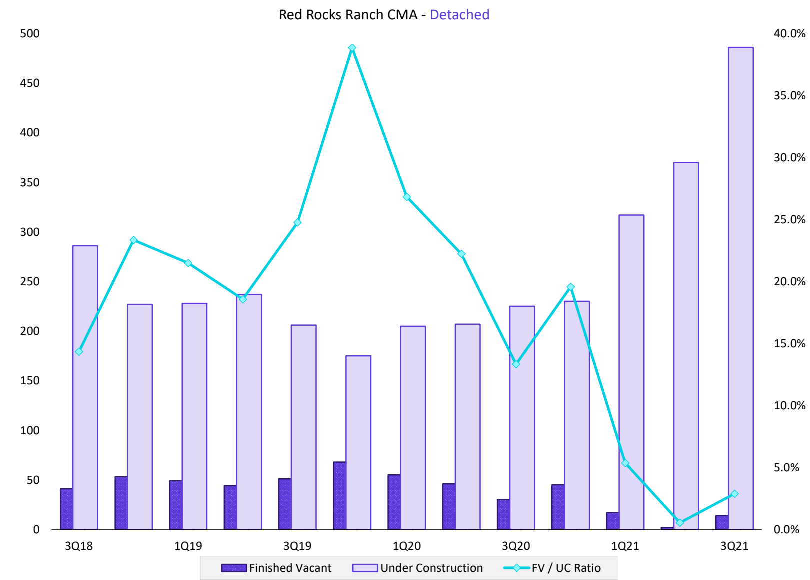


3Q21	Denver Market		Red Rocks Ranch CMA	
	Attached Future Lot Detail			
Total Future Lots	99,317	100.0%	7,203	100.0%
Vacant Land	87,583	88.2%	6,046	83.9%
Survey Stakes	685	0.7%	0	0.0%
Equipment On-Site	2,391	2.4%	56	0.8%
Excavation	8,096	8.2%	1,101	15.3%
Street Paving	516	0.5%	0	0.0%
Streets In	46	0.0%	0	0.0%
In-Process	11,734	11.8%	1,157	16.1%
	Detached Future Lot Detail			
Total Future Lots	168,254	100.0%	7,877	100.0%
Vacant Land	146,081	86.8%	6,404	81.3%
Survey Stakes	299	0.2%	8	0.1%
Equipment On-Site	6,237	3.7%	125	1.6%
Excavation	11,182	6.6%	1,340	17.0%
Street Paving	4,430	2.6%	0	0.0%
Streets In	25	0.0%	0	0.0%
In-Process	22,173	13.2%	1,473	18.7%

Housing Inventory

Exhibit 34 **: *Finished and Vacant vs. Under Construction Inventory - Detached***





Quarter	Denver Market - Detached: Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio	Red Rocks Ranch CMA - Detached: Finished Vacant	Under Construction	Models	Total Inventory	FV / UC Ratio
3Q18	1,089	5,213	484	6,786	20.9%	41	286	29	356	14.3%
4Q18	1,192	4,642	493	6,327	25.7%	53	227	28	308	23.3%
1Q19	1,148	4,306	510	5,964	26.7%	49	228	28	305	21.5%
2Q19	1,081	4,064	486	5,631	26.6%	44	237	24	305	18.6%
3Q19	907	4,333	470	5,710	20.9%	51	206	22	279	24.8%
4Q19	938	3,950	455	5,343	23.7%	68	175	22	265	38.9%
1Q20	958	4,160	439	5,557	23.0%	55	205	22	282	26.8%
2Q20	942	3,840	434	5,216	24.5%	46	207	33	286	22.2%
3Q20	793	3,880	434	5,107	20.4%	30	225	35	290	13.3%
4Q20	643	4,343	419	5,405	14.8%	45	230	31	306	19.6%
1Q21	486	4,807	405	5,698	10.1%	17	317	31	365	5.4%
2Q21	216	5,117	408	5,741	4.2%	2	370	39	411	0.5%
3Q21	186	5,689	370	6,245	3.3%	14	486	34	534	2.9%
Hist. Avg	814	4,488		5,748	18.1%	40	261		330	15.2%

Price Distribution

Exhibit 35 *: **12-Month Starts by Price – Denver Market - Detached***

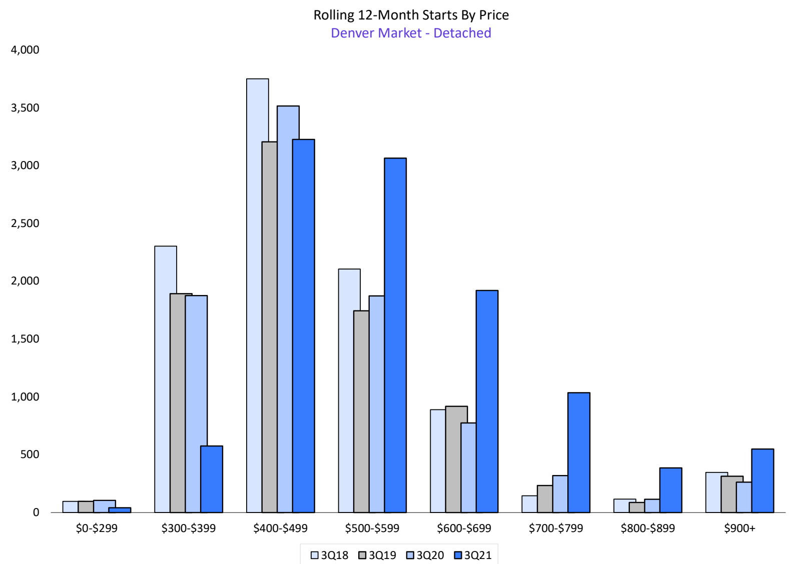
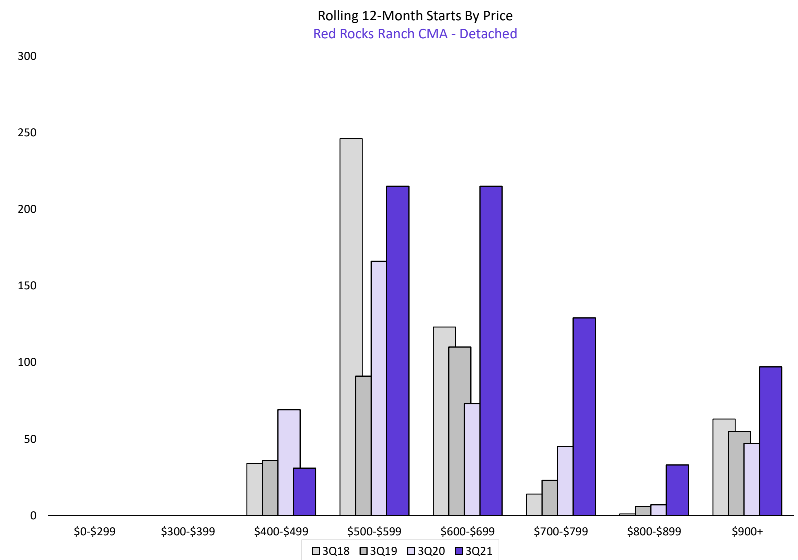


Exhibit 36 *: **12-Month Starts by Price – Red Rock Ranch CMA - Detached***



Denver Market - Detached — 12-Month Annual Starts by Price Segment

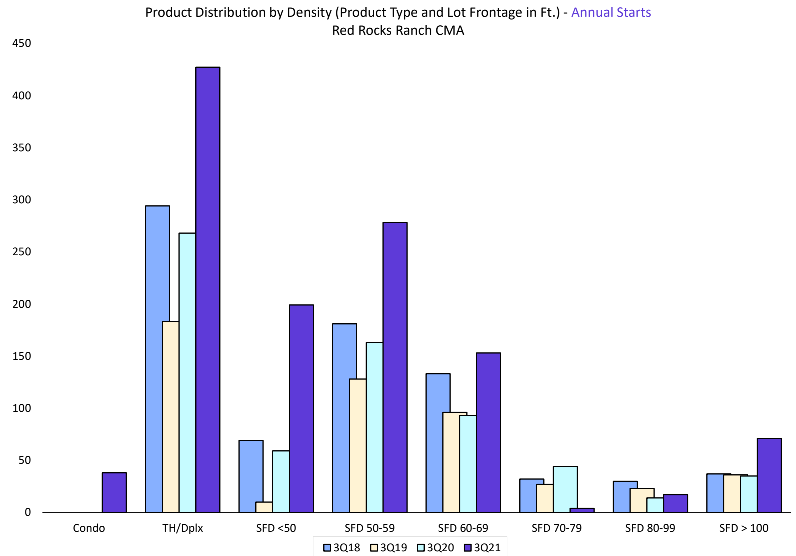
Quarter	$0-$299	$300-$399	$400-$499	$500-$599	$600-$699	$700-$799	$800-$899	$900+
3Q18	96	2,304	3,750	2,105	889	144	115	346
3Q19	95	1,892	3,205	1,744	918	233	86	313
3Q20	104	1,876	3,516	1,872	774	320	114	262
3Q21	41	574	3,226	3,065	1,920	1,035	385	549
Market Share								
3Q18	1.0%	23.6%	38.5%	21.6%	9.1%	1.5%	1.2%	3.5%
3Q19	1.1%	22.3%	37.8%	20.6%	10.8%	2.7%	1.0%	3.7%
3Q20	1.2%	21.2%	39.8%	21.2%	8.8%	3.6%	1.3%	3.0%
3Q21	0.4%	5.3%	29.9%	28.4%	17.8%	9.6%	3.6%	5.1%

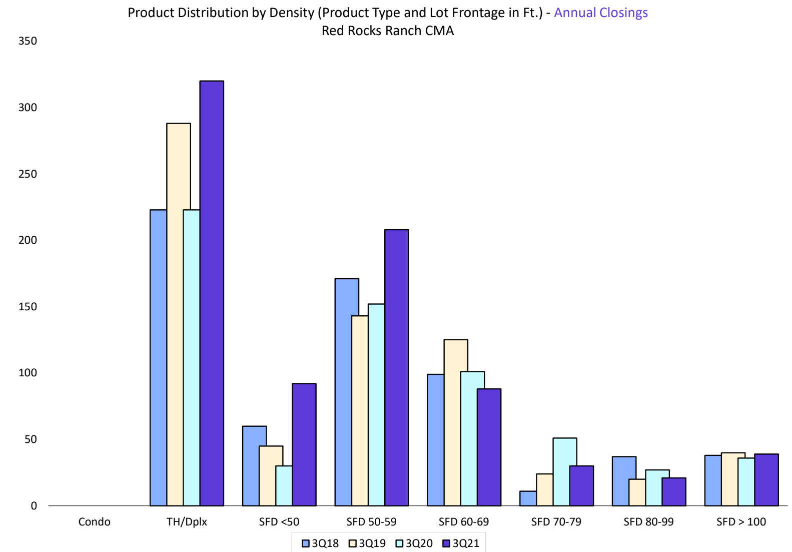
Red Rocks Ranch CMA - Detached — 12-Month Annual Starts by Price Segment

Quarter	$0-$299	$300-$399	$400-$499	$500-$599	$600-$699	$700-$799	$800-$899	$900+
3Q18	0	0	34	246	123	14	1	63
3Q19	0	0	36	91	110	23	6	55
3Q20	0	0	69	166	73	45	7	47
3Q21	0	0	31	215	215	129	33	97
Market Share								
3Q18	0.0%	0.0%	7.1%	51.1%	25.6%	2.9%	0.2%	13.1%
3Q19	0.0%	0.0%	11.2%	28.3%	34.3%	7.2%	1.9%	17.1%
3Q20	0.0%	0.0%	17.0%	40.8%	17.9%	11.1%	1.7%	11.5%
3Q21	0.0%	0.0%	4.3%	29.9%	29.9%	17.9%	4.6%	13.5%

Product Distribution

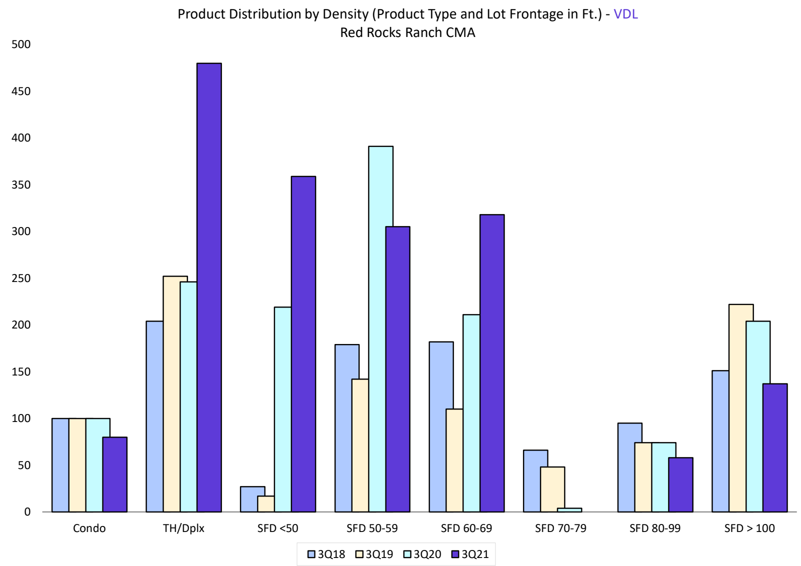
Exhibit 37 *: **CMA Product Distribution, Annual Starts and Annual Closings***

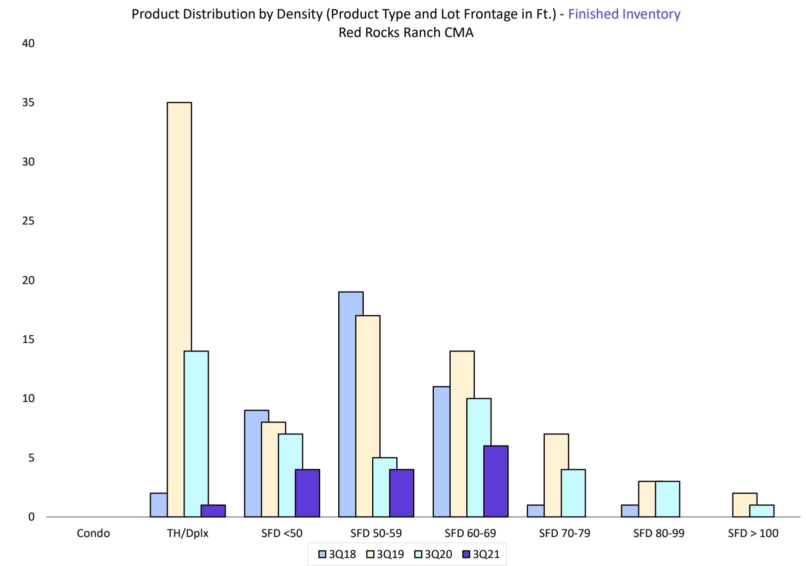




Red Rocks Ranch CMA				Annual Starts by Product Type/Lot Size					
Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
3Q18	0	294	69	181	133	32	30	37	776
3Q19	0	183	10	128	96	27	23	36	503
3Q20	0	268	59	163	93	44	14	35	676
3Q21	38	427	199	278	153	4	17	71	1,187
Market Share									
3Q18	0.0%	37.9%	8.9%	23.3%	17.1%	4.1%	3.9%	4.8%	100%
3Q19	0.0%	36.4%	2.0%	25.4%	19.1%	5.4%	4.6%	7.2%	100%
3Q20	0.0%	39.6%	8.7%	24.1%	13.8%	6.5%	2.1%	5.2%	100%
3Q21	3.2%	36.0%	16.8%	23.4%	12.9%	0.3%	1.4%	6.0%	100%

Exhibit 38 ***: CMA Product Distribution, Vacant Developed Lots and Finished Inventory***





Red Rocks Ranch CMA — Vacant Developed Lots by Product Type/Lot Size

Quarter	Condo	TH/Dplx	SFD <50	SFD 50-59	SFD 60-69	SFD 70-79	SFD 80-99	SFD > 100	Total
3Q18	100	204	27	179	182	66	95	151	1,004
3Q19	100	252	17	142	110	48	74	222	965
3Q20	100	246	219	391	211	4	74	204	1,449
3Q21	80	480	359	305	318	0	58	137	1,737
Market Share									
3Q18	10.0%	20.3%	2.7%	17.8%	18.1%	6.6%	9.5%	15.0%	100%
3Q19	10.4%	26.1%	1.8%	14.7%	11.4%	5.0%	7.7%	23.0%	100%
3Q20	6.9%	17.0%	15.1%	27.0%	14.6%	0.3%	5.1%	14.1%	100%
3Q21	4.6%	27.6%	20.7%	17.6%	18.3%	0.0%	3.3%	7.9%	100%

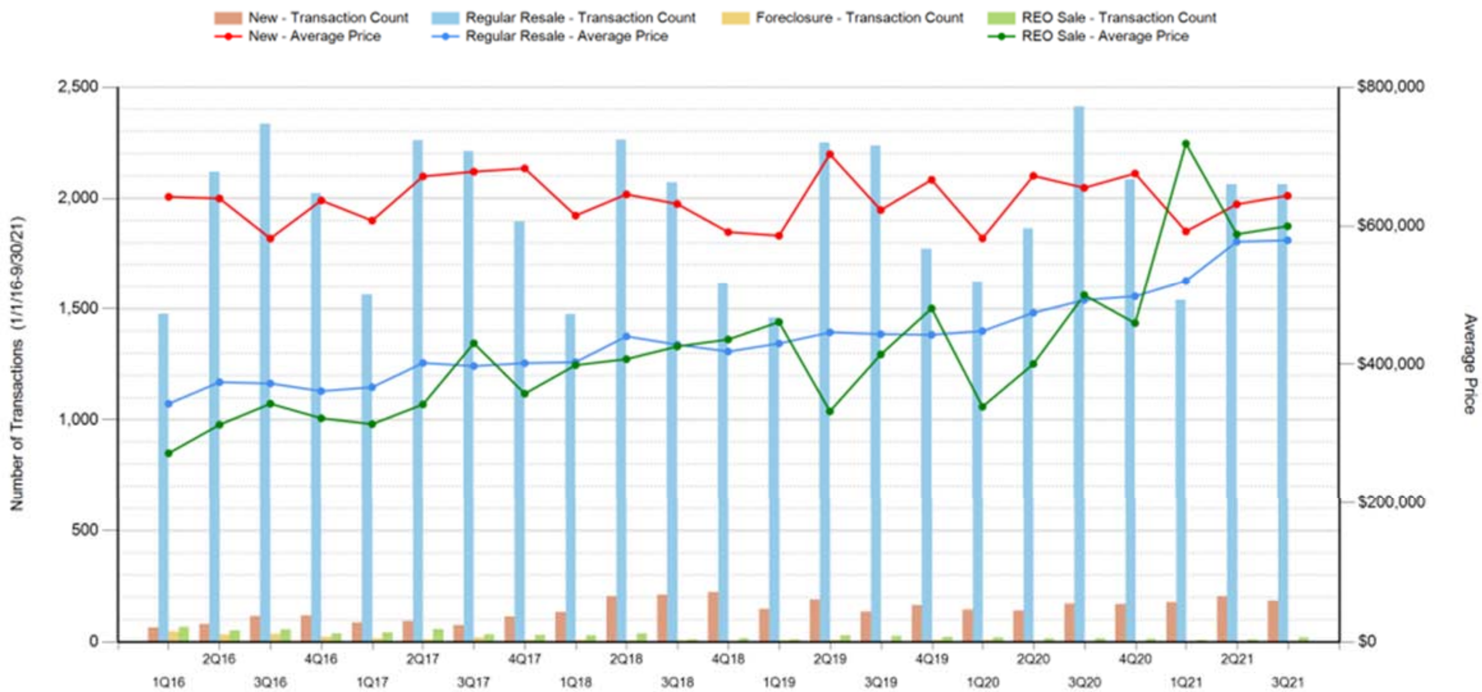
Resale Activity

Exhibit 39 *: **New, Resale, and Foreclosures by Housing Type – CMA***

New, Resale, and Foreclosures By Housing Type
Red Rocks Ranch CMA

Date Range: 11/1/2020 - 10/31/2021

	Single Family					TH/Plex/Other				Condominium				Other/Unkn	Total
Transaction Type	Count	Avg Price	Avg SF	$ / SF	Avg Lot SF	Count	Avg Price	Avg SF	$ / SF	Count	Avg Price	Avg SF	$ / SF	Count	Count
New	443	$738,964	2,666	$278.7	7,693	292	$488,786	1,581	$311.4	3	$384,325	1,134	$319.3	20	758
Regular Resale	5,328	$641,580	1,891	$362.6	12,756	841	$405,650	1,357	$307.0	1,444	$298,293	1,055	$289.7	98	7,711
Foreclosure	5	n/a	2,262	-	15,124	0	-	-	-	2	n/a	975	-	1	8
REO Sale	29	$828,929	2,216	$342.2	14,754	5	$381,250	1,269	$288.3	11	$261,594	936	$282.6	3	48
Selection Totals	**5,805**	**$649,878**	**1,950**	**$356.4**	**12,383**	**1,138**	**$426,935**	**1,407**	**$307.9**	**1,460**	**$298,193**	**1,054**	**$289.7**	**122**	**8,525**



Competitive Market Analysis

Competitive Market Comparables & Positioning

Exhibit 40 *: **CMA Comparable Subdivisions – Single-Family Detached < 50' - Product Details***

Red Rocks Ranch CMA Market Rate Competitive Positioning - SFD <50'

	Project Name/Community Area Lot Size/Builder	Planned Units			Plan Name	--- Unit --- Bed- Bath	Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1	Belleview Village/Cityscapes	72	0	1.9	Soho	2 - 2.5	2 - 3	1,850	$548,950	($16,469)	$6,709	$2,340	$532,482	$288
	Littleton		0.0%	23	Greenwich	2 - 2.5	2 - 3	1,860	$545,950	($16,379)	$6,673	$2,340	$529,572	$285
	SF Detached - Avg. 30 x 60			0.0	Devoe	2 - 2.5	2 - 3	1,940	$577,950	($17,339)	$7,064	$2,340	$560,612	$289
	Richmond American Homes			0										
	Note: Filing 1, Incentives: 3% of base with Pref. Lender													
					Community Summary / Average			1,883	$557,617	($16,729)	$6,815	$2,340	$540,888	$287
2	Kipling Park West	17	0	0.1	Silver Sage	3 - 2.5	2 - 2	2,062	$616,990	($12,500)	$3,022	$1,668	$604,490	$293
	Littleton		0.0%	1	Bluebell	3 - 2.5	2 - 2	2,407	$644,990	($12,500)	$3,162	$1,668	$632,490	$263
	SF Detached - Avg. 48 x 75			0.0	Snowberry	4 - 3.0	2 - 2	2,630	$664,990	($12,500)	$3,262	$1,668	$652,490	$248
	Meritage Homes			0										
	Note: Filing 1, Incentives: 7.5K with Pref. Lender and 5K Builder Credit													
					Community Summary / Average			2,366	$642,323	($12,500)	$3,149	$1,668	$629,823	$268
3	Solstice/Harmony	295	29	4.3	Destiny	3 - 2.5	2 - 2	2,026	$585,990	($5,000)	$6,914	$1,896	$580,990	$287
	Littleton		9.8%	51	Embark	3 - 2.5	2 - 2	2,232	$606,490	($5,000)	$7,158	$1,896	$601,490	$269
	SF Detached - Avg. 45 x 105			2.3	Serenity	3 - 2.5	2 - 2	2,460	$616,490	($5,000)	$7,277	$1,896	$611,490	$249
	Shea Homes			27	Melody	4 - 3.5	2 - 2	2,598	$626,490	($5,000)	$7,396	$1,896	$621,490	$239
	Note: Filings 1, 2, and 3, Incentives: 5K with Pref. Lender				Imagine	4 - 4.0	2 - 2	2,740	$646,490	($5,000)	$7,634	$1,896	$641,490	$234
					Community Summary / Average			2,411	$616,390	($5,000)	$7,276	$1,896	$611,390	$256
4	Sterling Ranch/Ascent Village	376	73	8.8	Clearwater	2 - 2.0	2 - 1	1,930	$689,950	($20,699)	$8,165	$1,584	$669,252	$347
	Littleton		19.4%	105	Farmington	3 - 2.0	2 - 1	1,970	$698,950	($20,969)	$8,271	$1,584	$677,982	$344
	SF Detached - Avg. 40-50 x 90-110			6.0	Vernon	4 - 2.5	2 - 2	2,460	$702,950	($21,089)	$8,319	$1,584	$681,862	$277
	Richmond American Homes			72	Delta	4 - 2.5	2 - 2	2,680	$717,950	($21,539)	$8,496	$1,584	$696,412	$260
	Note: Filings 4 and 6, Incentives: 3% of base with Pref. Lender				Verde	3 - 2.5	2 - 2	2,740	$721,950	($21,659)	$8,544	$1,584	$700,292	$256
					Holston	3 - 2.5	2 - 2	2,880	$732,950	($21,989)	$8,674	$1,584	$710,962	$247
					Elkhorn	2 - 2.5	3 - 2	3,240	$751,950	($22,559)	$8,899	$1,584	$729,392	$225
					Community Summary / Average			2,557	$716,664	($21,500)	$8,481	$1,584	$695,164	$279
5	Sterling Ranch/Ascent Village	90	29	4.8	Gray	3 - 2.5	2 - 2	1,860	$606,990	($6,000)	$7,332	$0	$600,990	$323
	Littleton		32.2%	58	Frisco	3 - 2.5	2 - 2	1,969	$603,990	($6,000)	$7,295	$0	$597,990	$304
	SF Detached - Avg. 45 x 110			2.3	Hayden	3 - 2.5	2 - 2	2,212	$632,490	($6,000)	$7,643	$0	$626,490	$283
	Taylor Morrison			28	Antero	4 - 2.5	2 - 2	2,244	$627,990	($6,000)	$7,588	$0	$621,990	$277
	Note: Filing 4				Granby	4 - 2.5	2 - 2	2,496	$626,990	($6,000)	$7,576	$0	$620,990	$249
					Telluride	3 - 2.5	2 - 2	2,824	$656,490	($6,000)	$7,936	$0	$650,490	$230
					Community Summary / Average			2,268	$625,823	($6,000)	$7,562	$0	$619,823	$278
6	Sterling Ranch/Ascent Village	80	29	3.8	Residence 2801	2 - 2.0	2 - 1	1,498	$543,900	($7,500)	$6,544	$500	$536,400	$358
	Littleton		36.3%	46	Residence 2802	3 - 2.5	2 - 2	1,578	$540,900	($7,500)	$6,507	$500	$533,400	$338
	SF Detached - Avg. 40 x 95			2.3	Residence 2803	3 - 2.5	2 - 2	1,798	$550,900	($7,500)	$6,629	$500	$543,400	$302
	Tri Pointe Homes			27	Residence 2804	3 - 2.5	2 - 2	2,016	$558,900	($7,500)	$6,727	$500	$551,400	$274
	Note: Filing 4. Incentives: 7.5K with Pref. Lender toward closing costs				Residence 2805	3 - 2.5	2 - 2	2,156	$567,900	($7,500)	$6,837	$500	$560,400	$260
					Community Summary / Average			1,809	$552,500	($7,500)	$6,649	$500	$545,000	$306

Red Rocks Ranch CMA Market Rate Competitive Positioning - SFD <50'

#	Project Name/Community Area Lot Size/Builder	Planned Units			Plan Name	Bed- Bath	--- Unit --- Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
7	Sterling Ranch/Ascent Village - Prelude	92	0	0.0	Prelude - Plan 3507	3 - 2.5	2 - 2	1,965	$599,900	($7,500)	$7,227	$500	$592,400	$301
	Littleton		0.0%	0	Prelude - Plan 3501	3 - 2.5	2 - 2	2,059	$609,900	($7,500)	$7,349	$500	$602,400	$293
	SF Detached - Avg. 40 x 110			0.0	Prelude - Plan 3502	3 - 2.5	2 - 2	2,239	$619,900	($7,500)	$7,471	$500	$612,400	$274
	Tri Pointe Homes			0	Prelude - Plan 3503	3 - 2.5	2 - 2	2,311	$636,900	($7,500)	$7,679	$500	$629,400	$272
	Note: Filing 5, Incentives: .7.5K with Pref. Lender toward closing costs				Prelude - Plan 3504	4 - 3.5	2 - 2	2,564	$649,900	($7,500)	$7,837	$500	$642,400	$251
					Community Summary / Average			2,228	$623,300	($7,500)	$7,513	$500	$615,800	$278
8	Sterling Ranch/Prospect Village	44	0	1.6	Chatfield	3 - 2.0	2 - 1	1,525	$599,990	($5,000)	$7,259	$0	$594,990	$390
	Littleton		0.0%	19	Roxborough	3 - 2.0	2 - 1	1,667	$612,990	($5,000)	$7,417	$0	$607,990	$365
	SF Detached - Avg. 40 x 115			0.0	Mesa Verde	3 - 2.5	2 - 2	1,842	$617,990	($5,000)	$7,478	$0	$612,990	$333
	Dream Finders Homes			0	Cimarron	3 - 2.5	2 - 2	2,063	$632,990	($5,000)	$7,661	$0	$627,990	$304
	Note: Filing 3, Incentives: 5K with Pref. Lender				Grand Mesa	3 - 2.5	2 - 2	2,327	$647,990	($5,000)	$7,844	$0	$642,990	$276
					El Dorado	4 - 3.0	2 - 2	2,602	$662,990	($5,000)	$8,027	$0	$657,990	$253
					Community Summary / Average			2,004	$629,157	($5,000)	$7,615	$0	$624,157	$320
9	Sterling Ranch/Prospect Village	64	0	0.1	Horizon - Aster	2 - 2.0	1 - 2	1,245	$485,900	($6,000)	$5,855	$0	$479,900	$385
	Littleton		0.0%	1	Horizon - Celeste	3 - 2.5	2 - 2	1,608	$500,900	($6,000)	$6,038	$0	$494,900	$308
	SF Detached - Avg. 32 x 80			0.0	Horizon - Aurora	4 - 2.5	2 - 2	1,793	$520,900	($6,000)	$6,282	$0	$514,900	$287
	Taylor Morrison			0	Horizon - Stella	4 - 2.5	2 - 2	1,949	$549,900	($6,000)	$6,636	$0	$543,900	$279
	Note: Filing 3				Horizon - Meridian	4 - 2.5	2 - 2	2,080	$569,900	($6,000)	$6,880	$0	$563,900	$271
					Community Summary / Average			1,735	$525,500	($6,000)	$6,338	$0	$519,500	$306

Competitive Market Area Summary:

					Size	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
Planned	1,130	25.3	Avg. Monthly	Min.	1,245	$485,900	($22,559)	$3,022	$0	$479,900	$225
Occ.	160	304	Last Ann. Start	Max.	3,240	$751,950	($5,000)	$8,899	$2,340	$729,392	$390
Remaining	970	12.8	Avg. Monthly	Average	2,160	$616,329	($9,649)	$7,093	$835	$606,680	$288
		154	Last Ann. Close	Median	2,063	$616,990	($7,500)	$7,332	$500	$611,490	$279

Exhibit 41 ***: CMA Price Position Graph – Single-Family Detached < 50' - New Home Base Prices***

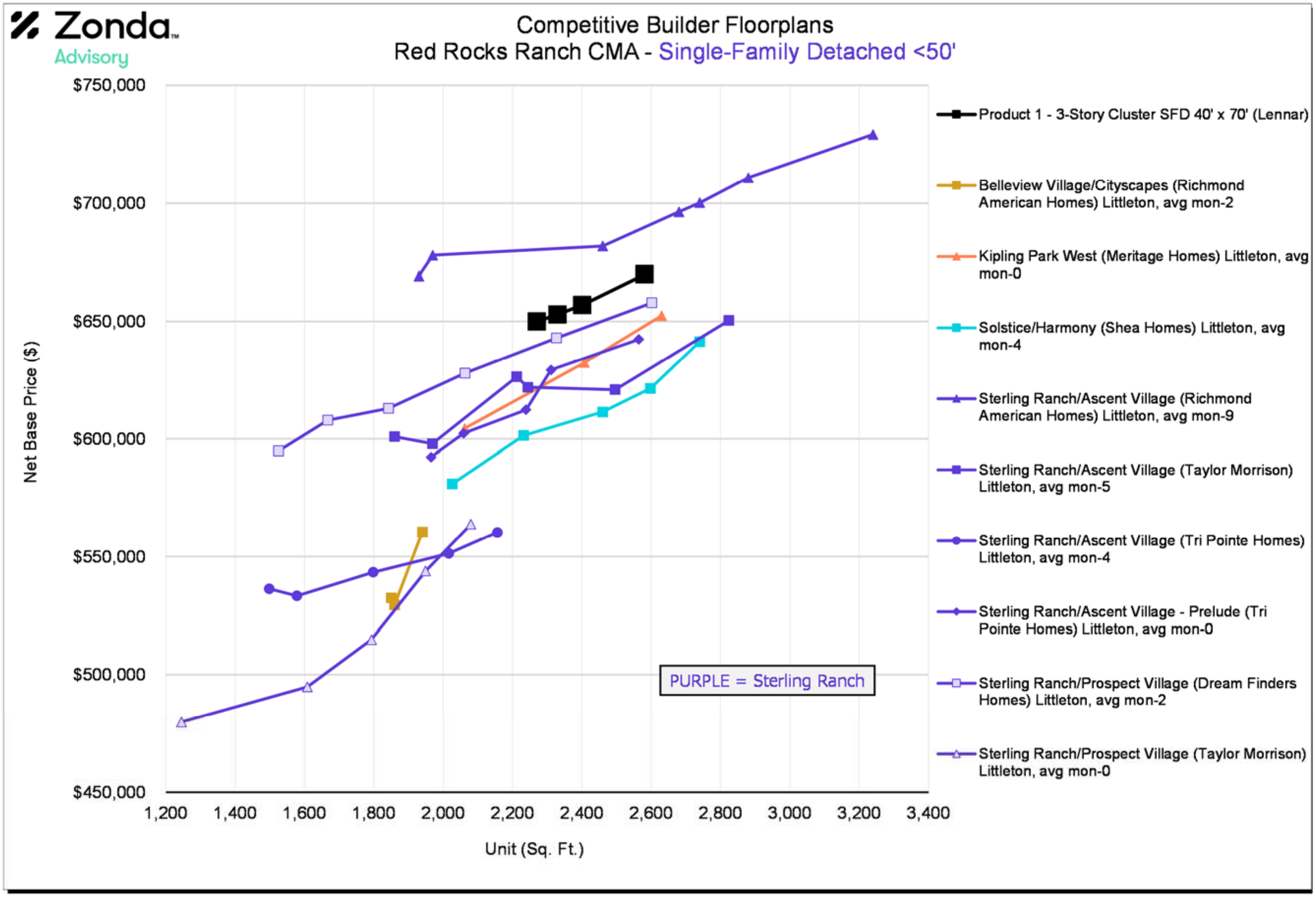


Exhibit 42 : ***CMA Price Position Graph – Single-Family Detached < 50′ - New Home Closing Prices***

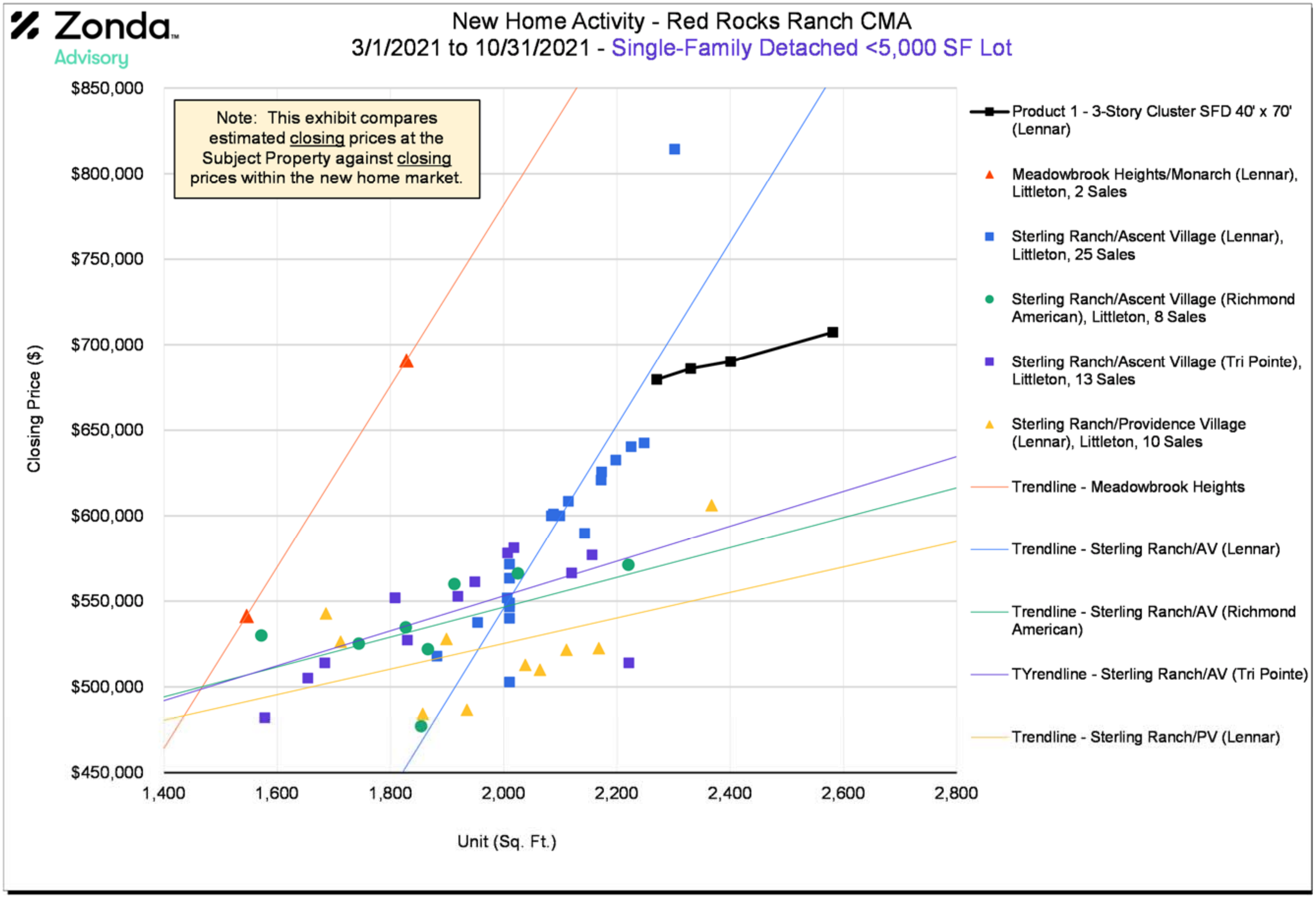


Exhibit 43 : ***CMA Price Position Graph – Single-Family Detached < 50' - Resale Activity***

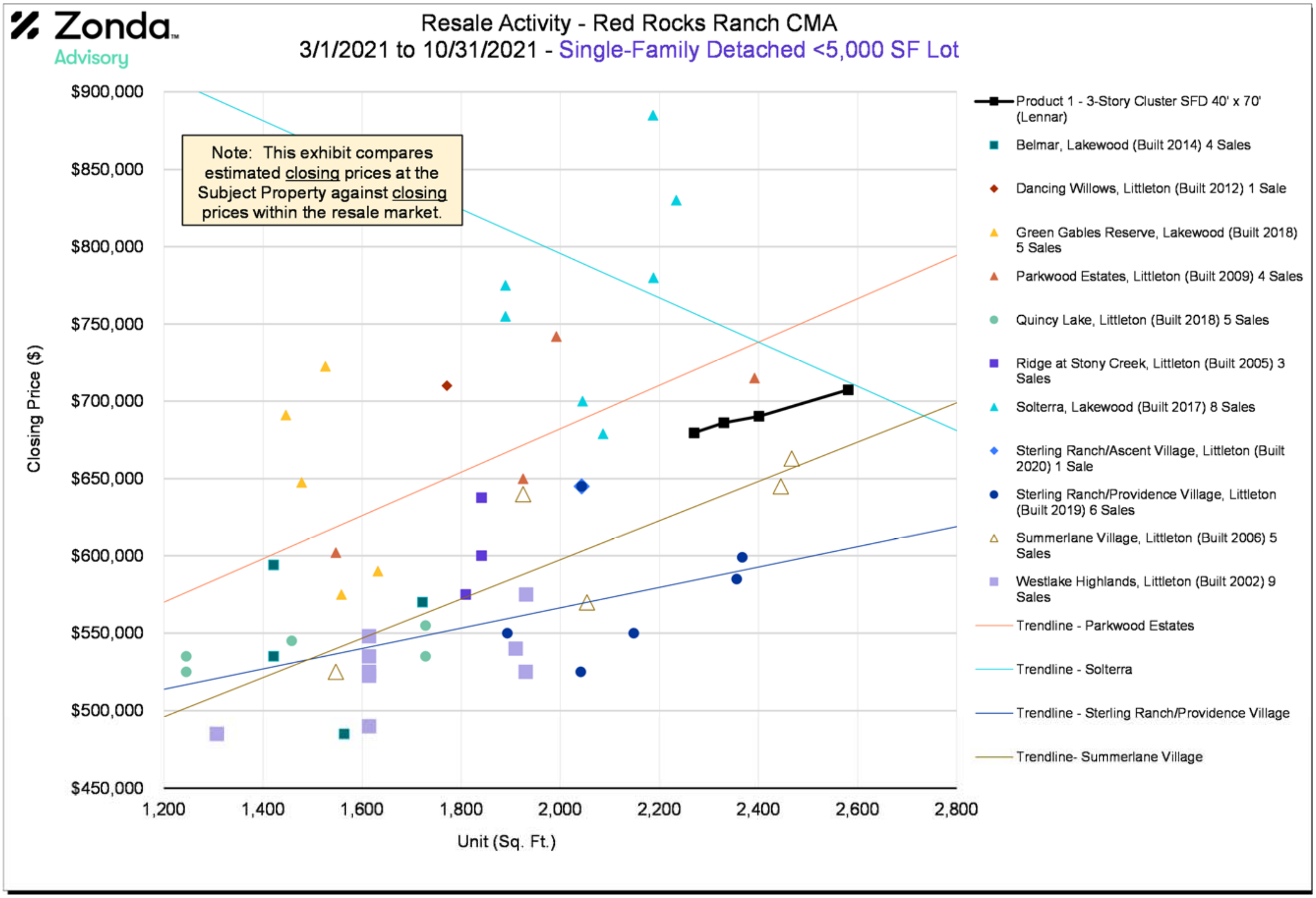


Exhibit 44 *: **CMA Comparable Subdivisions – Single-Family Detached 50’ to 69’ - Product Details***

Red Rocks Ranch CMA Market Rate Competitive Positioning - SFD 50' - 69'

#	Project Name/Community Area Lot Size/Builder	Planned Units			Plan Name	Bed- Bath	--- Unit --- Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
1	Belleview Village/Landmark	21	5	1.3	Hopewell	3 - 2.5	2 - 2	2,680	$659,950	($19,799)	$8,066	$2,340	$640,152	$239
	Littleton		23.8%	16	Coronado	3 - 2.5	2 - 2	2,740	$684,950	($20,549)	$8,371	$2,340	$664,402	$242
	SF Detached - Avg. 50 x 100			0.4										
	Richmond American Homes			5										
	Note: Filing 1, Incentives: 3% of base with Pref. Lender													
					Community Summary / Average			2,710	$672,450	($20,174)	$8,219	$2,340	$652,277	$241
2	Meadowbrook Heights/Monarch	82	27	4.2	Monarch - Snowmass	3 - 2.0	1 - 2	1,366	$643,900	($17,500)	$8,268	$0	$626,400	$459
	Littleton		32.9%	50	Monarch - Oxford	3 - 2.0	1 - 2	1,749	$694,900	($17,500)	$8,942	$0	$677,400	$387
	SF Detached - Avg. 50 x 100			2.3	Monarch - Devon	3 - 2.0	1 - 2	1,988	$719,900	($17,500)	$9,272	$0	$702,400	$353
	Lennar Homes			27	Monarch - Grove	3 - 2.5	1 - 2	2,167	$729,900	($17,500)	$9,404	$0	$712,400	$329
	Note: Filing 4, Incentives: 5 K with Pref. Lender and 12.5K additional Builder Incentive towards anything				Monarch - Ascott	3 - 2.5	1 - 2	2,301	$743,900	($17,500)	$9,588	$0	$726,400	$316
					Community Summary / Average			1,914	$706,500	($17,500)	$9,095	$0	$689,000	$369
3	Silver Leaf	18	1	0.4	Ponderosa	3 - 2.5	2 - 2	2,473	$765,000	$0	$9,180	$3,576	$765,000	$309
	Littleton		5.6%	5	Lodgepole	3 - 2.5	2 - 2	2,539	$775,000	$0	$9,300	$3,576	$775,000	$305
	SF Detached - Avg. 50 x 90			0.1										
	Boulder Creek Neighborhoods			1										
	Note: Filing 1													
					Community Summary / Average			2,506	$770,000	$0	$9,240	$3,576	$770,000	$307
4	Silver Leaf/Patios	32	4	0.6	Bristlecone	3 - 3.0	1 - 2	2,767	$810,000	$0	$9,720	$3,576	$810,000	$293
	Littleton		12.5%	7	Willow	3 - 3.0	1 - 2	3,111	$840,000	$0	$10,080	$3,576	$840,000	$270
	SF Detached - Avg. 60 x 90			0.3	Aspen	3 - 3.5	1 - 2	3,494	$880,000	$0	$10,560	$3,576	$880,000	$252
	Boulder Creek Neighborhoods			4	Spruce	3 - 3.5	1 - 2	3,508	$860,000	$0	$10,320	$3,576	$860,000	$245
	Note: Filing 1													
					Community Summary / Average			3,220	$847,500	$0	$10,170	$3,576	$847,500	$265
5	Solstice/Horizon	224	0	1.3	Horizon - Crimson Sky	2 - 2.0	1 - 2	1,832	$591,400	($5,000)	$7,037	$1,896	$586,400	$320
	Littleton		0.0%	15	Horizon - Rising Moon	2 - 2.5	1 - 2	1,992	$618,400	($5,000)	$7,361	$1,896	$613,400	$308
	SF Detached - Avg. 50 x 105			0.0	Horizon - Setting Sun	2 - 2.5	1 - 2	2,083	$628,400	($5,000)	$7,481	$1,896	$623,400	$299
	Shea Homes			0	Horizon - Amber Light	2 - 2.5	1 - 2	2,174	$641,400	($5,000)	$7,637	$1,896	$636,400	$293
	Note: Filings 4 and 5, Incentives: 5K with Pref. Lender													
					Community Summary / Average			2,020	$619,900	($5,000)	$7,379	$1,896	$614,900	$305
6	Solstice/Reflection	199	0	1.4	Morning Mist	2 - 2.5	1 - 3	2,369	$696,400	($5,000)	$8,297	$1,896	$691,400	$292
	Littleton		0.0%	17	Stillwater	2 - 2.5	1 - 3	2,369	$731,400	($5,000)	$8,717	$1,896	$726,400	$307
	SF Detached - Avg. 60 x 105			0.0	Tranquility	2 - 2.5	1 - 3	2,430	$706,400	($5,000)	$8,417	$1,896	$701,400	$289
	Shea Homes			0	Brookside	3 - 3.5	1 - 3	2,536	$719,400	($5,000)	$8,573	$1,896	$714,400	$282
	Note: Filings 4 and 5, Incentives: 5K with Pref. Lender													
					Community Summary / Average			2,426	$713,400	($5,000)	$8,501	$1,896	$708,400	$292
7	Solstice/Stargaze	244	36	3.8	Stargaze - Skywalk	2 - 2.5	1 - 2	2,230	$665,990	($5,000)	$7,932	$1,896	$660,990	$296
	Littleton		14.8%	45	Stargaze - Twilight	3 - 2.5	2 - 2	2,914	$684,990	($5,000)	$8,160	$1,896	$679,990	$233
	SF Detached - Avg. 50 x 110			2.6	Stargaze - NightSong	3 - 2.5	2 - 2	3,122	$703,990	($5,000)	$8,388	$1,896	$698,990	$224
	Shea Homes			31	Stargaze - Morningside	4 - 3.5	2 - 2	3,135	$713,990	($5,000)	$8,508	$1,896	$708,990	$226
	Note: Filings 1,2, and 3, Incentives: 5K with Pref. Lender				Stargaze - Open Sky	5 - 4.5	2 - 3	3,550	$742,990	($5,000)	$8,856	$1,896	$737,990	$208
					Community Summary / Average			2,990	$702,390	($5,000)	$8,369	$1,896	$697,390	$238

Red Rocks Ranch CMA Market Rate Competitive Positioning - SFD 50' - 69'

	Project Name/Community Area Lot Size/Builder	Planned Units			Plan Name	Bed- Bath	--- Unit --- Floors- Parking	Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
8	Solstice/Trails Edge	140	27	3.3	Waterton	3 - 2.5	2 - 3	3,538	$790,990	($5,000)	$9,432	$1,896	$785,990	$222
	Littleton		19.3%	39	Meadowview	4 - 3.5	2 - 2	3,691	$797,990	($5,000)	$9,516	$1,896	$792,990	$215
	SF Detached - Avg. 60 x 110			2.3	Tallgrass	4 - 3.5	2 - 3	3,808	$806,990	($5,000)	$9,624	$1,896	$801,990	$211
	Shea Homes			27	Shadowbrook	5 - 5.5	2 - 3	4,092	$820,990	($5,000)	$9,792	$1,896	$815,990	$199
	Note: Filings 1 and 3				Walton	5 - 4.5	2 - 3	4,400	$867,490	($5,000)	$10,350	$1,896	$862,490	$196
					Community Summary / Average			3,906	$816,890	($5,000)	$9,743	$1,896	$811,890	$209
9	Solterra/Big Sky	34	12	0.6	Big Sky 5	3 - 2.0	1 - 2	1,960	$831,380	($3,000)	$9,112	$1,580	$828,380	$423
	Lakewood		35.3%	7	Big Sky 2	3 - 2.5	2 - 2	2,392	$839,380	($3,000)	$9,200	$1,580	$836,380	$350
	SF Detached - Avg. 50 x 110			1.0										
	Brookfield Residential			12										
	Note: Filing 17													
					Community Summary / Average			2,176	$835,380	($3,000)	$9,156	$1,580	$832,380	$386
10	Solterra/Harvest	38	10	1.2	Harvest 11	3 - 2.5	1 - 3	2,640	$1,084,880	($3,000)	$11,901	$1,580	$1,081,880	$410
	Lakewood		26.3%	14	Harvest 9	4 - 3.5	2 - 3	3,423	$1,137,880	($3,000)	$12,484	$1,580	$1,134,880	$332
	SF Detached - Avg. 60 x 120			0.8	Harvest 10	4 - 3.5	2 - 3	3,447	$1,126,880	($3,000)	$12,363	$1,580	$1,123,880	$326
	Brookfield Residential			10										
	Note: Filing 17													
					Community Summary / Average			3,170	$1,116,547	($3,000)	$12,249	$1,580	$1,113,547	$356
11	Sterling Ranch/Ascent Village	376	73	8.8	Clearwater	2 - 2.0	2 - 1	1,930	$689,950	($20,699)	$8,165	$1,584	$669,252	$347
	Littleton		19.4%	105	Farmington	3 - 2.0	2 - 1	1,970	$698,950	($20,969)	$8,271	$1,584	$677,982	$344
	SF Detached - Avg. 50 x 90-110			6.0	Vernon	4 - 2.5	2 - 2	2,460	$702,950	($21,089)	$8,319	$1,584	$681,862	$277
	Richmond American Homes			72	Delta	4 - 2.5	2 - 2	2,680	$717,950	($21,539)	$8,496	$1,584	$696,412	$260
	Note: Filings 4 and 6, Incentives: 3% of base with Pref. Lender				Verde	3 - 2.5	2 - 2	2,740	$721,950	($21,659)	$8,544	$1,584	$700,292	$256
					Holston	3 - 2.5	2 - 2	2,880	$732,950	($21,989)	$8,674	$1,584	$710,962	$247
					Elkhorn	2 - 2.5	3 - 2	3,240	$751,950	($22,559)	$8,899	$1,584	$729,392	$225
					Community Summary / Average			2,557	$716,664	($21,500)	$8,481	$1,584	$695,164	$279
12	Sterling Ranch/Ascent Village - Hillcrest	47	0	1.8	Ramey	2 - 2.0	1 - 3	2,220	$761,950	($22,859)	$9,017	$1,584	$739,092	$333
	Littleton		0.0%	22	Holley	3 - 2.5	1 - 3	2,360	$766,950	($23,009)	$9,076	$1,584	$743,942	$315
	SF Detached - Avg. 60 x 110			0.0	Riverbend	3 - 2.5	1 - 3	2,440	$771,950	($23,159)	$9,135	$1,584	$748,792	$307
	Richmond American Homes			0	Sanctuary	3 - 3.5	1 - 3	2,600	$786,950	($23,609)	$9,313	$1,584	$763,342	$294
	Note: Filing 4C				Nottingham	3 - 3.5	1 - 3	2,870	$801,950	($24,059)	$9,490	$1,584	$777,892	$271
					Community Summary / Average			2,498	$777,950	($23,339)	$9,206	$1,584	$754,612	$304
13	Sterling Ranch/Prospect Village - Monarch	37	0	1.5	Abbot	3 - 2.0	1 - 2	1,857	$693,900	($17,500)	$8,320	$0	$676,400	$364
	Littleton		0.0%	18	Graham	3 - 2.0	1 - 2	1,972	$701,900	($17,500)	$8,418	$0	$684,400	$347
	SF Detached - Avg. 50 x 110			0.0	Kingsley	3 - 2.5	1 - 2	2,166	$711,900	($17,500)	$8,541	$0	$694,400	$321
	Lennar Homes			0	Chelton	4 - 3.5	2 - 3	2,724	$754,900	($17,500)	$9,070	$0	$737,400	$271
	Note: Filing 3, Incentives: 5 K with Pref. Lender and 12.5K additional				Brookside	5 - 4.5	2 - 3	2,951	$771,900	($17,500)	$9,279	$0	$754,400	$256
					Community Summary / Average			2,334	$726,900	($17,500)	$8,726	$0	$709,400	$312

Competitive Market Area Summary:

					Size (Sq.Ft.)	Base Price	Incen's	Base Tax Rate	Ann. HOA	Net Base Price	Price / Sq.Ft.
Planned	1,492	30.0	Avg. Monthly	Min.	1,366	$591,400	($24,059)	$7,037	$0	$586,400	$196
Occ.	195	360	Last Ann. Start	Max.	4,400	$1,137,880	$0	$12,484	$3,576	$1,134,880	$459
Remaining	1,297	15.8	Avg. Monthly	Average	2,662	$760,345	($11,086)	$9,042	$1,645	$749,260	$292
		189	Last Ann. Close	Median	2,539	$732,950	($5,000)	$8,942	$1,584	$726,400	$293

Exhibit 45 *: CMA Price Position Graph – Single-Family Detached 50' to 69' - New Home Base Prices*

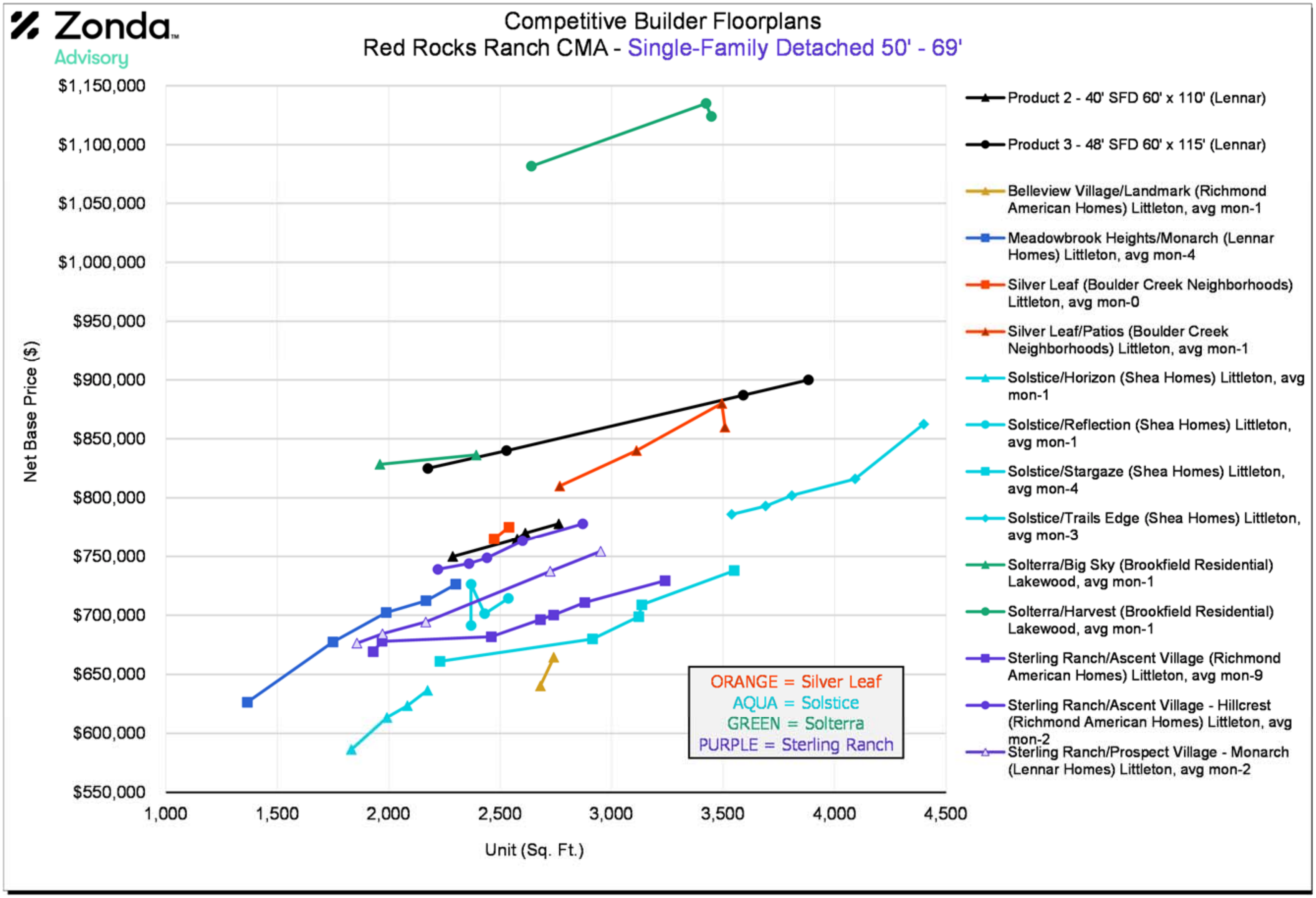


Exhibit 46 : ***CMA Price Position Graph – Single-Family Detached 50' to 69' - New Home Closing Prices***

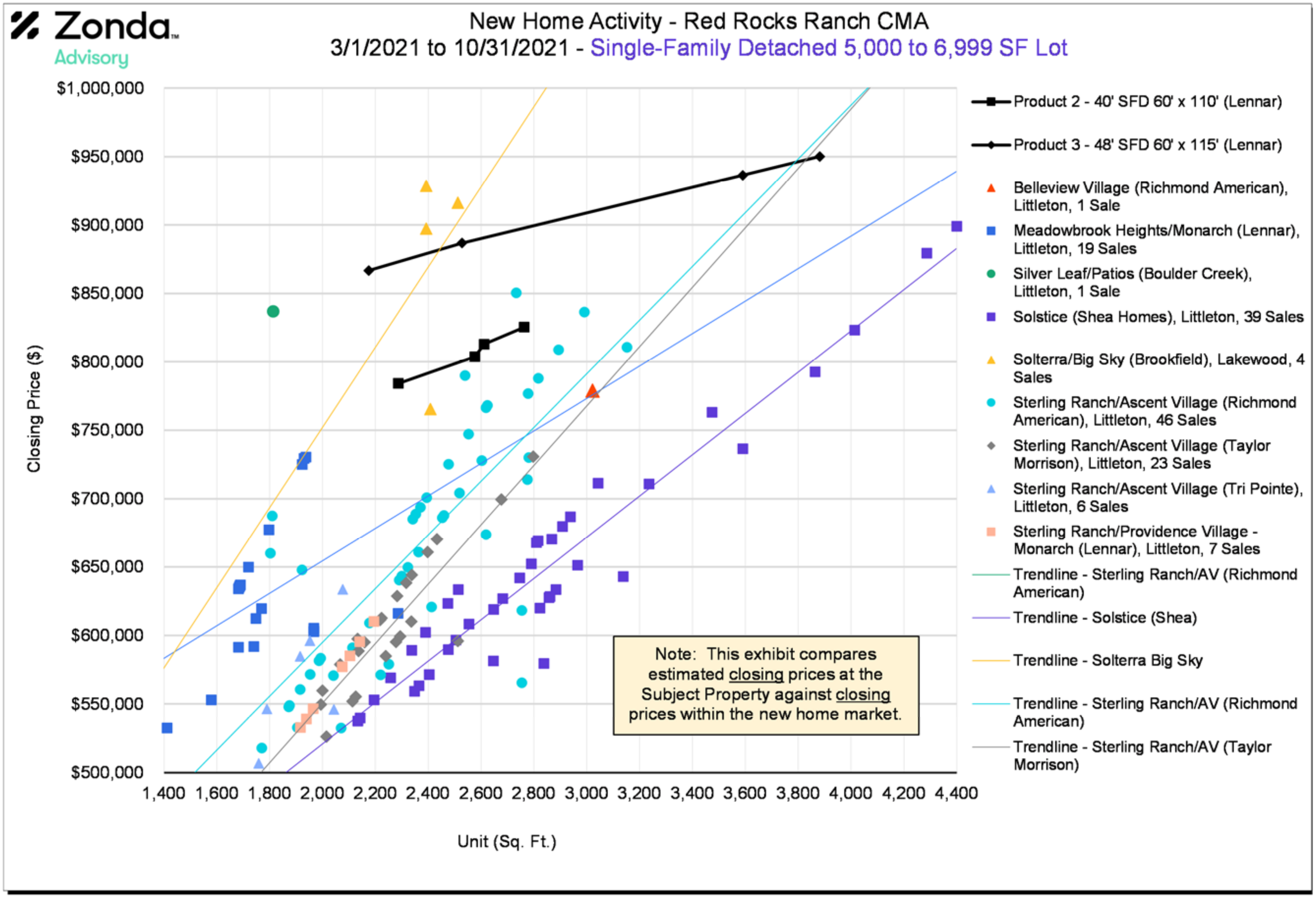
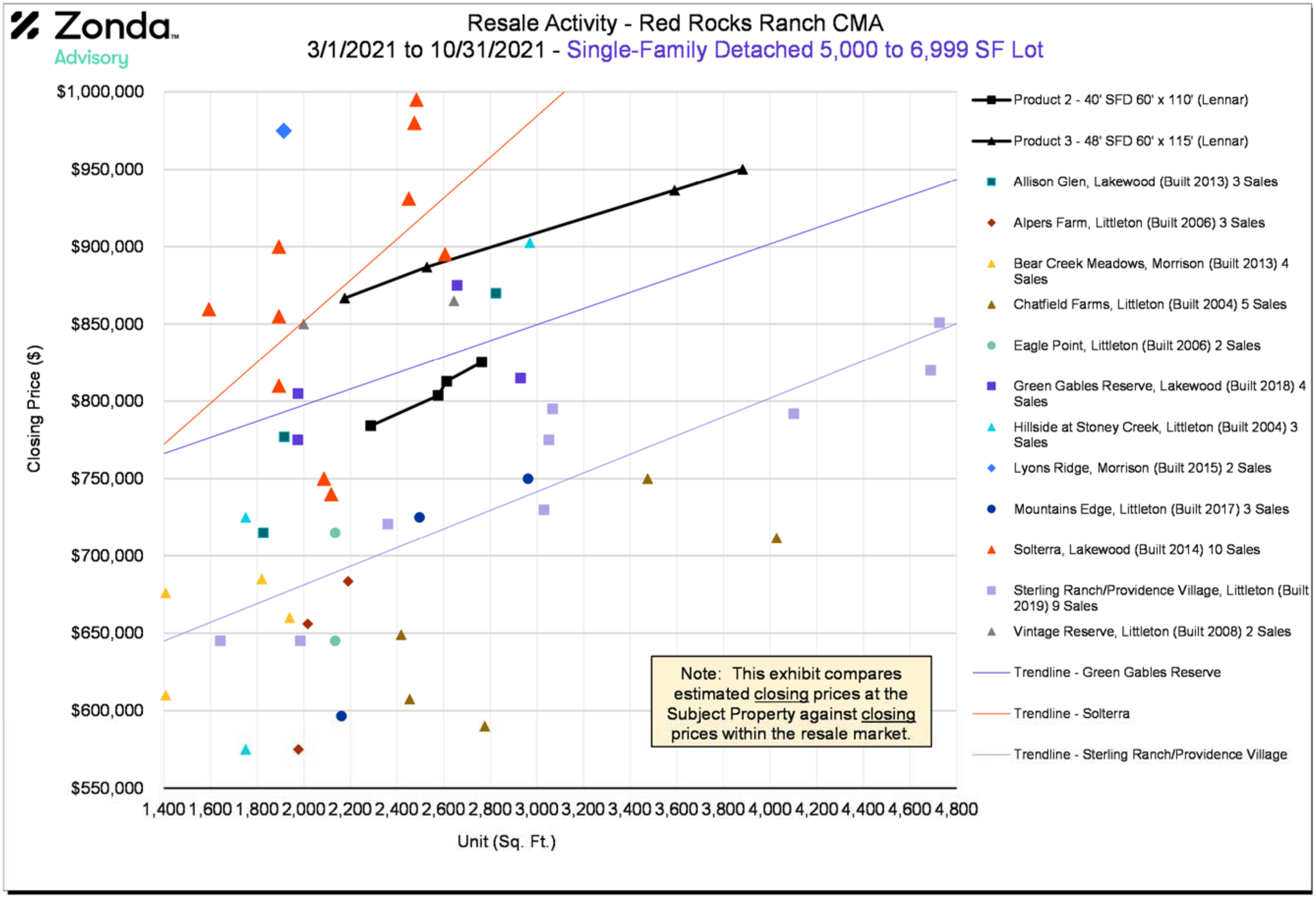


Exhibit 47 : ***CMA Price Position Graph – Single-Family Detached 50' to 69'- Resale Activity***



Deed Analysis

Exhibit 48 *: **Home Sales Activity Deed Breakdown Analysis – Detached Mid-to-High End – New v. Resale***

Denver Market

	New Home Closings							Regular Resale					
	2016	2017	2018	2019	2020	2021ytd		2016	2017	2018	2019	2020	2021ytd
Total	8,318	8,444	9,396	9,059	9,061	6,167	Total	45,656	45,642	43,984	45,937	47,905	39,498
$600-$699	771	999	1,422	1,337	1,221	1,079	$600-$699	2,316	2,809	3,312	3,714	4,962	5,873
% of Total	9.3%	11.8%	15.1%	14.8%	13.5%	17.5%	% of Total	5.1%	6.2%	7.5%	8.1%	10.4%	14.9%
$700-$799	315	405	573	651	631	492	$700-$799	1,260	1,544	1,806	2,067	2,804	3,516
% of Total	3.8%	4.8%	6.1%	7.2%	7.0%	8.0%	% of Total	2.8%	3.4%	4.1%	4.5%	5.9%	8.9%
$800-$899	199	199	279	318	315	255	$800-$899	799	1,015	1,156	1,217	1,611	2,107
% of Total	2.4%	2.4%	3.0%	3.5%	3.5%	4.1%	% of Total	1.8%	2.2%	2.6%	2.6%	3.4%	5.3%
$900-$999	110	105	147	178	154	115	$900-$999	483	590	705	752	997	1,350
% of Total	1.3%	1.2%	1.6%	2.0%	1.7%	1.9%	% of Total	1.1%	1.3%	1.6%	1.6%	2.1%	3.4%
$1M+	199	191	308	353	370	300	$1M+	1,417	1,725	2,068	2,301	3,062	4,167
% of Total	2.4%	2.3%	3.3%	3.9%	4.1%	4.9%	% of Total	3.1%	3.8%	4.7%	5.0%	6.4%	10.5%

Jefferson County

	New Home Closings							Regular Resale					
	2016	2017	2018	2019	2020	2021ytd		2016	2017	2018	2019	2020	2021ytd
Total	1,193	957	811	523	334	121	Total	8,756	8,741	8,500	8,733	8,819	6,821
$600-$699	215	239	242	132	80	26	$600-$699	440	521	715	837	1,125	1,174
% of Total	18.0%	25.0%	29.8%	25.2%	24.0%	21.5%	% of Total	5.0%	6.0%	8.4%	9.6%	12.8%	17.2%
$700-$799	70	74	64	93	69	16	$700-$799	233	281	354	439	582	756
% of Total	5.9%	7.7%	7.9%	17.8%	20.7%	13.2%	% of Total	2.7%	3.2%	4.2%	5.0%	6.6%	11.1%
$800-$899	41	23	34	36	36	17	$800-$899	142	210	259	213	349	416
% of Total	3.4%	2.4%	4.2%	6.9%	10.8%	14.0%	% of Total	1.6%	2.4%	3.0%	2.4%	4.0%	6.1%
$900-$999	17	10	14	15	8	13	$900-$999	75	91	127	150	189	258
% of Total	1.4%	1.0%	1.7%	2.9%	2.4%	10.7%	% of Total	0.9%	1.0%	1.5%	1.7%	2.1%	3.8%
$1M+	18	15	29	40	30	22	$1M+	144	176	230	282	413	612
% of Total	1.5%	1.6%	3.6%	7.6%	9.0%	18.2%	% of Total	1.6%	2.0%	2.7%	3.2%	4.7%	9.0%

RRC CMA

	New Home Closings							Regular Resale					
	2016	2017	2018	2019	2020	2021ytd		2016	2017	2018	2019	2020	2021ytd
Total	281	308	481	374	379	333	Total	5,469	5,398	5,103	5,322	5,427	4,270
$600-$699	55	67	198	114	86	84	$600-$699	229	287	399	453	681	708
% of Total	19.6%	21.8%	41.2%	30.5%	22.7%	25.2%	% of Total	4.2%	5.3%	7.8%	8.5%	12.5%	16.6%
$700-$799	39	37	74	88	98	58	$700-$799	125	146	189	223	305	465
% of Total	13.9%	12.0%	15.4%	23.5%	25.9%	17.4%	% of Total	2.3%	2.7%	3.7%	4.2%	5.6%	10.9%
$800-$899	31	20	23	37	10	15	$800-$899	76	101	140	117	175	239
% of Total	11.0%	6.5%	4.8%	9.9%	2.6%	4.5%	% of Total	1.4%	1.9%	2.7%	2.2%	3.2%	5.6%
$900-$999	13	16	14	8	11	7	$900-$999	34	57	67	68	103	133
% of Total	4.6%	5.2%	2.9%	2.1%	2.9%	2.1%	% of Total	0.6%	1.1%	1.3%	1.3%	1.9%	3.1%
$1M+	19	28	38	47	38	38	$1M+	85	99	124	153	240	331
% of Total	6.8%	9.1%	7.9%	12.6%	10.0%	11.4%	% of Total	1.6%	1.8%	2.4%	2.9%	4.4%	7.8%

Note: Information does not include land transaction data, w hich is likely to understate high-end priced transactions on the new home closing totals that become more design-build/custom as prices increase. 2021ytd includes data through September 30th, 2021.

Disclaimer:

It is understood by RRC Metropolitan District ("Client") that Zonda Advisory can make no guarantees about the recommendations in this study, primarily because these recommendations must be based and in some cases inferred from facts discovered by Zonda Advisory during the course of the study. To protect the Client and to assure that Zonda Advisory's research results will continue to be accepted as objective and impartial by the business community, it is understood that Zonda Advisory's fee for this study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this report.

Reasonable efforts have been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions and other information developed by Zonda Advisory from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this study. This report is based on market-wide information that was current as of the end of 3Q2021 and Zonda Advisory has not undertaken any update of its research effort since such date. Competitive project information was surveyed as of November 2021 through onsite field visits and discussions with third parties. This information includes reported units released, pricing, incentives, and market entry dates for future planned communities. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, Zonda Advisory makes no warranty or representation that any of the projected values or results in this study will actually be achieved.

This market analysis was prepared by Zonda Advisory, a consulting firm and the nation's leading provider of primary and secondary market information to the housing, retail, and related industries nationwide.

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Metrostudy, Hanley Wood, & Meyers Research have rebranded to Zonda

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COVID-19's Ongoing Impact on Housing Along the Colorado Front Range

October 29, 2021

Zonda

Colorado Front Range Market Watch

Metro Denver

- **COVID-19 Daily Cases** declining steadily after large increase in November 2020. Colorado has now lifted most public health restrictions at the state level. Phase 2 vaccinations began on April 2nd. An estimated 72% of the population has received at least one dose.

- **The August 2021 Unemployment Rate** was at 5.4% as additional restrictions were lifted for restaurants, schools, and social gatherings at the beginning of the year. Layoffs have decreased and job creation has picked up helping to maintain the steadily decreasing unemployment rate.
- **2Q21 New Home Starts** up 11% and closings down -3% compared to 2Q20. Despite the challenges with the pandemic, housing starts in 2020 grew 4% over 2019, while new home closings were down -2%.
- **September Existing Home Sales** volume fell -5% from 6,171 sales in August to 5,835 in September. Year over year, September 2021 resale volume (5,835 sales) was -8% lower compared to September 2020 (6,363 sales). The number of new listings in September was 1% higher than August, and -1% lower than September 2020. September's ending inventory level (4,280 homes) was 13% higher than August, and -23% lower than September 2020. There was 0.80 months of supply at the end of September, up from 0.73 months recorded in August.
- **Retail Sales** were up 19% in July YoY, but down -14% from June. After double-digit gains in Jan-Feb of 2020, sales fell YoY from March through June, only to rebound in July. Since then, YoY sales have remained relatively flat, but significantly increased in April 2021 achieving its highest YoY increase in over two years.
- **Passenger Traffic at Denver International Airport** reported 5,750,445 travelers in August, up a staggering 95% from the 2,953,913 travelers reported in August 2020. International passenger traffic totaled 192,229, the second highest level recorded since February 2020 (248,438).

Colorado Springs

- **COVID-19 Daily Cases** declining steadily after large increase in November and early December. Colorado has now lifted most public health restrictions at the state level. Phase 2 vaccinations began on April 2nd. An estimated 60% of population has received at least one dose.

- **The August 2021 Unemployment Rate** was at 5.6% as additional restrictions were lifted for restaurants, schools, and social gatherings at the beginning of the year. Layoffs have decreased and job creation has picked up helping to slightly lower the unemployment rate.
- **2Q21 New Home Starts** were down 29% with closings down -17% compared to 2Q20. For the year, starts were up 28% compared to 2019, while new home closings were up 15%. These were the largest 2020 gains for any market along the Colorado Front Range.
- **September Existing Home Sales** volume was down -4% compared to August (1,889 vs. 1,814 sales), and equivalent to the level reported in September 2020. The number of new listings in September (1,812 homes) was -4% lower than August, but 10% higher than September 2020 figures. September's ending inventory (1,161 homes) was 13% higher than August, and -11% lower than September 2020. There was only 0.79 months of supply at the end of September.
- **Retail Sales** were up nearly 18% in July over prior year numbers. In fact, retail sales have grown YoY in every month over the past two years with the exception of April 2020 with double-digit increases in 10 of the last 12 months.
- **Colorado Springs Airport** reported 192,484 travelers in August, up a staggering 198% from the 64,621 travelers reported in August 2020, but down 10% from the 214,382 travelers in July of this year. As usual, January and February travel was down slightly from the busier holiday travel months in November and December, but has since continued to trend upward reflecting pre-pandemic levels.

Northern Colorado

- COVID-19 Daily Cases declining steadily after large increase in November and early December. Colorado has now lifted most public health restrictions at the state level. Phase 2 vaccinations began on April 2nd. An estimated 60% of population has received at least one dose.

- **The August 2021 Unemployment Rate** was at 5.1%, down from 5.7% in July. Unemployment rates in Northern Colorado have historically trended slightly lower than the unemployment rates recorded in Metro Denver and Colorado Springs.
- **2Q21 Quarter New Home Starts** up 28% and closings up 30% compared to 2Q20. For the year, starts were up 19%, while new home closings were up 10% YoY.
- **September Existing Home Sales** volume was down -8% when compared to August volume (1,522 vs. 1,402 sales), and down -11% from September 2020 levels. The number of new listings in September was -10% lower than August, and down -11% from September 2020 figures. September's ending inventory was 4% higher than reported in August, but a significant -28% lower than September 2020**.** There was only 0.94 months of supply at the end of September.
- Following double digit **Retail Sales** increases in January and February 2020, retail spending dropped every month compared to 2019, until December 2020 when retail sales increased 33% YoY. With the sizable December rebound, annual sales for 2020 were up 2.5%. July 2021 retail sales were down -13% from June, but were 19% higher than July 2020 levels.
- **The Colorado Rig Count** in October remained at 11 rigs, up from 4 rigs a year ago but down from the 32 rigs recorded in October 2019. **Oil Prices** have rebounded to pre-pandemic levels, now at $84.64 as of October 25th, up 78% from the beginning of the year as supply tightens and demand slowly increases.

The Dow Jones Index was at a record 35,757 as of October 26th achieving its all-time high. The S&P Index was at a record 4,575 on October 26th, also achieving its all-time high while the NASDAQ Index was at 15,227 on October 25th, just below its recent all-time high achieved on September 7th (15,374).

Report compiled October 27, 2021 with the most recent information available.

Zonda

COVID-19 Markers by Front Range County

Source: Colorado Department of Public Health & Environment (as of October 26, 2021)

County/Market	Est. Population	No. Cases	Cases / 100,000 People	Hospitalizations	Hospitalizations / 100,000 People	No. Deaths	Deaths / 100,000 People	Doses Administered: At least 1 Dose	Doses Administered: % of Population
Adams	517,885	76,954	14,859	4,519	873	886	171.08	351,133	67.8%
Arapahoe	656,822	81,064	12,342	5,314	809	931	141.74	451,986	68.8%
Boulder	327,164	30,888	9,441	1,110	339	281	85.89	244,000	74.6%
Broomfield	70,762	6,658	6,658	310	310	81	81.00	50,844	71.9%
Denver	729,239	91,248	12,513	5,825	799	935	128.22	526,157	72.2%
Douglas	351,528	41,074	11,684	1,817	517	324	92.17	265,001	75.4%
Jefferson	583,081	63,047	10,813	3,475	596	912	156.41	441,975	75.8%
Metro Denver Total	3,236,481	390,933	12,079	22,370	691	4,350	134.41	2,331,096	72.0%
El Paso	722,493	101,000	13,979	5,141	712	1095	151.56	431,900	59.8%
Colorado Springs Total	722,493	101,000	13,979	5,141	712	1,095	151.56	431,900	59.8%
Larimer	356,938	38,986	10,922	n/a	n/a	306	85.73	233,080	65.3%
Weld	323,763	46,487	14,358	n/a	n/a	451	139.30	177,602	54.9%
Northern Colorado Total	680,701	85,473	12,557	n/a	n/a	757	111.21	410,682	60.3%

**Note: Reporting time frames and methodologies vary per county; therfore making direct comparisons is not recommended.*

Zonda

Colorado COVID-19 Vaccination Schedule

Source: Colorado Department of Public Health & Environment

COVID-19 VACCINE DISTRIBUTION

1A — Complete

Highest-risk health care & long-term care facility workers/individuals:

- Health care workers who have direct contact with COVID-19 patients for 15 minutes or more over a 24 hour period.
- Long-term care facility staff and residents.

1B.1 — Began Dec. 30

People age 70+, moderate-risk health care workers, and first responders:

- Health care workers with less direct contact with COVID-19 patients (e.g. home health, hospice, pharmacy, dental, etc.) and EMS.
- Firefighters, police, COVID-19 response personnel, correctional workers, and funeral services.
- People age 70 and older.

1B.2 — Began Feb. 8

People age 65-69, pre-K - 12 educators/child care workers, and continuity of state government:

- Child care workers in licensed child care programs, teachers (full-time and substitutes), bus, food, counselors, administrative, safety and other support services offered inside the school.
- Members of the Executive and Judicial branches of state government.
- People age 65-69.

1B.3 — Began Mar. 5

People age 60 and older, frontline essential agricultural and grocery store workers, and people age 16-59 with two or more high-risk conditions:

- People age 60 and older.
- Frontline essential workers in grocery and agriculture: Current workers who cannot maintain physical distance from others at their place of employment, who work in close contact with many people, especially indoors, and in places with poor ventilation including meatpacking workers; grocery store workers; and agricultural processing workers.
- People age 16-59 with two or more of the following: Cancer (defined as patients who are currently receiving treatment or have received treatment within the last month for cancer), chronic kidney disease, COPD, diabetes mellitus (types 1 and 2), Down syndrome, specific heart conditions (heart failure, cardiomyopathies or coronary heart disease, and severe valvular/congenital heart disease), obesity (BMI of 30 or more), pregnancy, sickle cell disease, solid organ transplant, individuals with disabilities who require direct care in their homes, and people with disabilities that prevent them from wearing masks.

1B.4 — Began Mar. 19

People age 50 and older, frontline essential workers, people with high risk conditions, and the continuation of operations for state and local government:

- People age 50 and older.
- Frontline essential workers in the following fields: Higher education, food/restaurant services, manufacturing, US postal service, public transit and specialized transportation, public health, human service workers, Faith leaders, direct care providers for Coloradans experiencing homelessness, journalists.
- Continuity of local and state government
- People age 16 to 49 with one of the following higher risk conditions: Coloradans with one condition listed in 1B.3 or asthma (moderate-to-severe), Cerebrovascular disease (affects blood vessels and blood supply to the brain), Cystic fibrosis, Hypertension or high blood pressure, Immunocompromised state (weakened immune system) from blood or bone marrow transplant, immune deficiencies, HIV, use of corticosteroids, or use of other immune weakening medicines, Neurologic conditions, such as dementia, Liver disease, Pulmonary fibrosis (having damaged or scarred lung tissues), Thalassemia (a type of blood disorder).
- Adults who received a placebo during a COVID-19 vaccine clinical trial.

2 — Began Apr. 2

General Public:

- Any Coloradan who was not included in earlier phases because they have lower risk of exposure or are less likely to have severe outcomes from COVID-19.

COMPLETE

IN PROGRESS

NOT YET STARTED

UPDATED 4.2.21

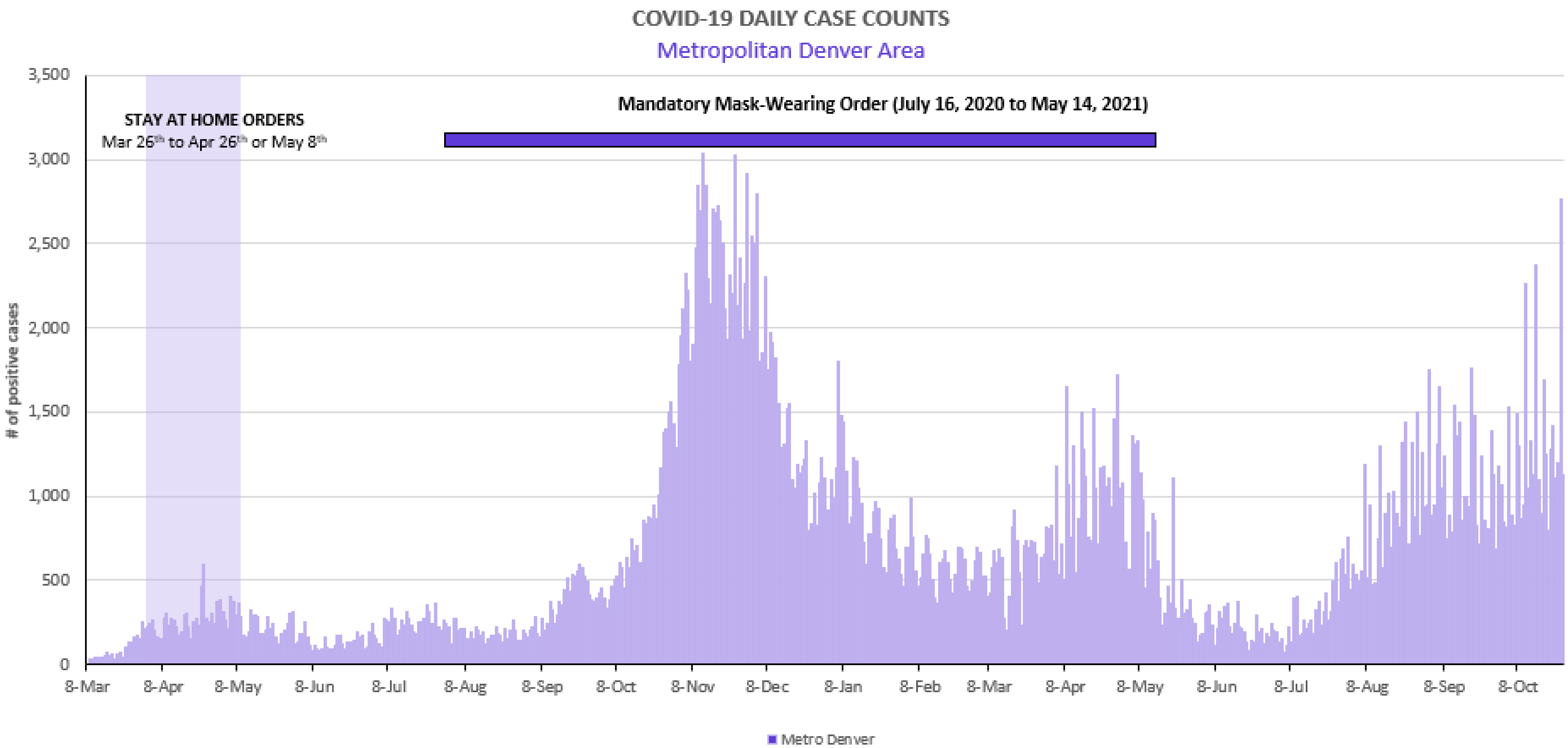
*Timeline subject to change based on supply chain. Prioritization subject to change based on data, science, and availability.

CITY AND COUNTY OF BROOMFIELD • COLORADO •

Zonda

COVID-19 Daily Case Trends – Metro Denver

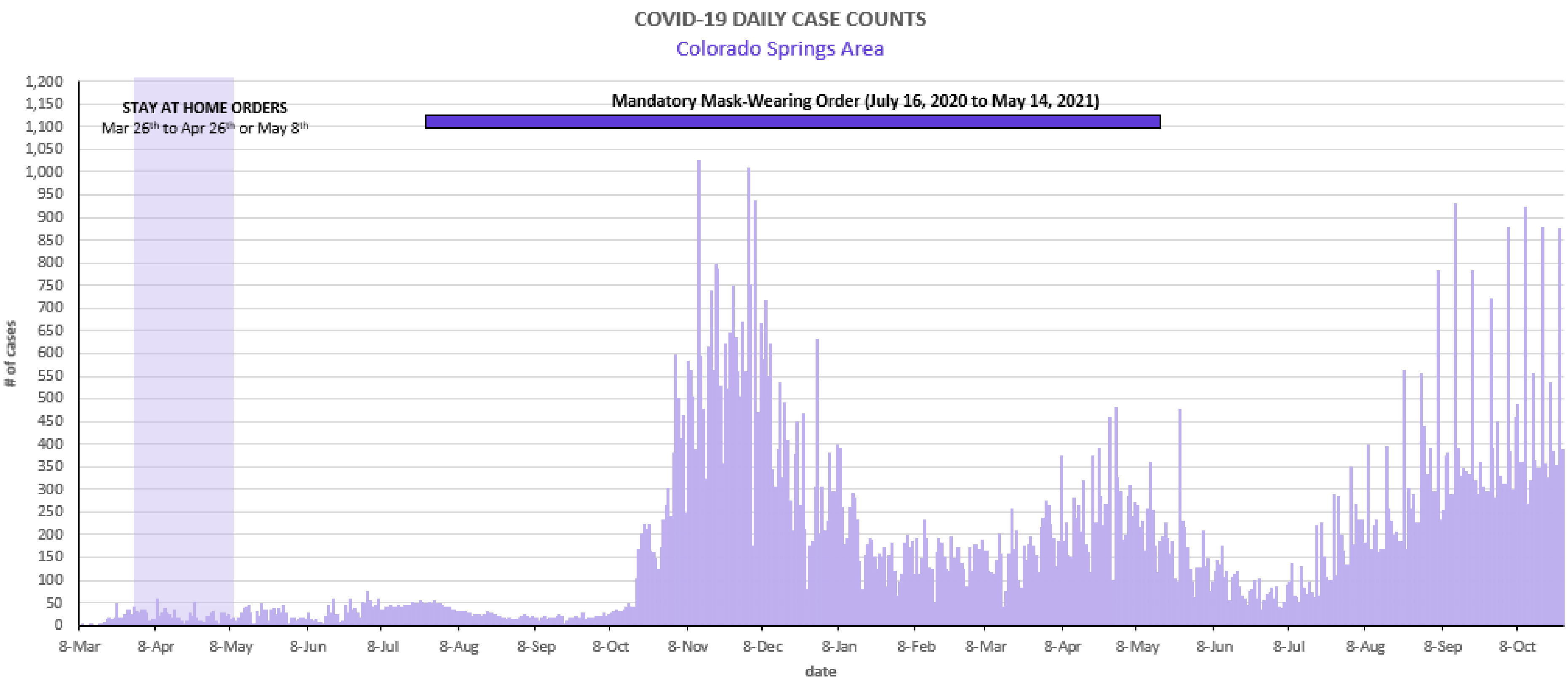
Source: Colorado Department of Public Health & Environment



Zonda

COVID-19 Daily Case Trends – Colorado Springs (El Paso County)

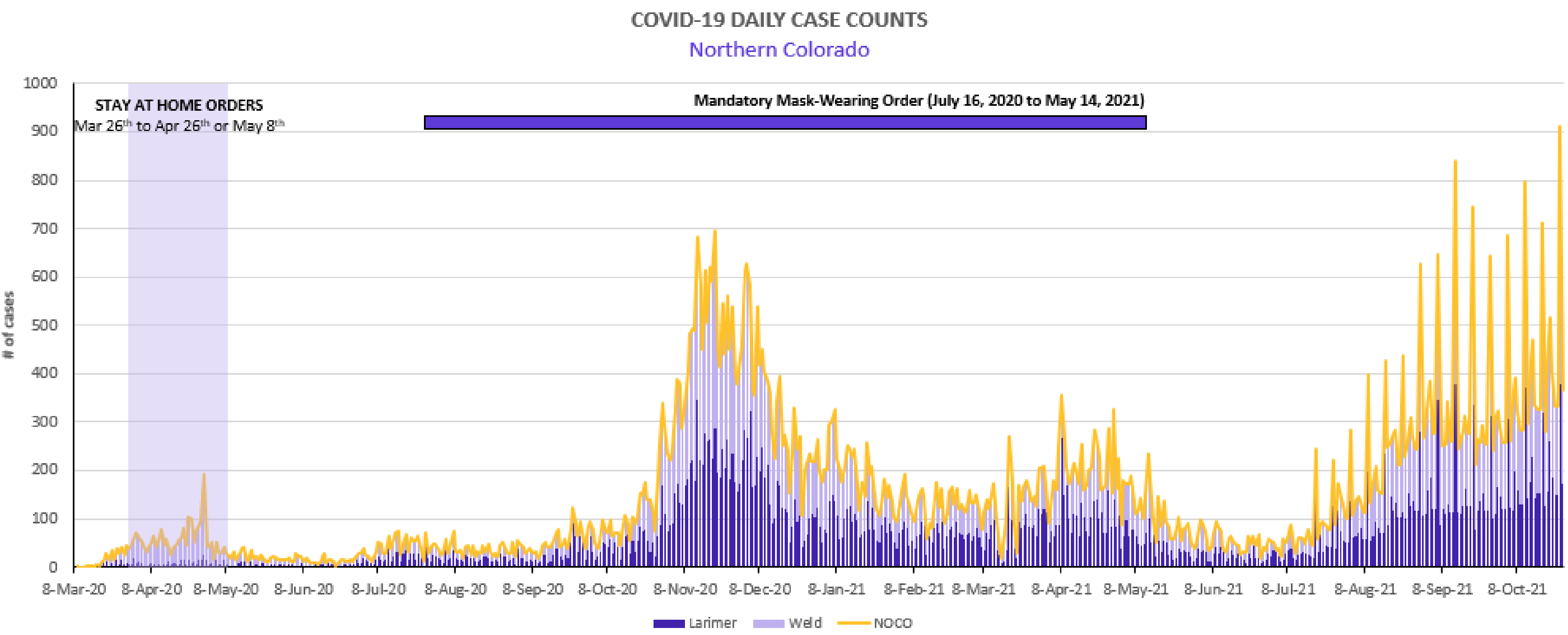
Source: Colorado Department of Public Health & Environment



Zonda

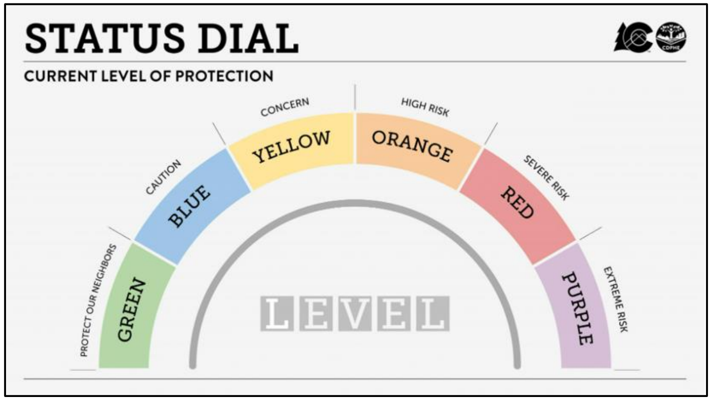
COVID-19 Daily Case Trends – Northern Colorado (Larimer & Weld)

Source: Colorado Department of Public Health & Environment



Colorado COVID-19 Levels of Openness (State Status Dial)

Source: Colorado Department of Public Health & Environment



See next page for each county's level of openness.

Also, see pages 29 through 32 of this addendum for more information on this topic.

On April 16th, 2021, the COVID-19 Dial evolved into Public Health Order 20-38: Limited COVID-19 Restrictions, which allows counties to implement regulations at the local level while still maintaining some limited requirements across the state. Counties may use the statewide dial framework as a model for implementing their own regulations.

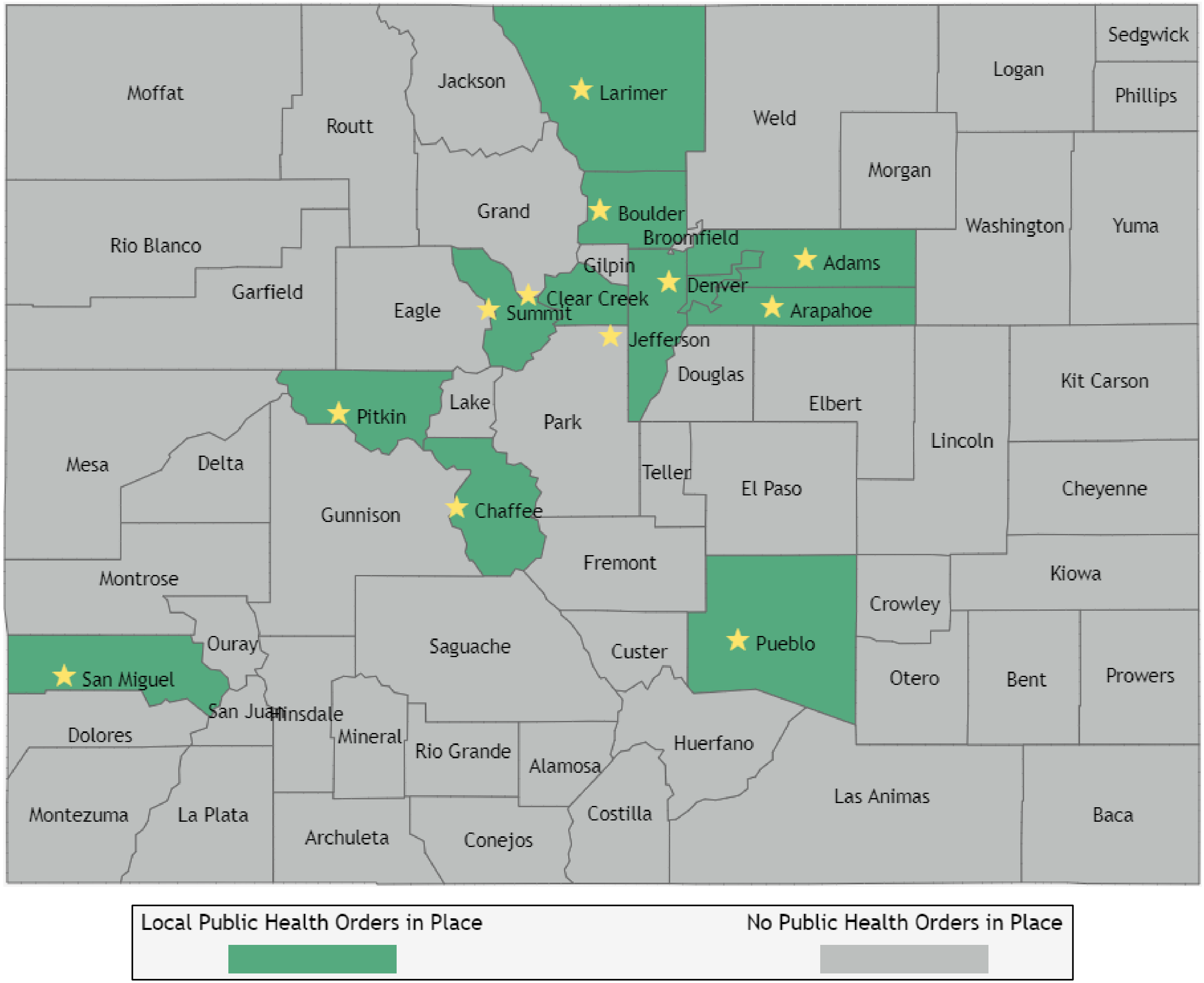
On July 30h, 2021, Public Health Order 20-38 was amended to continue reduced public health restrictions. A summary of notable guidelines are as follows:

- Fully vaccinated individuals are no longer required to wear masks in most settings.
- Section 1.A.a: Children can remove masks in a classroom, cohort, or other group setting where the staff whose primary responsibility is education or childcare have provided proof of full vaccination to employer.
- Section 1.A.c: Congregate care settings may remove masks in accordance with CMS guidance.
- Section 1.D.: Outdoor event requirements have been repealed.
- Section 1.E: Authorized outdoor-only graduations for schools that are closed to in-person learning.

It should be noted that at the time of the writing of this COVID-19 Update, variants of the COVID-19 virus have continued to become more prevalent across the world with the Delta Variant being the dominant strain in a few counties across the Colorado's Front Range. While the current public health order empowers counties to implement regulations at the local level, the State still recommends that businesses and other entities follow best practices to prevent the spread of COVID-19 and its variants. Denver City & County in particular has taken a more aggressive approach by issuing its own public health order requiring all city employees, as well as private-sector workers in high-risk settings, to be fully vaccinated against COVID-19 by September 30th, 2021. It is still to be determined how other counties across Colorado's Front Range will respond to the Delta Variant at the county level, or if the State will revert back to more strict regulations at the State level.

Colorado COVID-19 Level of Openness by County

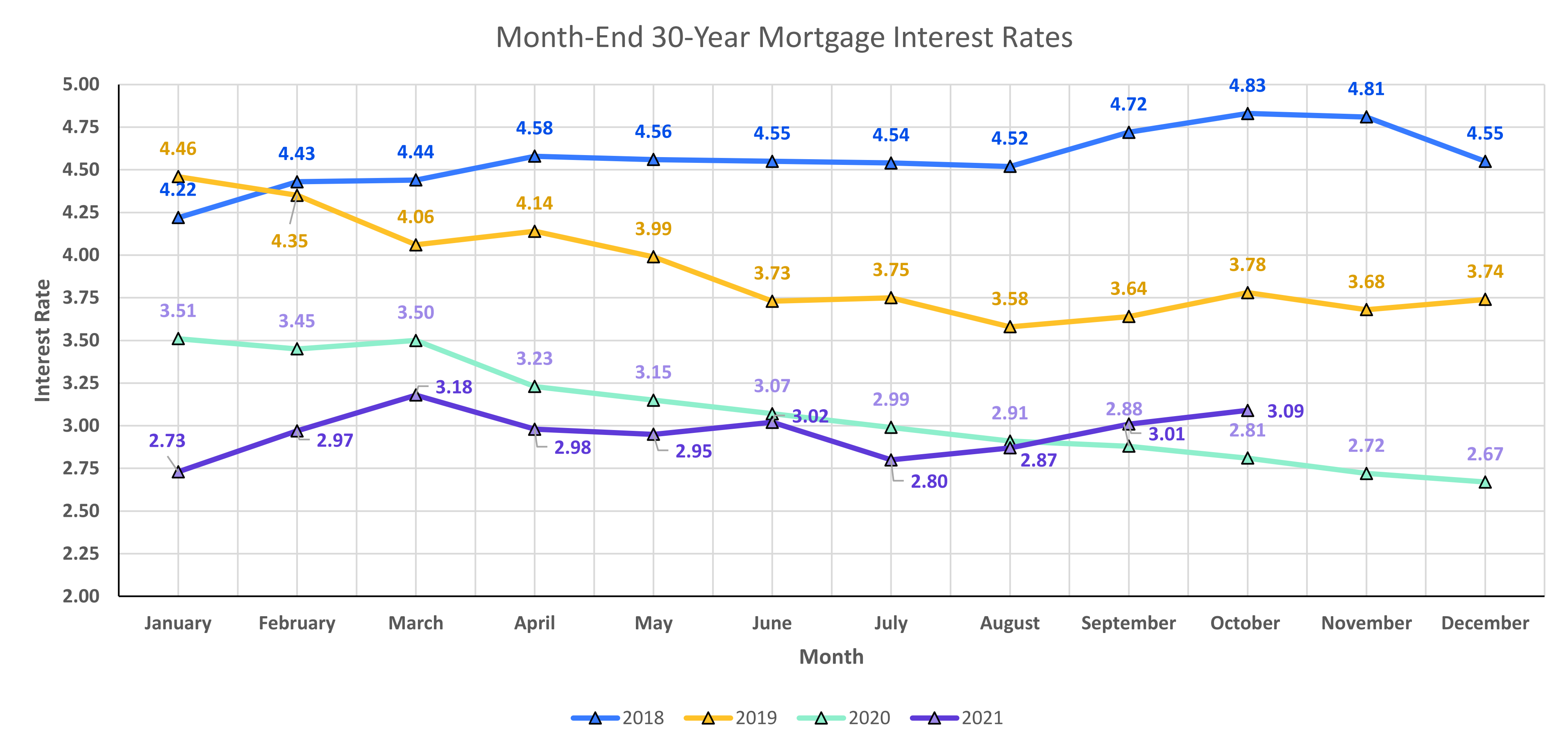
Source: Colorado Department of Public Health & Environment; October 27, 2021



Zonda

30-Year Fixed Rate Mortgage Interest Rate Trends

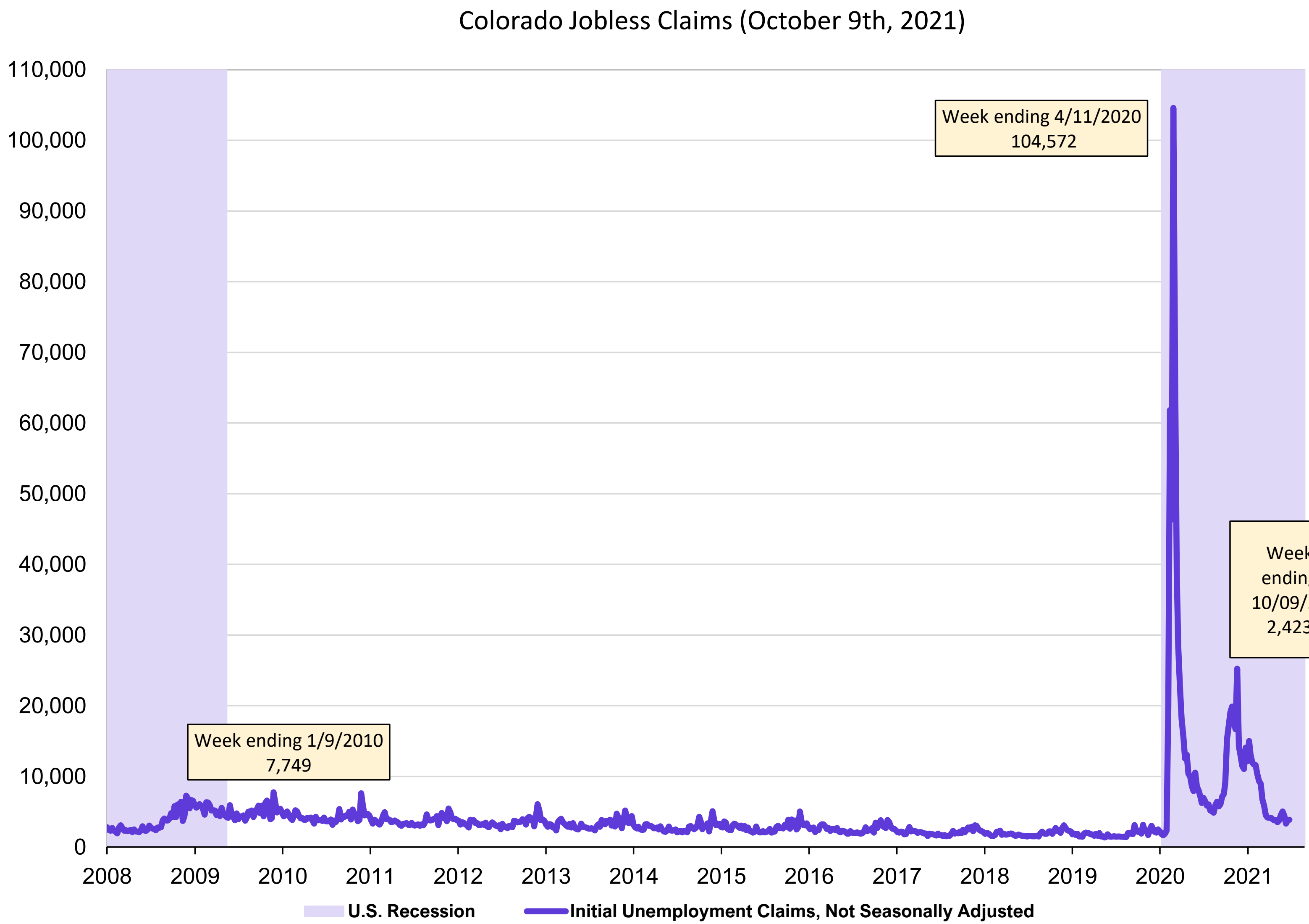
Source: Freddie Mac, October 21, 2021



Zonda

State of Colorado Jobless Claims

Source: U.S. Department of Labor – Employment and Training Administration; October 9, 2021

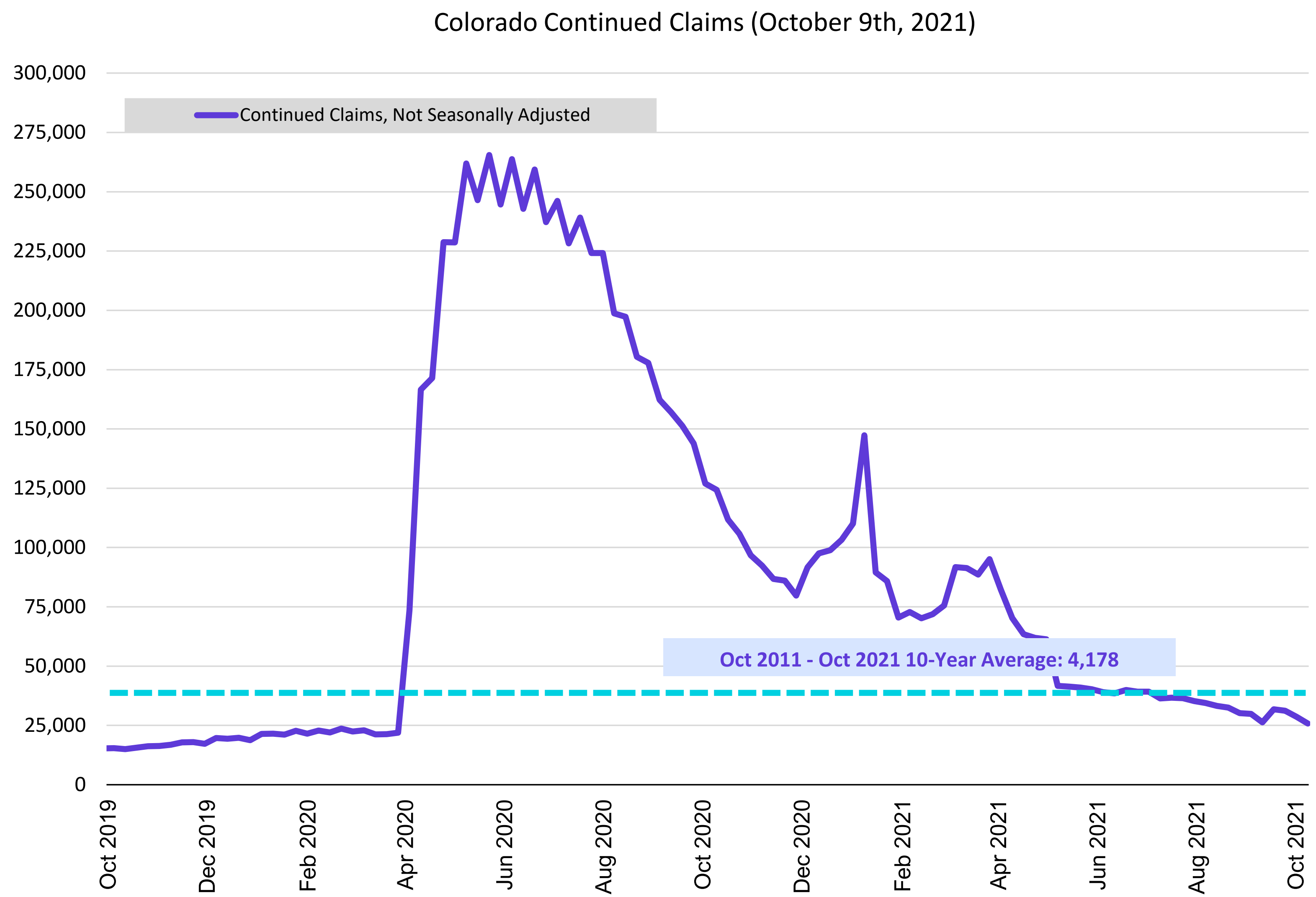


Data from United States Department of Labor – Employment and Training Administration

Zonda

State of Colorado Continued Claims – Trailing 12 Months

Source: U.S. Department of Labor – Employment and Training Administration; October 9, 2021

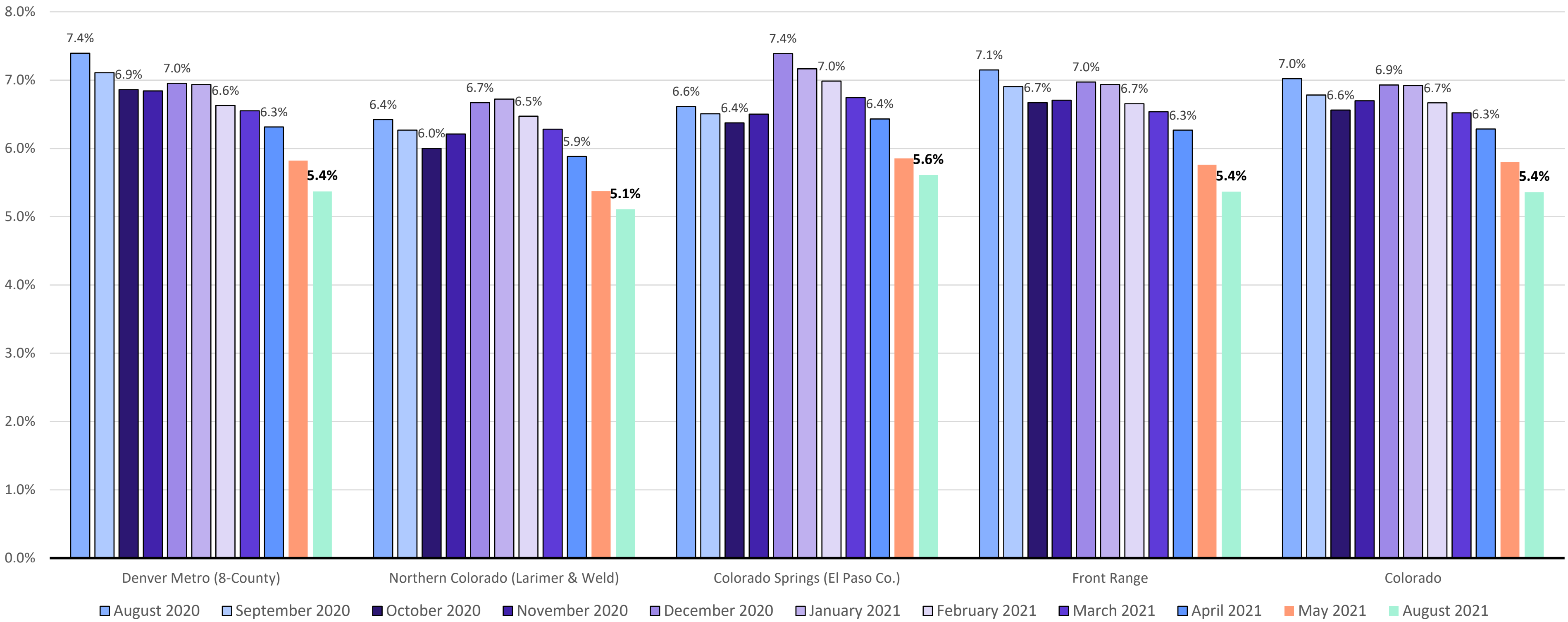


Data from United States Department of Labor – Employment and Training Administration

Zonda

Unemployment Rate Trends

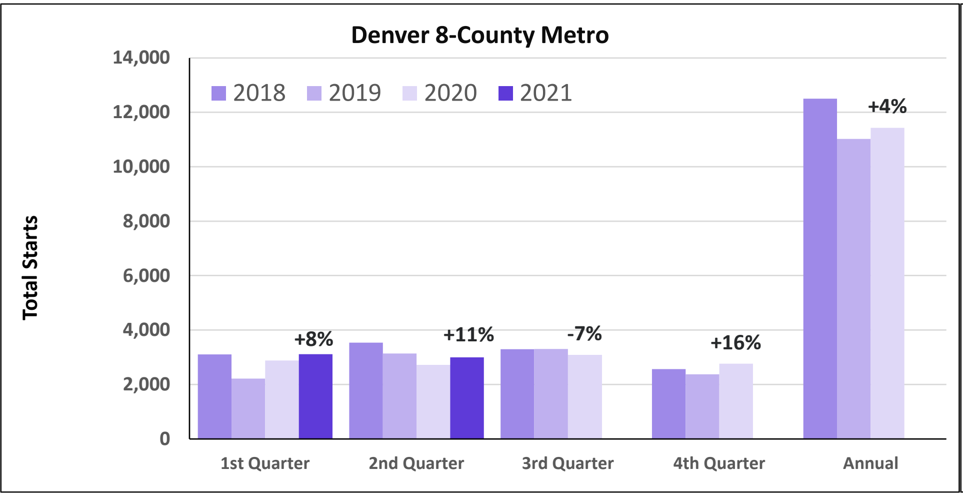
Source: U.S. Bureau of Labor Statistics; August 2021

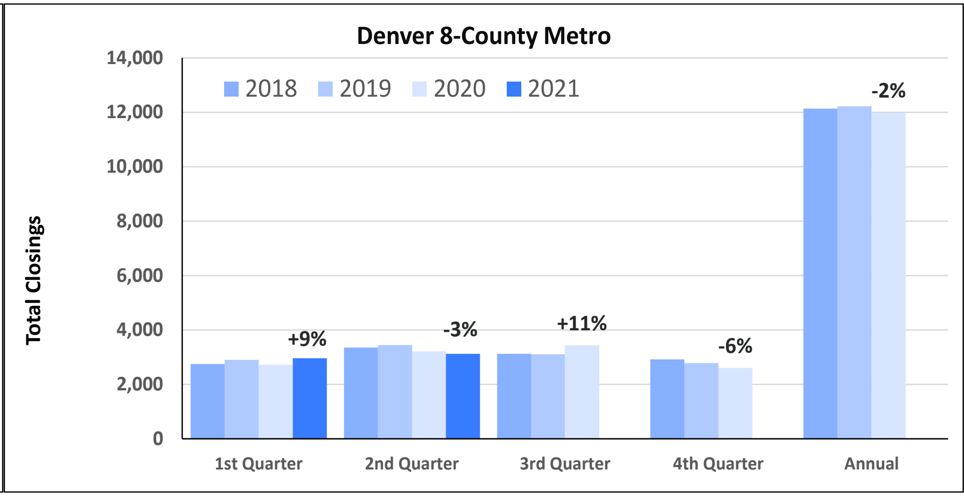


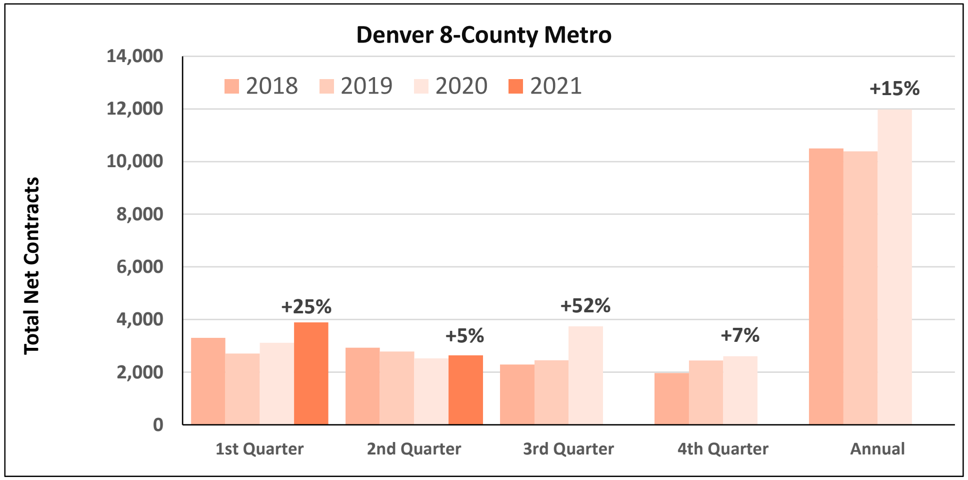
Zonda

Metro Denver New Home Quarterly Contracts, Starts, & Closings Comparison

Source: Zonda; Second Quarter 2021



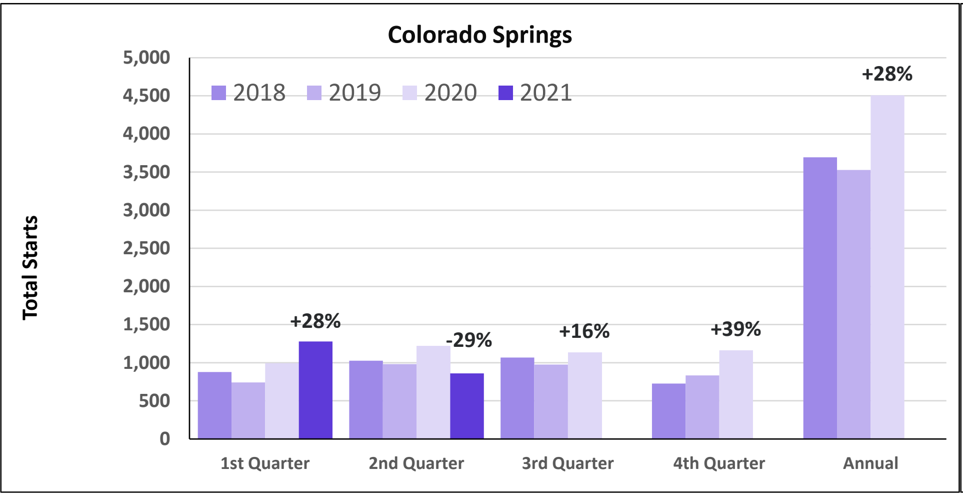


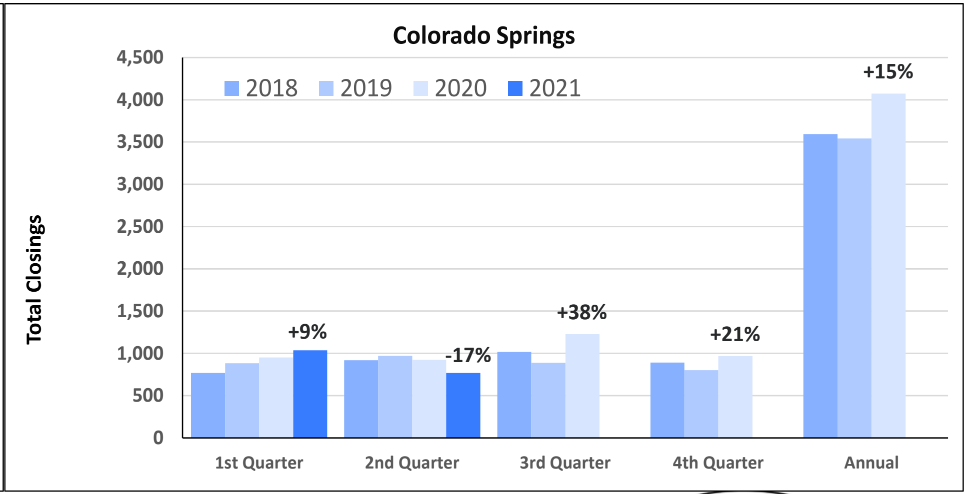


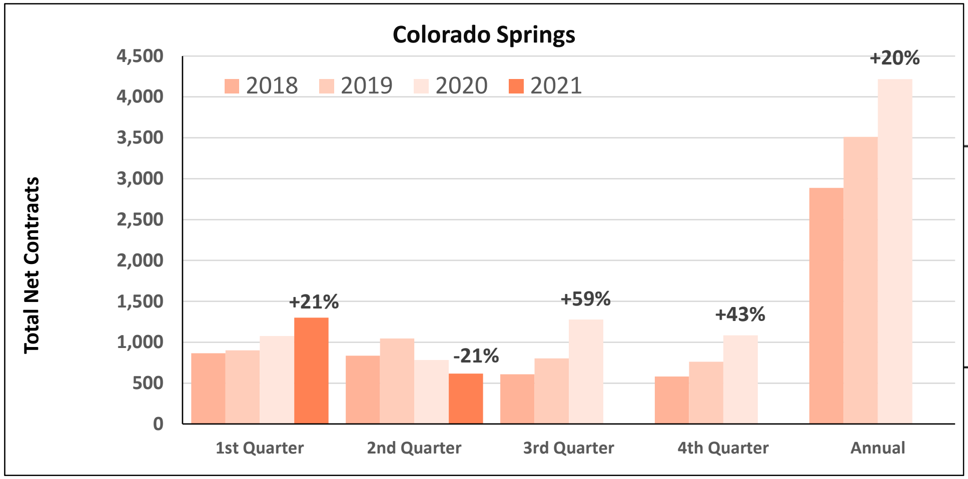
Zonda

Colorado Springs New Home Quarterly Contracts, Starts, & Closings Comparison

Source: Zonda; Second Quarter 1Q21



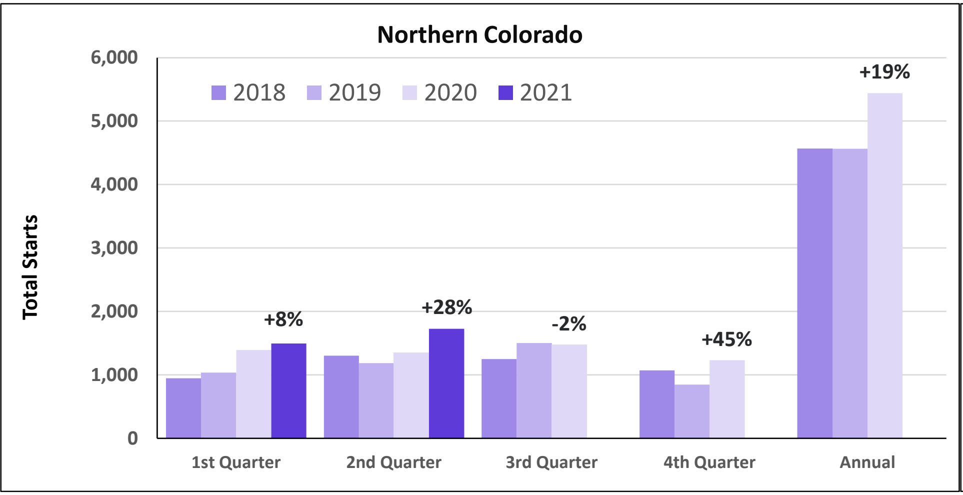


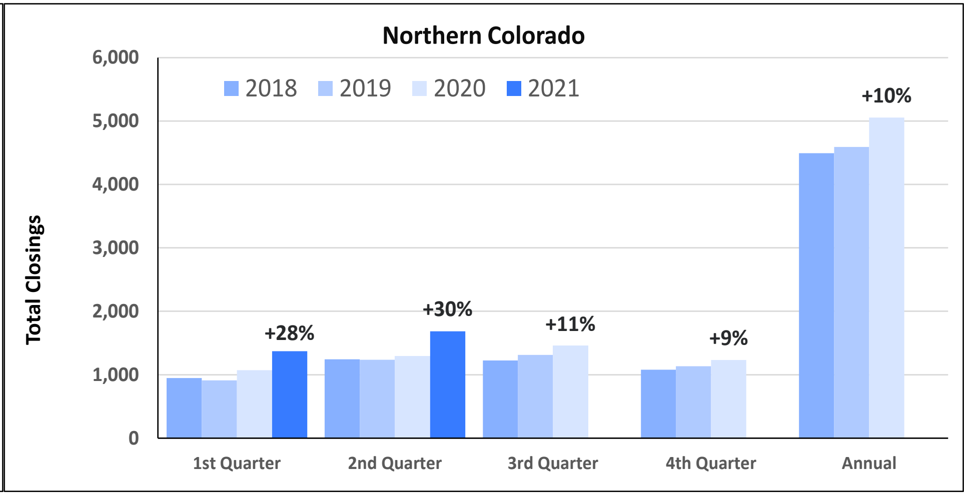


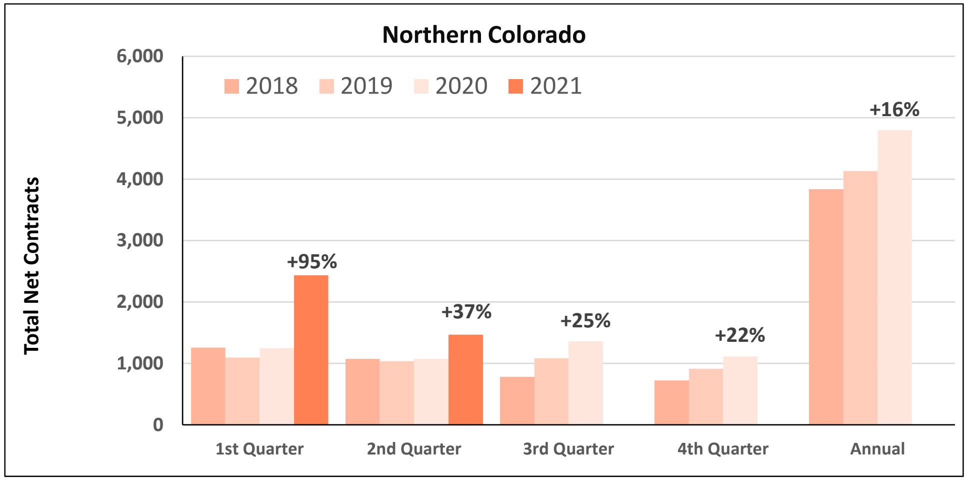
Zonda

Northern CO New Home Quarterly Contracts, Starts, & Closings Comparison

Source: Zonda, Second Quarter 2021



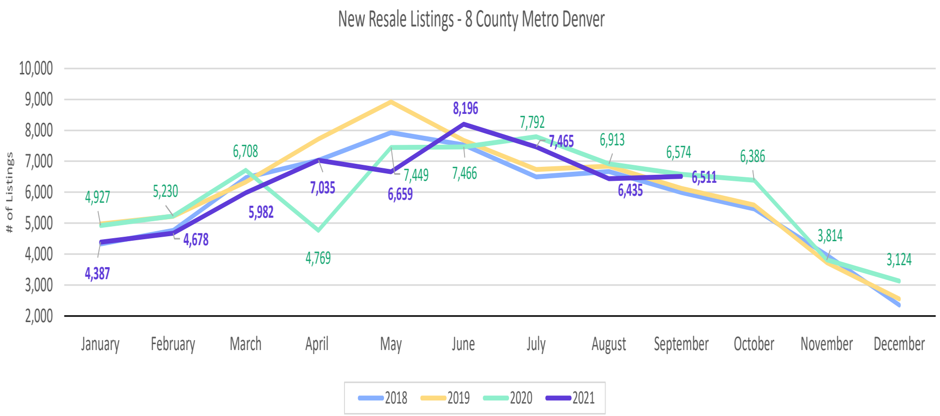


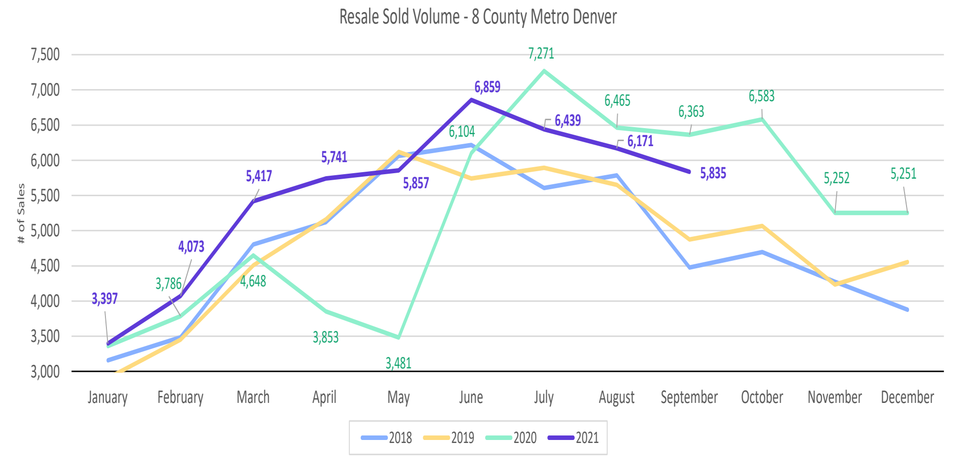


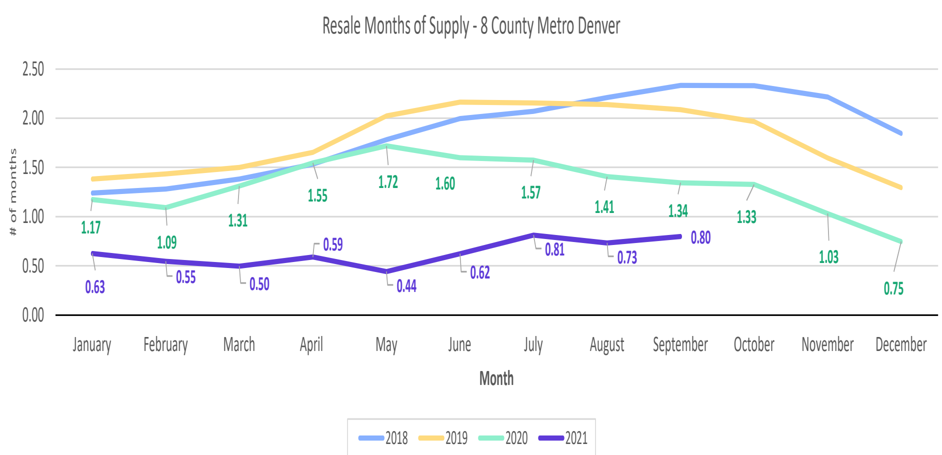
Zonda

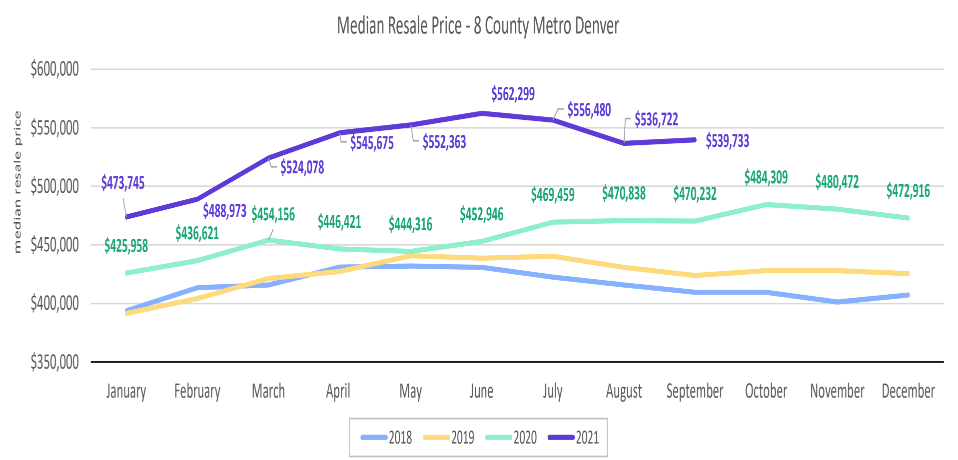
Metro Denver Resale Housing Activity Trends

Source: Colorado Association of Realtors; Zonda; September 2021





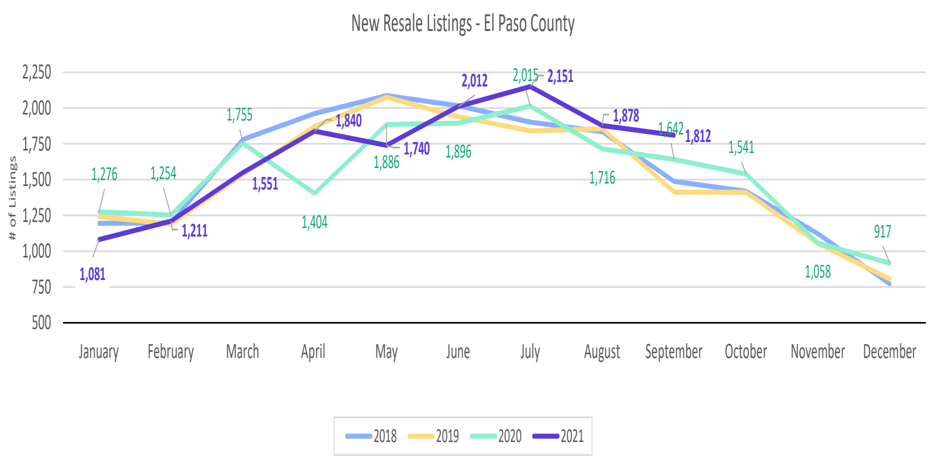


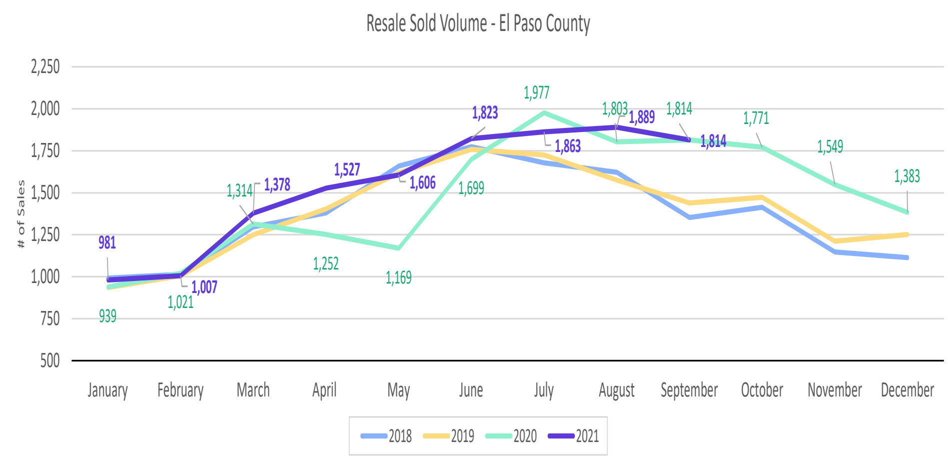


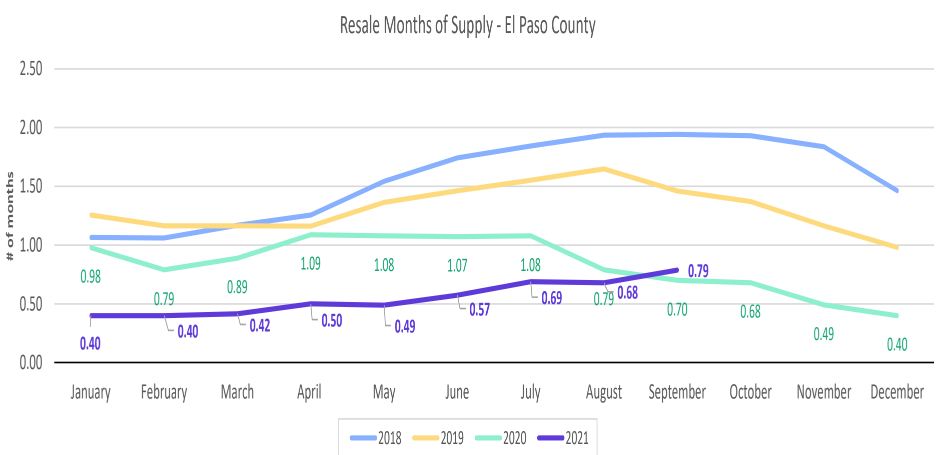
Zonda

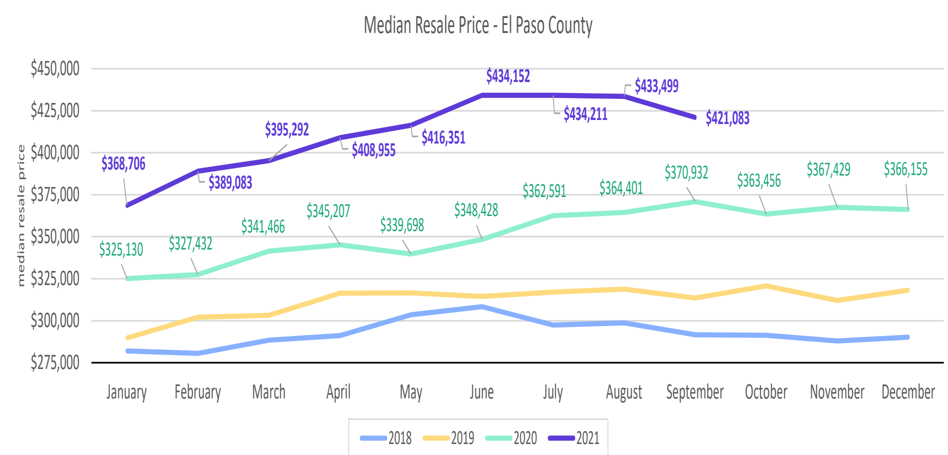
Colorado Springs Resale Housing Activity Trends

Source: Colorado Association of Realtors; Zonda; September 2021





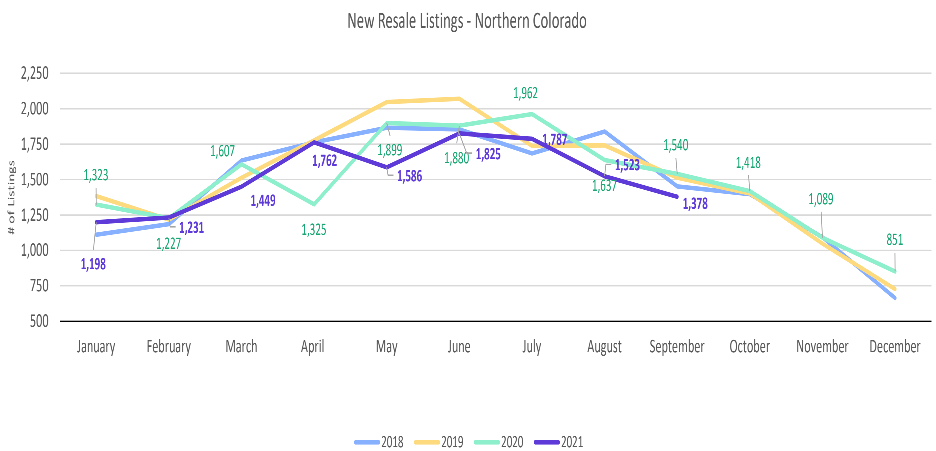


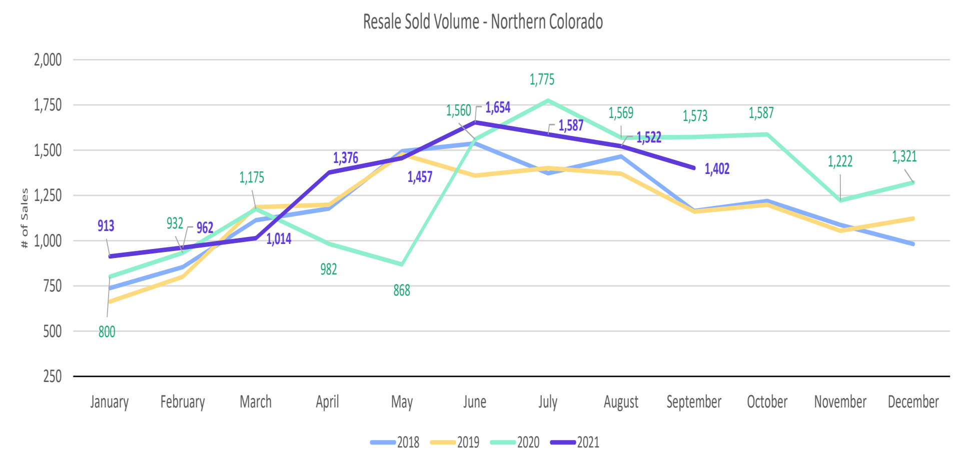


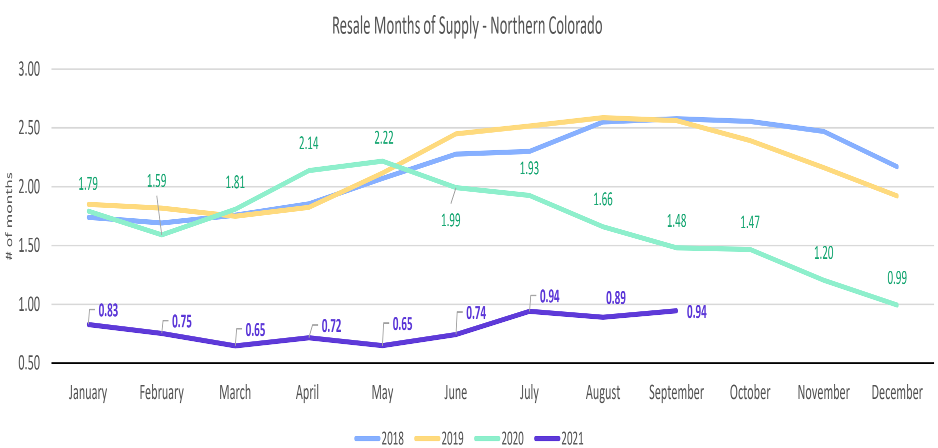
Zonda

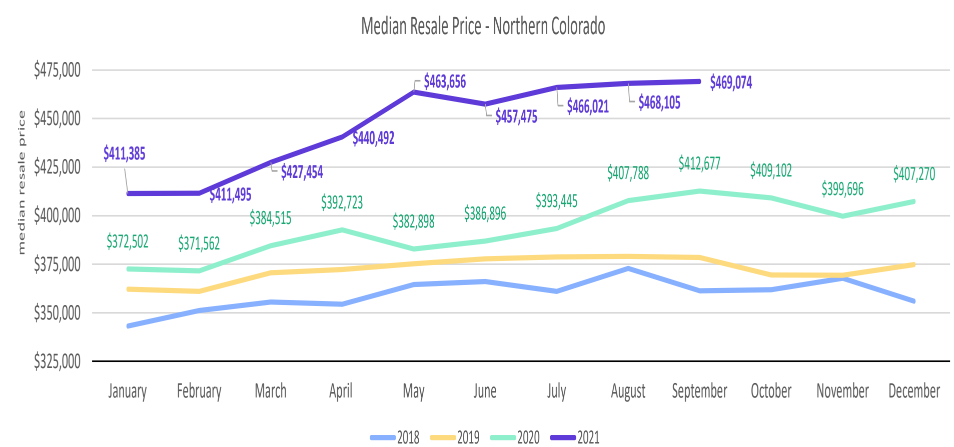
Northern Colorado Resale Housing Activity Trends

Source: Colorado Association of Realtors; Zonda; September 2021





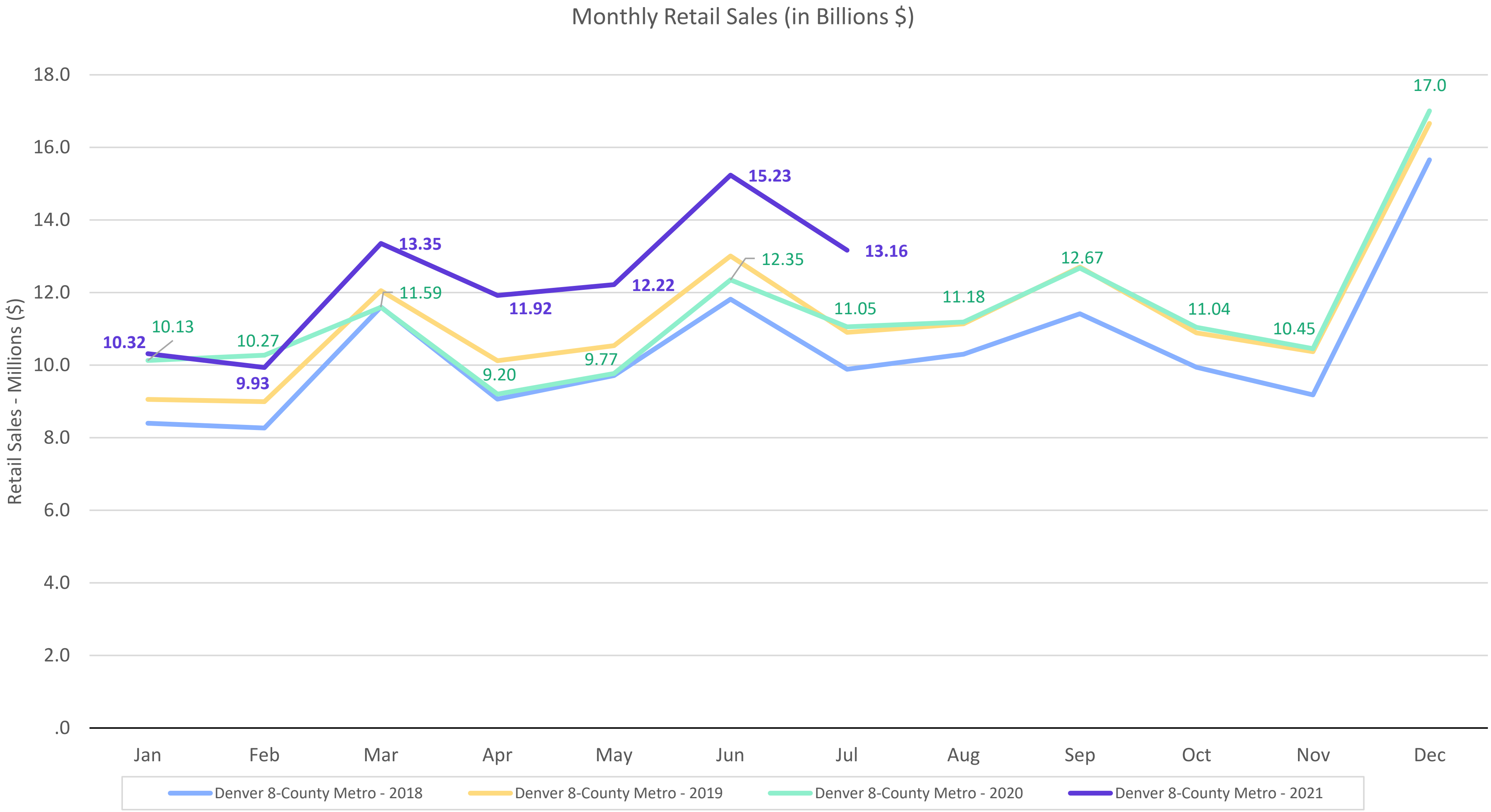




Zonda

Metro Denver Retail Sales Up +19.1% YOY from July 2020

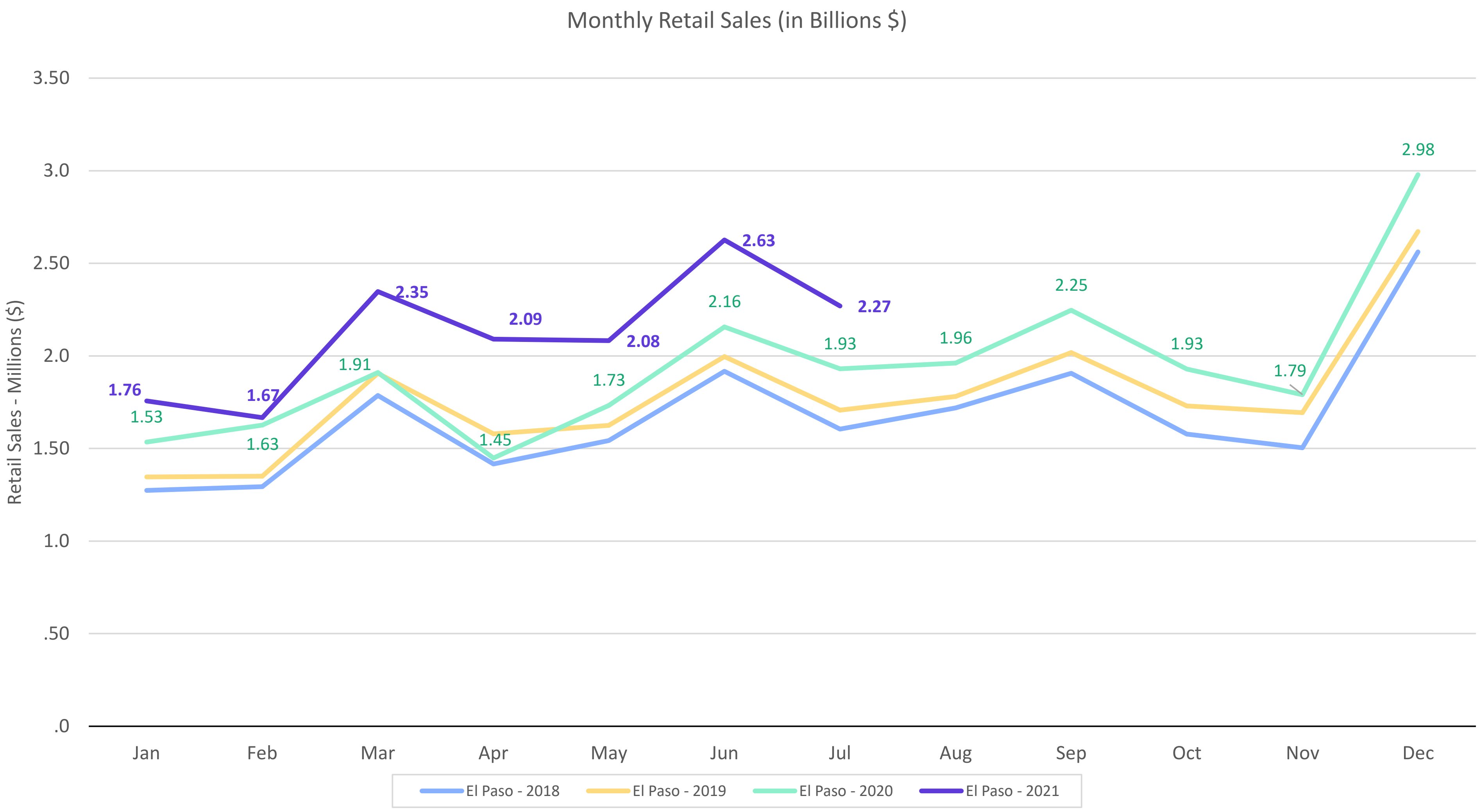
Source: Colorado Department of Revenue, July 2021



Zonda

Colorado Springs Retail Sales Up +17.6% YOY from July 2020

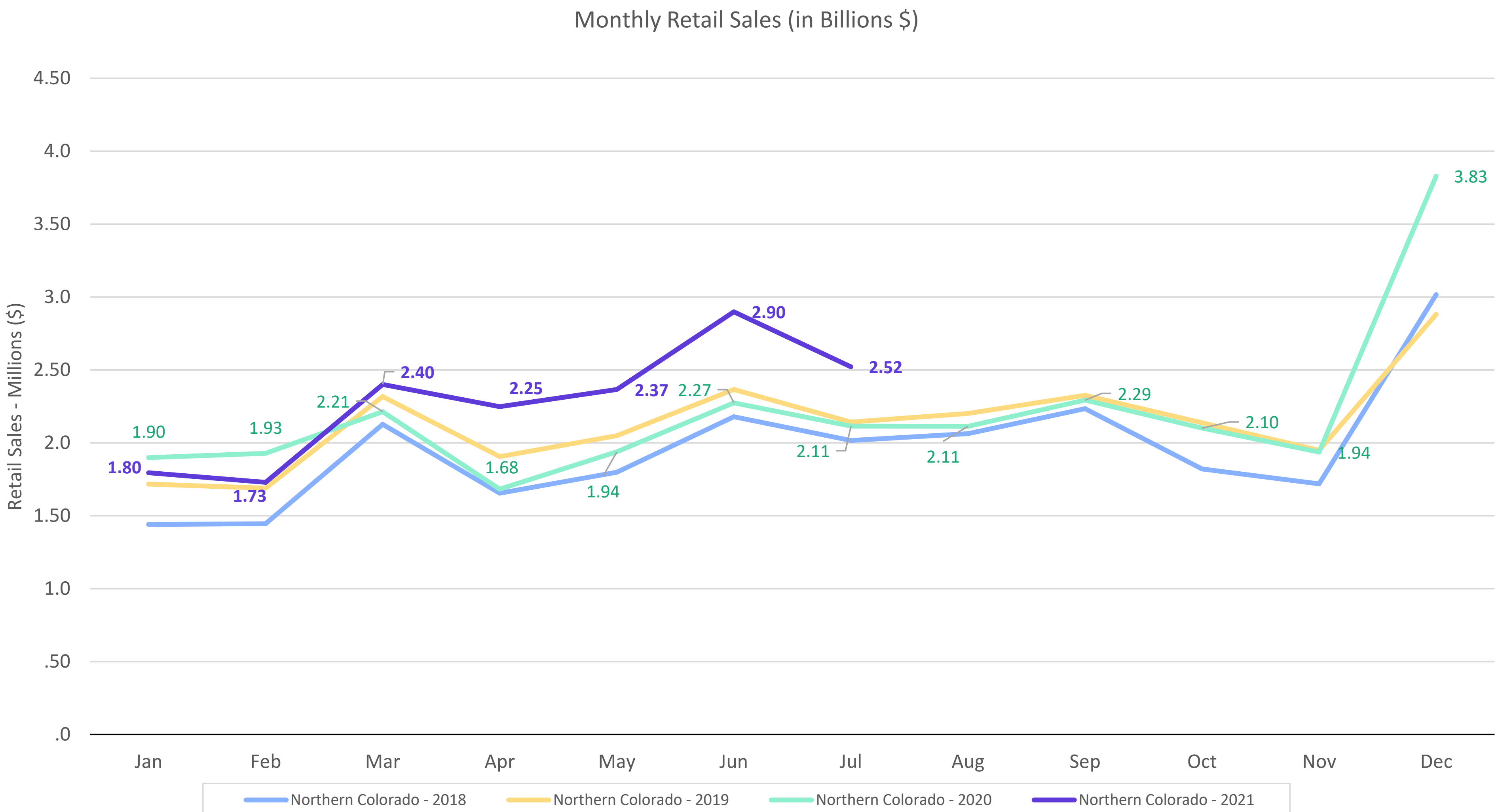
Source: Colorado Department of Revenue, July 2021



Zonda

Northern Colorado Retail Sales Up +19.3% YOY from July 2020

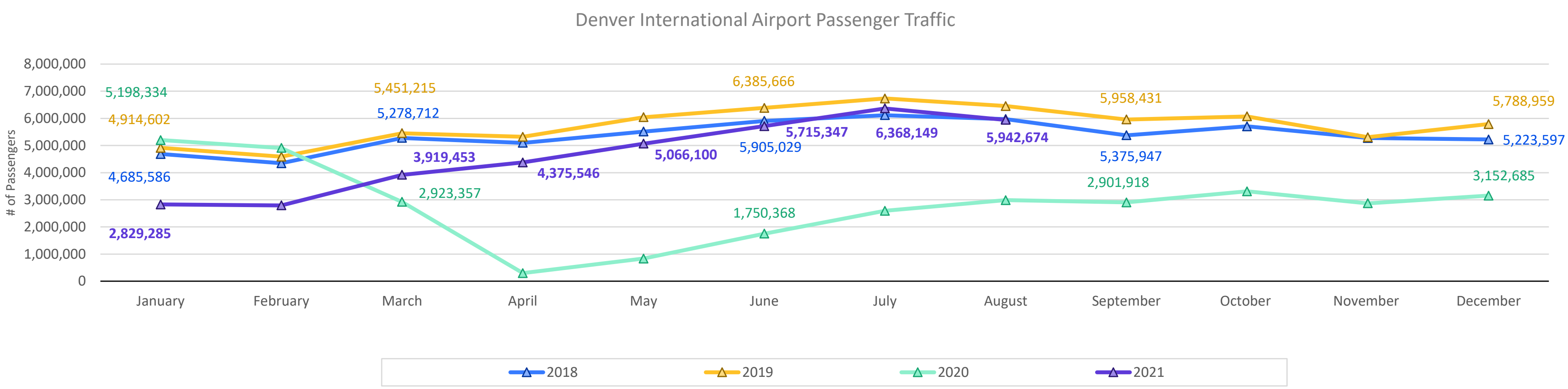
Source: Colorado Department of Revenue, July 2021



Zonda

Denver International Airport Passenger Traffic by Month

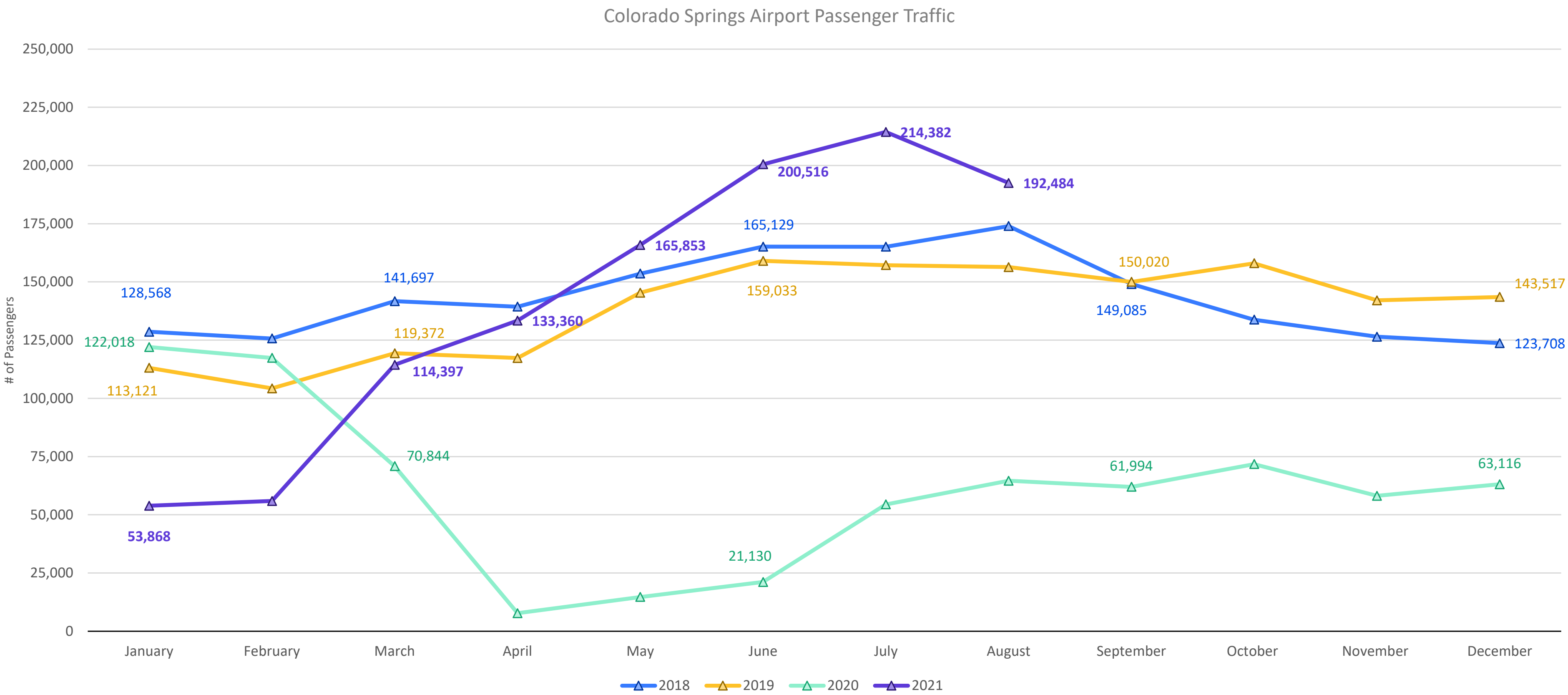
Source: FlyDenver.com; August 2021



Zonda

Colorado Springs Airport Passenger Traffic by Month

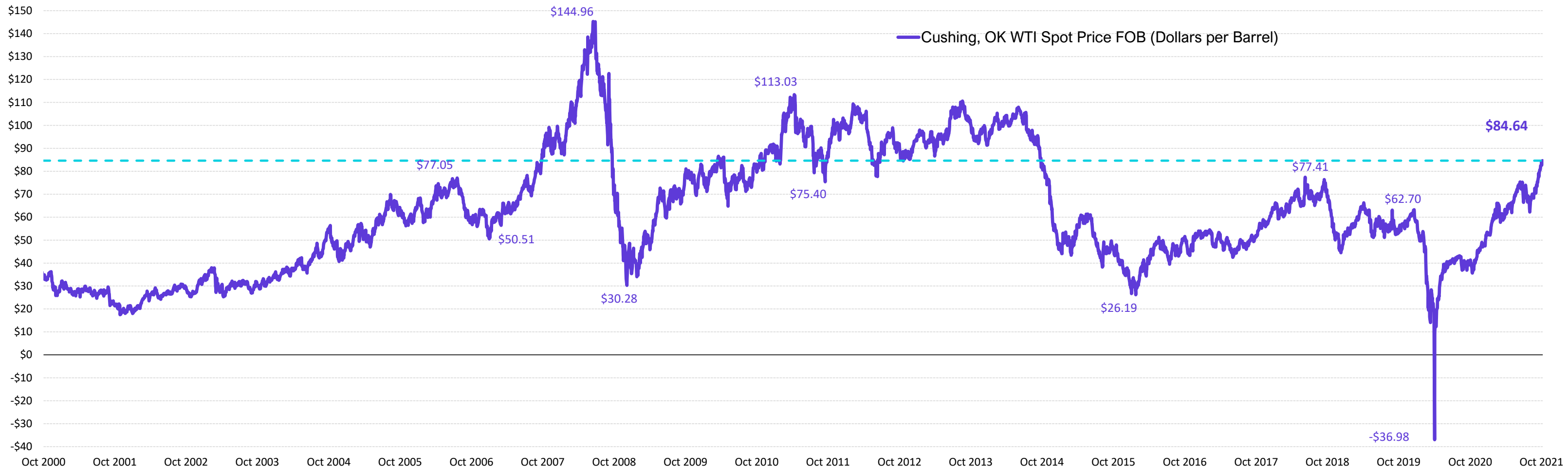
Source: ColoradoSpring.gov; August 2021

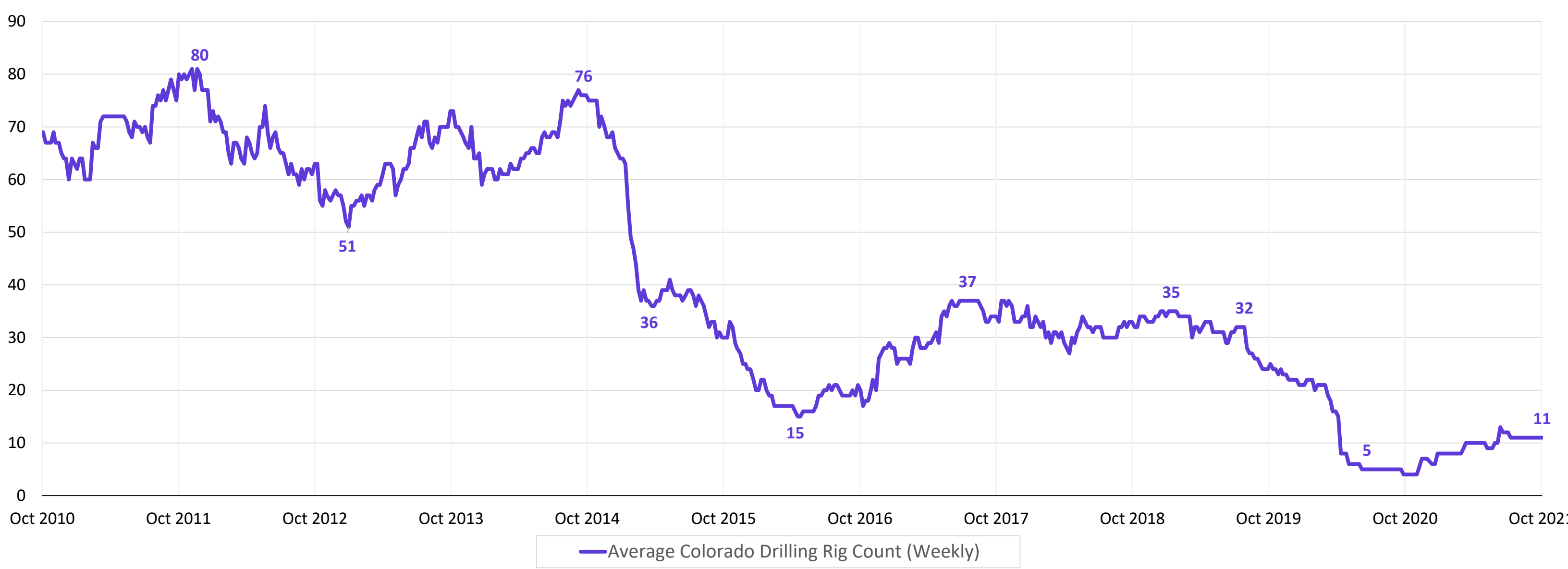


Zonda

Oil Prices Back to Pre-Pandemic Levels; Colorado Drilling Rig Count Remains Low

Source: Baker Hughes; US Energy Information Administration; October 2021

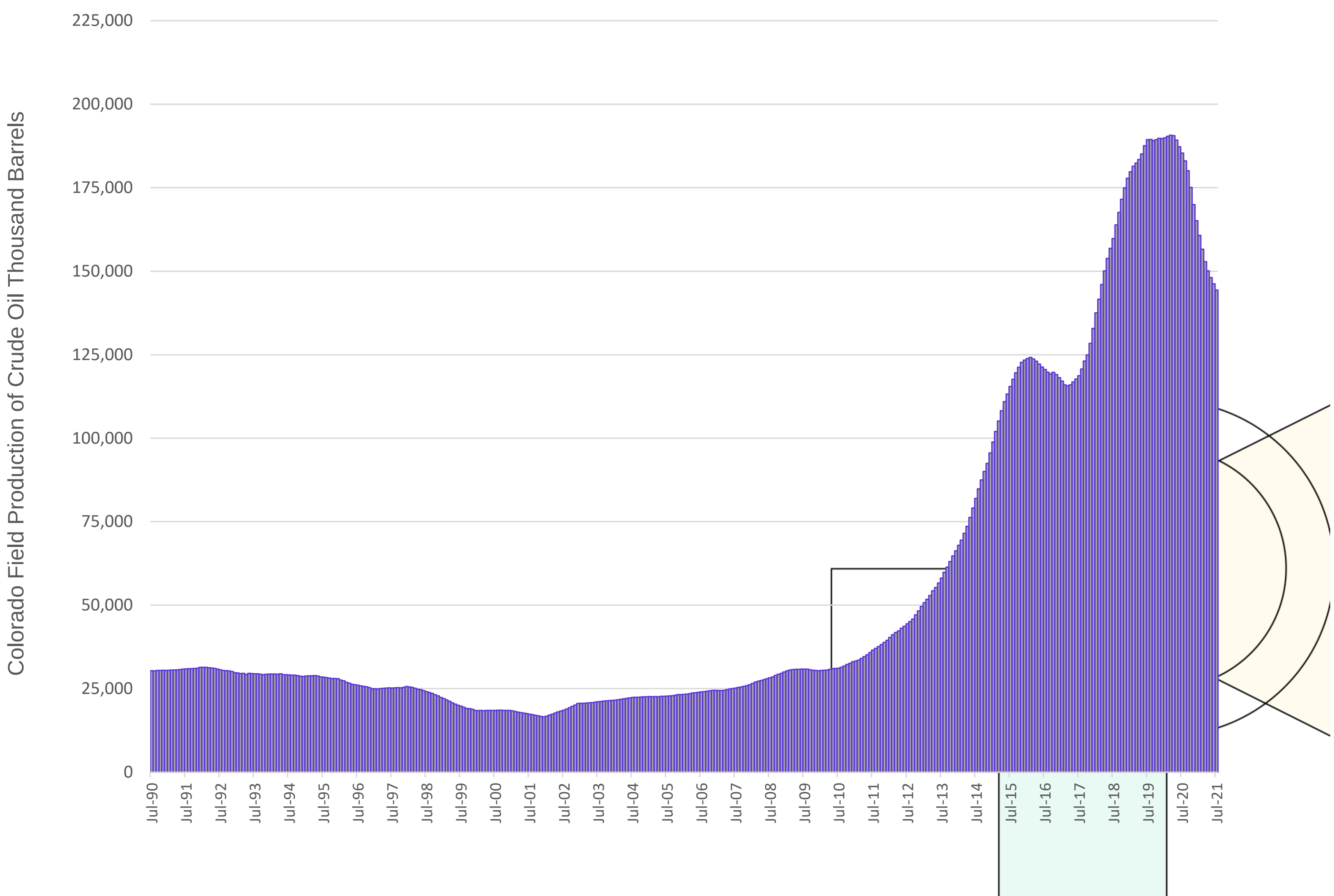




Zonda

Colorado Oil Production Down -13.6% YOY

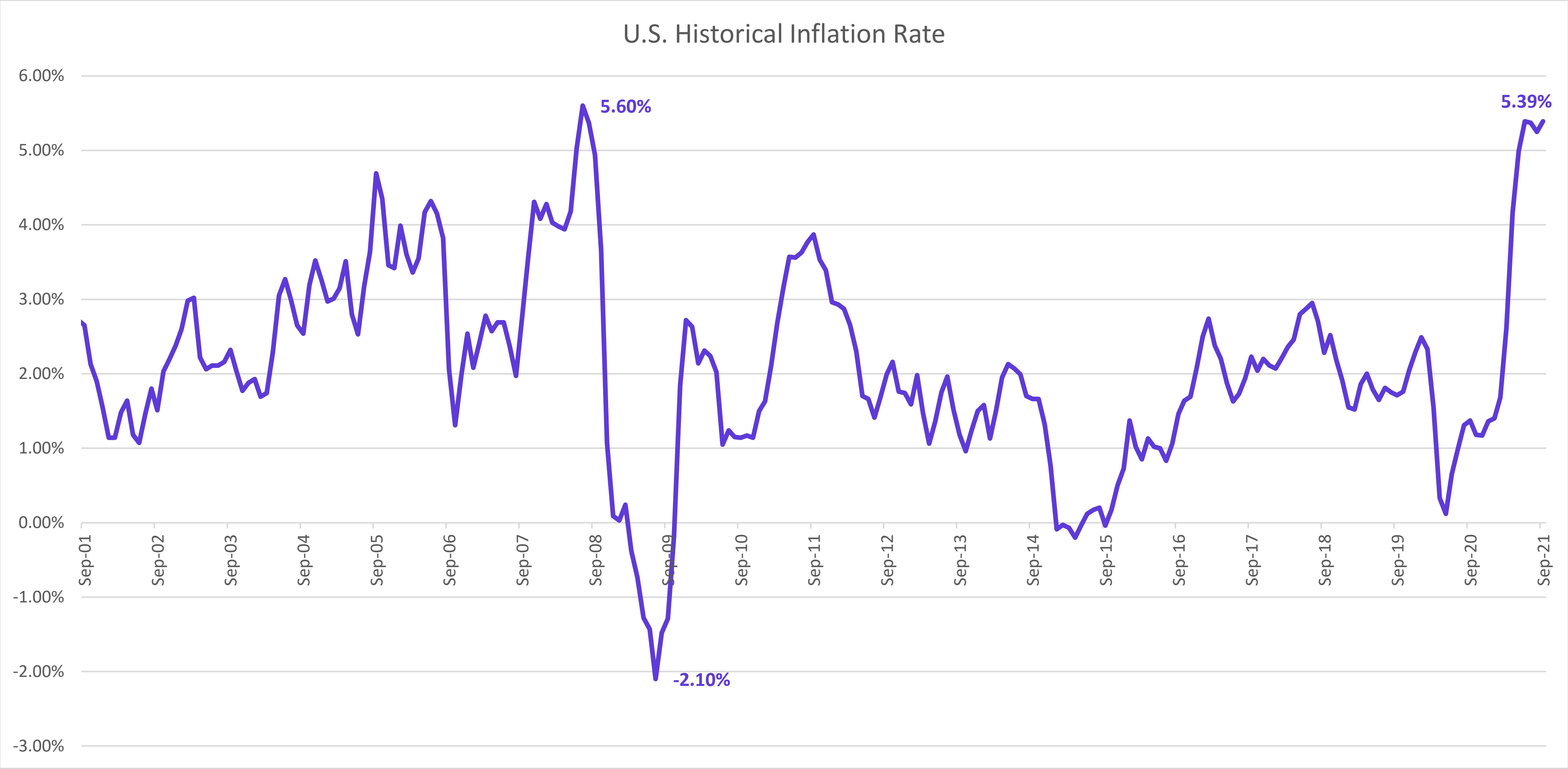
Source: Baker Hughes; US Energy Information Administration; July 2021



Zonda

U.S. Historical Inflation Rate

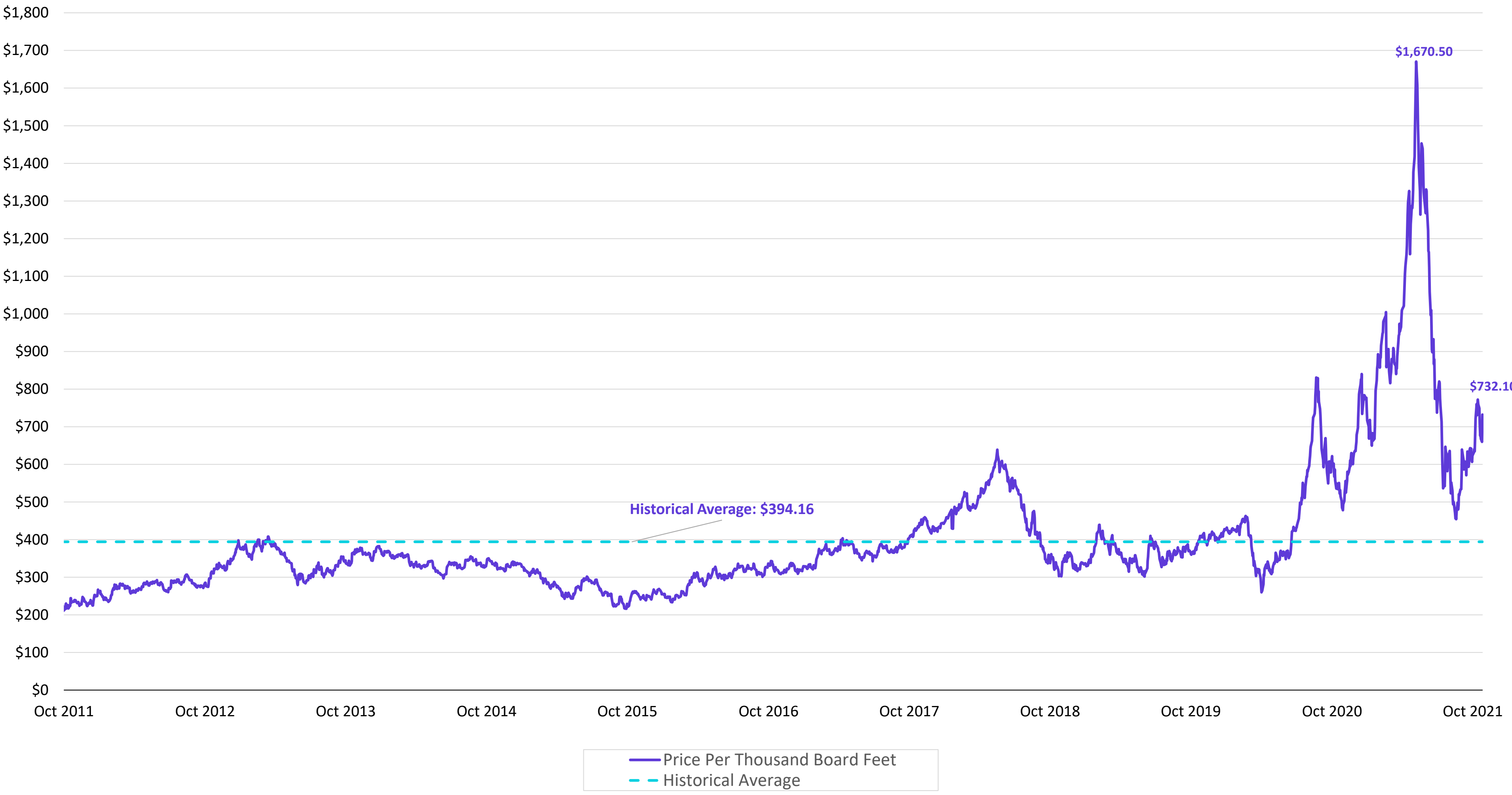
Source: Multpl.com; U.S. Bureau of Labor Statistics; September 2021



Zonda

Lumber (LBS) Prices (per thousand board feet) – Daily Chart Trending

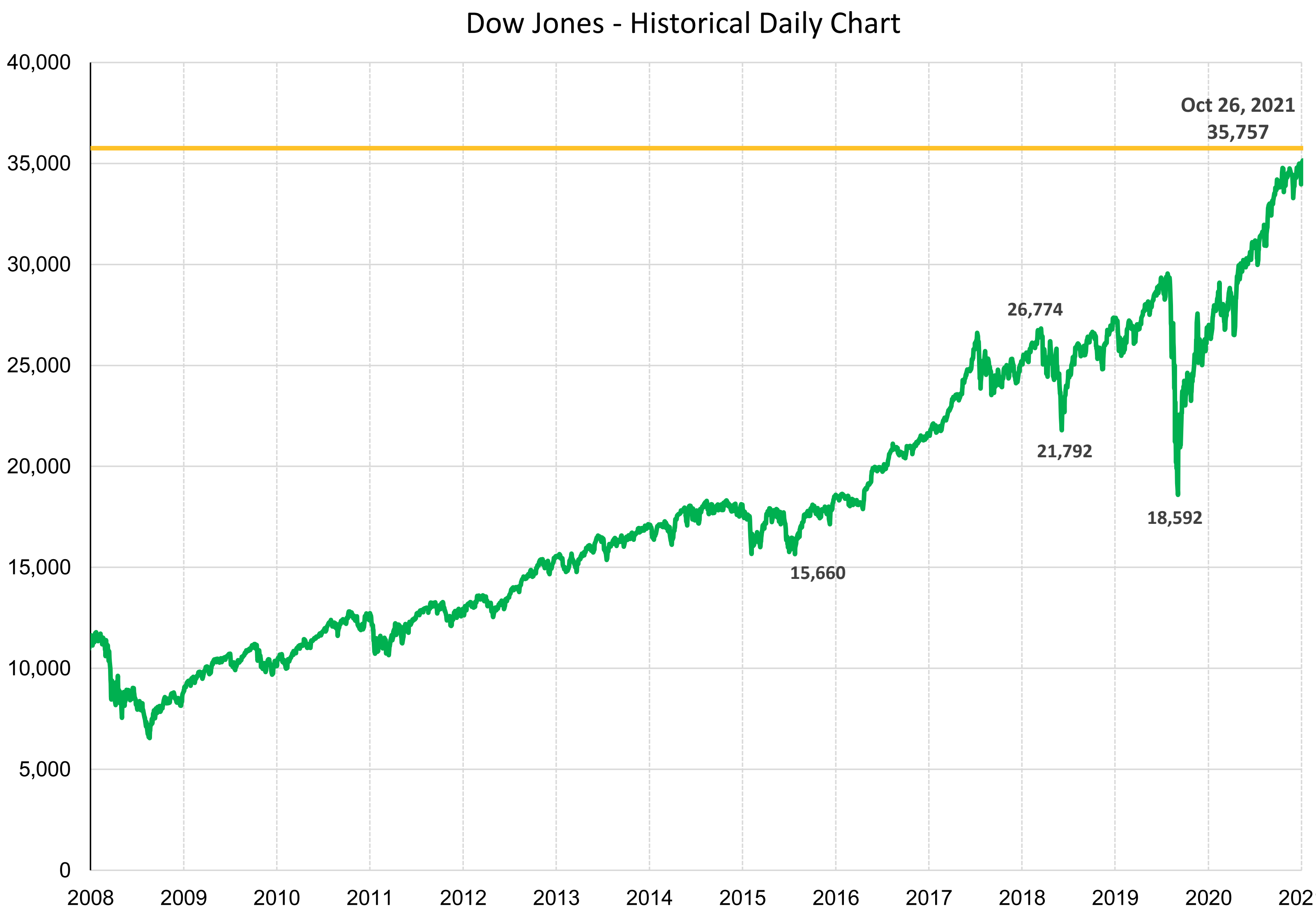
Source: Nasdaq.com; October 2021



Zonda

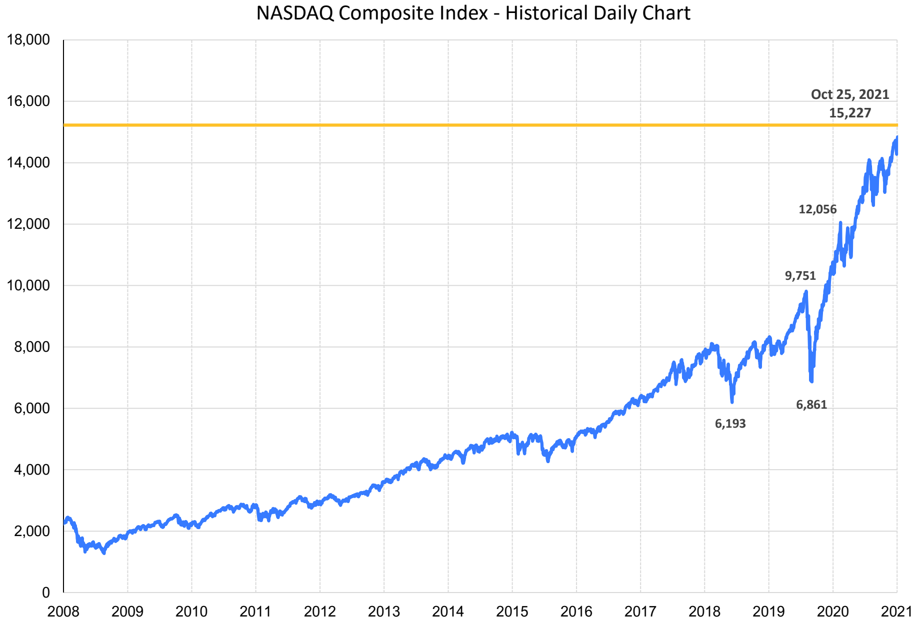
Dow Jones Composite Index – Daily Chart Trending

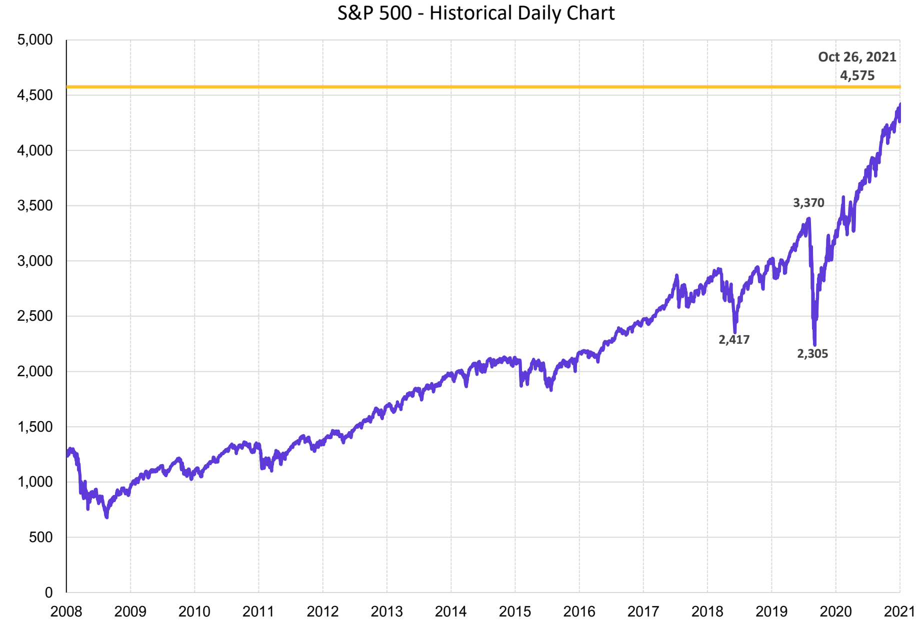
Source: Macrotrends.net; October 2021



NASDAQ & Standard and Poor Composite Index

Source: Macrotrends.net; October 2021





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Colorado Guidelines & Restrictions by Level

Source: Colorado Department of Public Health & Environment

	LEVEL GREEN: PROTECT OUR NEIGHBORS	LEVEL BLUE: CAUTION	LEVEL YELLOW: CONCERN	LEVEL ORANGE: HIGH RISK	LEVEL RED: SEVERE RISK	LEVEL PURPLE: EXTREME RISK
7 DAY INCIDENCE LEVEL (excluding cases of residents in congregate facilities)	0-35 / 100,000	36-100 cases per 100,000	101-300 cases per 100,000	301-500 cases per 100,000	501+ cases per 100,000	Statewide Hospital Capacity is threatened: Approaching the need for medical crisis standards of care, Utilizing alternative care sites, Critical shortages of PPE or staff, Or hospitals approaching 90% of their reported surge capacity .
PERCENT TESTING POSITIVITY	No greater than 5%. Positivity subject to CDPHE review	No greater than 5%	No greater than 7.5%	No greater than 10%	Greater than 10%	
HOSPITALIZATIONS STABLE OR DECLINING?	Sufficient local hospital bed capacity. Note: if local hospital capacity is threatened, county will move back to a more restrictive level.	Hospitalizations stable or declining	Hospitalizations stable or declining	Hospitalizations stable or declining	Regional or state hospital system capacity is constrained, such as critical shortages of staff or personal protective equipment (PPE) or hospital systems are approaching 90% of their reported surge capacity, or state assistance is requested for patient transport or staff augmentation.	

Colorado Guidelines & Restrictions by Level

Source: Colorado Department of Public Health & Environment

	LEVEL GREEN: PROTECT OUR NEIGHBORS	LEVEL BLUE: CAUTION	LEVEL YELLOW: CONCERN	LEVEL ORANGE: HIGH RISK	LEVEL RED: SEVERE RISK	LEVEL PURPLE: EXTREME RISK
HIGH RISK POPULATIONS	**Use caution** Eligible for worker benefits and mandatory prioritization for remote work	**Use caution** Eligible for worker benefits and mandatory prioritization for remote work	**Advised to Stay at Home** Eligible for worker benefits and mandatory prioritization for remote work	**Strongly advised to Stay at Home** Eligible for worker benefits and mandatory prioritization for remote work	**Stay at Home** Eligible for worker benefits and mandatory prioritization for remote work	**Stay at Home Ordered** Eligible for worker benefits and mandatory prioritization for remote work
VARIANCES	No state regulation	Continue indoor variances; no outdoor state restrictions, but locals may choose local restrictions.	Continue indoor variances; no outdoor state restrictions, but locals may choose local restrictions.	Outdoor variances available	Not eligible - Current variances reevaluted	Not eligible - Current variances revoked unless specifically allowed
PERSONAL GATHERING SIZE	No state capacity regulations, but locals may choose local restrictions. Reference the latest CDC guidance for masking during gatherings with vaccinated people.	Reference the latest CDC guidance for masking during gatherings with vaccinated people.	Reference the latest CDC guidance for masking during gatherings with vaccinated people.	Up to 10 people from no more than 2 households	None	None
5 STAR STATE CERTIFICATION	Increases consumer confidence	Restaurants: 100% capacity with 6 feet of distancing between parties Gyms: 100% capacity with 6 feet of distancing between parties Indoor events: 50% capacity or 500 people	5 Star businesses operate in Blue	5 Star businesses operate in Yellow	5 Star businesses operate in Orange	None.

Colorado Guidelines & Restrictions by Level

Source: Colorado Department of Public Health & Environment

CHILDCARE	Open	Open	Open	Open	Open	Open
P-12 SCHOOLS	In-person	In-person	In-person suggested, hybrid, or remote as appropriate	In-person suggested, hybrid, or remote as appropriate	P-5: in person suggested, hybrid, or remote as appropriate Middle school: in-person, hybrid, or remote suggested High school: hybrid or remote suggested	In-person, hybrid, or remote as appropriate
HIGHER EDUCATION	In-person	In-person	In-person, hybrid, or remote as appropriate	In-person, hybrid, or remote as appropriate	Remote suggested, limited in-person when necessary	Remote suggested, very limited in-person when necessary
RESTAURANTS	No state capacity regulations, but locals may choose local restrictions.***	100% capacity; 6 feet between parties	50% capacity or 150 people † 6ft between parties outdoors, per local zoning	25% capacity or 50 people † 6ft between parties outdoors, per local zoning	Indoor dining closed. Take out, curbside, delivery, or to go, outdoor/open air with only groups of own household is open.	Indoor and outdoor dining closed. Take out, delivery, or to go is open.
LAST CALL	Per local restrictions	2 a.m. (on premise)	1 a.m. (on premise)	12 a.m. (on premise)	10 p.m. (on premise)	No on premise service
NON-CRITICAL MANUFACTURING	No state capacity regulations, but locals may choose local restrictions.***	75% capacity	50% capacity or 50 people (or up to 100 with calculator) †	25% capacity or 50 people †	25% capacity or 50 people †	10% capacity or 25 people †
OFFICES	No state capacity regulations, but locals may choose local restrictions.***	75% capacity	50% capacity, remote work is strongly encouraged.	25% capacity, remote work is strongly encouraged.	10% capacity, remote work is strongly encouraged.	Remote work or Closed
BARS	50%* capacity or 500 people †	25% capacity or 75 people †	Closed	Closed	Closed	Closed
GYMS/FITNESS	No state capacity regulations, but locals may choose local restrictions.***	100% capacity; 6 feet between parties	50% capacity or 50 people †	25% capacity or 50 people indoors †, or outdoors in groups less than 10	10% capacity or 10 people indoors per room †, or outdoors in groups less than 10. Reservations required.	Virtual, or outdoors in groups less than 10
GROUP SPORTS AND CAMPS	50%* capacity or 500 people (indoors) †	50 person capacity per activity	25 person capacity per activity	Virtual, or outdoors in groups less than 10	Virtual, or outdoors in groups less than 10	Virtual, or outdoors in groups less than 10

Colorado Guidelines & Restrictions by Level

Source: Colorado Department of Public Health & Environment

CRITICAL AND NON CRITICAL RETAIL	No state regulations, but locals may choose local restrictions.***	75% capacity	50% capacity	50% capacity with increased curbside pick up, and delivery. Dedicated senior and at-risk hours encouraged.	50% capacity with increased curbside pick up, and delivery. Dedicated senior and at-risk hours encouraged.	Non-critical retail closed. Curbside pick-up and delivery OK. Critical may operate at 50% capacity but should make significant efforts to reduce the number of people in-store as much as possible
PERSONAL SERVICES	No state capacity regulations, but locals may choose local restrictions.***	50% capacity or 50 people †	50% capacity or 50 people †	25% capacity or 25 people †	25% capacity or 25 people †	Closed
LIMITED HEALTH CARE SETTINGS	No state capacity regulations, but locals may choose local restrictions.***	50% capacity or 50 people †	50% capacity or 50 people †	25% capacity or 25 people †	25% capacity or 25 people †	10% capacity or 25 people †
INDOOR UNSEATED EVENTS AND ENTERTAINMENT	50%*, 500 people †	50%, 175 people †	50%, 50 people no calculator (or up to 150 with calculator) †	25%, 50 people (with calculator) †	Closed, excluding museums, aquariums, and zoos**	Closed
INDOOR SEATED EVENTS AND ENTERTAINMENT	No state capacity regulations, but locals may choose local restrictions.***	No state capacity regulations, but locals may choose local restrictions.**	50% capacity or 50 people (or 150 people with 6ft spacing between groups) †	25% capacity or 50 people †	Closed, excluding museums, aquariums, and zoos**	Closed
OUTDOOR UNSEATED EVENTS AND ENTERTAINMENT	No state regulations, but locals may choose local restrictions.***	No state capacity regulations, but locals may choose local restrictions.***	50% capacity or 175 people †	25% capacity or 75 people	25% capacity or 75 people (with calculator) †, attended only with members of your own household and 6ft spacing between groups.	Closed
OUTDOOR SEATED EVENTS AND ENTERTAINMENT	No state capacity regulations, but locals may choose local restrictions. ***	No state capacity regulations, but locals may choose local restrictions.***	50% capacity or 175 people †	25% capacity or 75 people †	25% capacity or 75 people (with calculator) †, attended only with members of your own household and 6ft spacing between groups.	Closed
OUTDOOR GUIDED SERVICES	No state capacity regulations, but locals may choose local restrictions.***	No state capacity regulations, but locals may choose local restrictions.***	50% capacity or 10 people †	25% capacity or 10 people †	25% capacity or 10 people †	25% capacity or up to 10 only in your own household †

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APPENDIX C

SELECTED DEFINITIONS

"*Additional Bonds*" means (1) all obligations of the Issuing District for borrowed money and reimbursement obligations, (2) all obligations of the Issuing District constituting a lien upon any ad valorem tax revenues of the Issuing District or any part of the Pledged Revenue, (3) all obligations of the Issuing District evidenced by bonds, debentures, notes, or other similar instruments, (4) all obligations of the Issuing District to pay the deferred purchase price of property or services, (5) all obligations of the Issuing District as lessee under leases, but excluding such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed $500,000, or consist of payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the Issuing District, and (6) all obligations of others guaranteed by the Issuing District; provided that notwithstanding the foregoing, the term "Additional Bonds" does not include:

(a) obligations the repayment of which is contingent upon the Issuing District's annual determination to appropriate moneys therefor, other than leases as set forth in (5) above, which obligations do not constitute a multiple-fiscal year financial obligation and do not obligate the Issuing District to impose any tax, fee, or other governmental charge;

(b) obligations which are payable solely from the proceeds of additional Issuing District obligations, when and if issued;

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

(d) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (i) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements are issued as security for any bonds, notes, or other obligations of the Issuing District permitted to be issued under the Indenture, and (ii) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority, as the obligations secured by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements.

"*Authorized Denominations*" means the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

"*Board*" means the Board of Directors of the Issuing District.

"*Bond Fund*" means the "RRC Metropolitan District No. 2 General Obligation Limited Tax Bonds, Series 2021(3), Bond Fund", established by the provisions of the Indenture for the purposes set forth in the Indenture.

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

"*Bond Year*" means the period from December 2 of any calendar year to December 1 of the following calendar year.

"*Bonds*" means the General Obligation Limited Tax Bonds, Series 2021(3), in the aggregate principal amount of $45,000,000, issued by the Issuing District pursuant to the Indenture and the Bond Resolution.

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

"*Certified Public Accountant*" means a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State of Colorado.

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

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

"*County*" means Jefferson County, Colorado.

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

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

"*District No. 1*" means RRC Metropolitan District No. 1, Jefferson County, Colorado, and its successors and assigns.

"*District No. 2*" or "*Issuing District*" means RRC Metropolitan District No. 2, in Jefferson County, Colorado, and its successors and assigns.

"*DTC*" means the Depository Trust Company, New York, New York, and its successors and assigns.

"*Election*" means the election held within the Issuing District on November 8, 2016.

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

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

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

"*Issuing District Representative*" means the person or persons at the time designated to act on behalf of the Issuing District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Issuing District by its President or Vice President and attested by its Secretary or an Assistant Secretary, and any alternate or alternates designated as such therein.

"*Mandatory Capital Levy*" this term is to have the meaning ascribed thereto by the Capital Pledge Agreement.

"*Maximum Debt Mill Levy Imposition Term*" this term is to have the meaning ascribed thereto by the Service Plan.

"*Net Effective Interest Rate*" is to have the meaning set forth in §32-1-103, C.R.S., provided that: such calculation is to assume the payment of principal due as a result of mandatory sinking fund redemption, which mandatory sinking fund redemption dates are to be deemed a maturity of the stated mandatory sinking fund redemption amount for purposes of this definition; and, for the avoidance of doubt, for any obligation without a schedule of mandatory principal redemption (e.g., a "cash flow obligation"), 100% of the then-outstanding principal amount of such an obligation is to be assumed to mature at the stated maturity date for purposes of this definition.

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

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

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

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the Indenture.

"*Owner(s)* or *Owner(s) of Bonds*" means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee.

"*Parity Bonds*" means the Bonds and any Additional Bonds having a lien upon the Pledged Revenue or any part thereof on parity with the lien thereon of the Bonds, payable in whole or in part from moneys described in SECOND of "THE BONDS—Certain Indenture Provisions—*Flow of Funds*". For purposes of this definition in the Indenture, Additional Bonds payable in whole or in part from, or having a lien upon the Issuing District's or District No. 1's ad valorem tax revenues, are to be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Parity Bonds issued after the issuance of the Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuing District or District No. 1.

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

"*Permitted Investments*" is to mean any investment or deposit the Issuing District is permitted to make under then applicable State law under Section 24-75-601.1, C.R.S.

"*Permitted Refunding Bonds*" means Parity Bonds issued solely for the purpose of refunding or refinancing all or any portion of the Bonds and any other Parity Bonds, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, to fund reserve funds, sinking funds, similar funds, and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing, so long as each of the following conditions are met:

(a) the Net Effective Interest Rate of such Permitted Refunding Bonds will be at least 25 basis points less than the Net Effective Interest Rate of the obligations being refunded (calculated as of the date of such issuance of such Permitted Refunding Bonds); and

(b) the maximum ad valorem mill levy, if any, pledged to the payment of such Permitted Refunding Bonds, together with the Required Mill Levy imposed under the Indenture, is not to be higher than the maximum mill levy set forth in the definition of Required Mill Levy in the Indenture, and the resolution, indenture or other document pursuant to which such Permitted Refunding Bonds are issued is to provide that any ad valorem property taxes imposed for the payment of such Permitted Refunding Bonds are to be applied in the same manner and priority as provided in the Indenture and described in "THE BONDS—Certain Indenture Provisions—*Flow of Funds*".

(c) Such refunding obligations are payable on the same day or days of the calendar year as the Bonds, and are not subject to acceleration; and

(d) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Bonds.

"*PILOT*" means an agreement or other arrangement which provides for a tax equivalency payment or similar payment in lieu of taxes against any property which would be subject to the Required Mill Levy but for the fact that it is classified by the county assessor as exempt from ad valorem property taxation, which agreement or other arrangement complies with the requirements set forth in Treasury Regulation §1.141-4(e)(5).

"*Pledge District*" means RRC Metropolitan District No. 1, Jefferson County, Colorado, and its successors and assigns.

"*Pledged Revenue*" means the moneys derived by the Issuing District from the following sources:

(a) the Required Mill Levy;

(b) the Pledged Fees;

(c) the portion of the Specific Ownership Tax which is collected as a result of imposition of the Required Mill Levy; and

(d) any other legally available moneys which the Issuing District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

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

"*Project Costs*" means the Issuing District's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the costs of labor and materials, of machinery, furnishings, and equipment, and of the restoration of property damaged or destroyed in connection with construction work;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed

(c) administrative and general overhead costs;

(d) the costs of reimbursing funds advanced by the Issuing District in anticipation of reimbursement from Bond proceeds, including any intrafund or interfund loan

(e) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

(f) the costs, fees, and expenses of printers, engineers, architects, financial consultants, legal advisors, or other agents or employees;

(g) the costs of publishing, reproducing, posting, mailing, or recording documents;

(h) the costs of contingencies or reserves;

(i) the costs of issuing the Bonds;

(j) the costs of amending the Indenture, the Bond Resolution, or any other instrument relating to the Bonds or the Project;

(k) the costs of repaying any short-term financing, construction loans, and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;

(m) the costs of demolition, removal, and relocation; and

(n) all other lawful costs as determined by the Board.

"*Project Fund*" means the "RRC Metropolitan District No. 2 General Obligation Limited Tax General Obligation Bonds, Series 2021(3), Project Fund", established by the provisions of the Indenture for the purpose of paying the Project Costs.

"*Record Date*" means the fifteenth (15th) day of the calendar month next preceding each interest payment date.

"*Required Mill Levy*" is to have the following meaning, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

(a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Issuing District each year in the amount of 50 mills less the number of mills necessary to pay any unlimited mill levy debt, or such lesser mill levy which will fund the Bond Fund in an amount sufficient to pay all of the principal of and interest on the Bonds in full; provided that if, on or after January 1, 2017, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation. For the avoidance of doubt, the Issuing District may take into account revenues generated from the Mandatory Capital Levy (as defined in the Capital Pledge Agreement), and any PILOT revenues, in the determination of its Required Mill Levy.

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

"*Service Plan*" means the service plan for the Issuing District, as approved pursuant to the Special District Act, including all amendments and supplements made thereto as of the date of the Indenture.

"*Special Record Date*" means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to the Indenture.

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

"*Specific Ownership Tax*" means the specific ownership tax which is collected by the county and remitted to the Issuing District pursuant to §42-3-107, C.R.S., or any successor statute.

"*State*" means State of Colorado.

"*Subordinate Bonds*" means Additional Bonds having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, payable in whole or in part from moneys described in THIRD of "THE BONDS—Certain Indenture Provisions—*Flow of Funds*", but having no claim on moneys described in SECOND of such section. For purposes of this definition, Additional Bonds payable in whole or in part from, or having a lien upon, the Issuing District's ad valorem tax revenues, is to be considered obligations having a lien upon the Pledged Revenue or any part thereof. Any Subordinate Bonds issued after the issuance of the Bonds may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuing District.

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

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

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

"*Termination Date*" means December 2, 2065, being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

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

"*Trustee*" means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee under the Indenture, or any successor trustee appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Indenture.

"*Trustee Fees*" means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties rendered under the Indenture (and under any other indenture entered into by the Issuing District in connection with the issuance of Parity Bonds or Subordinate Bonds), as the same become due and payable as described in the Indenture, but not in excess of $3,000 annually; provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in the Indenture, which expenses are to be payable by the Issuing District in accordance with the provisions thereof.

"*Underwriter*" means Piper Sandler & Co., of Denver, Colorado.

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APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

Population

The following table sets forth population statistics for Jefferson County (the "County"), the Denver Metropolitan Area (comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties) (the "DMA") and the State of the Colorado (the "State").

Population

	County		DMA		State	
Year	**Total Population**	**Percent Change**	**Total Population**	**Percent Change**	**Total Population**	**Percent Change**
1980	371,753	--	1,618,461	--	2,889,735	--
1990	438,430	17.94%	1,848,319	14.20%	3,294,473	14.01%
2000	527,056	20.21	2,400,558	29.88	4,302,015	30.58
2010	534,543	1.42	2,784,228	15.98	5,029,196	16.90
2020	582,910	9.05	3,235,922	16.22	5,773,714	14.80

Sources: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts 2010 Census and 2020 Redistricting Data (Public Law 94-171) Summary File, as compiled by Colorado Department of Local Affairs, State Demography Office

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Housing Stock

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

Housing Units

	2000	2010	Percent Change	2020
County	212,488	229,967	8.23%	248,429
State	1,808,358	2,212,898	22.37	2,491,404

Source: U.S. Department of Commerce, Bureau of the Census, Population and Housing Unit Counts, 2020 Census; and Colorado Department of Local Affairs, State Demography Office

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income ("EBI") levels, and per capita personal income in the County, the State, and the United States.

Median Household Effective Buying Income

	2016	2017	2018	2019	2020
County	$59,544	$63,017	$64,825	$66,499	$71,368
State	52,345	54,718	57,732	59,227	62,340
United States	46,738	48,043	50,620	52,468	54,686

[1] As of January 1.
Source: The Nielsen Company, *Site Reports*, 2016-2017; Environics Analytics, *Spotlight Claritas Reports* 2018-2020

Percent of Households by
Effective Buying Income Groups – 2020 [1]

	Less Than $25,000	$25,000-$49,999	$50,000-$99,999	$100,000-$149,999	$150,000 and more
County	12.03%	21.24%	37.21%	17.24%	12.28%
State	15.57	24.20	36.17	14.08	9.98
United States	20.24	25.61	34.10	11.57	8.47

[1] Totals may not equal 100% due to rounding.
Source: Environics Analytics, *Spotlight Claritas Reports* 2020

Per Capita Personal Income

	2015	2016	2017	2018	2019
County	$44,450	$43,878	$44,899	$46,742	$47,259
State	41,518	41,689	44,183	46,315	46,897
United States	39,379	40,144	42,332	44,200	44,765

Source: U.S. Department of Commerce, Bureau of Economic Analysis

School Enrollment

The following table presents a five-year history of school enrollment for Jefferson County School District R-1, the school district serving the Issuing District.

Year	School Enrollment	Percent Change
2016/2017	86,347	--
2017/2018	86,112	(0.27)%
2018/2019	84,623	(1.73)%
2019/2020	84,048	(0.68)
2020/2021	80,088	(4.71)

Source: Colorado Department of Education

Building Activity

Set forth in the following table is historical building permit activity for the County.

History of Building Permit Activity—Jefferson County

	Single-Family		Multi-Family		New Non-Residential [1]	
Year	Permits	Valuation	Permits	Valuation	Permits	Valuation
2016	377	$119,109,467	57	$72,306,071	16	$ 21,731,019
2017	304	92,789,744	72	19,992,866	22	181,508,253
2018	299	109,612,652	74	68,234,680	30	20,456,421
2019	189	82,950,347	31	47,721,660	21	85,466,292
2020	170	75,359,491	25	7,521,526	21	17,418,800
2021 [2]	253	102,502,224	182	105,381,362	11	96,892,576

[1] Includes new residential non-housekeeping buildings including hotels, motels and tourist cabins.
[2] Building permits issued through October 31, 2021.
Source: Jefferson County Building Department

Foreclosure Activity

The following tables set forth foreclosure activity in the County over the past five years.

History of Foreclosures

Year	County	Percent Change
2016	526	--
2017	482	(8.21)%
2018	468	(2.91)
2019	451	(7.28)
2020 [1]	181	(60.28)
2021 [2]	76	--

[1] The decrease in the number of foreclosures filed in 2020 was the result of the State imposed restrictions in place regarding foreclosures. See "RISK FACTORS—Certain Risks Related to COVID-19."
[2] Foreclosures filed through October 31, 2021.
Source: Jefferson County Public Trustee

Retail Sales

The retail trade sector employs a large portion of the County's work force and is important to the area's economy. The following table sets forth recent retail sales figures for the County, the DMA and the State.

Retail Sales
(in thousands)

Year	County	Percent Change	DMA	Percent Change	State	Percent Change
2016	$17,292,805	--	$113,450,176	--	$184,703,410	--
2017	17,965,699	3.89%	119,017,343	4.91%	194,641,958	5.38%
2018	18,583,681	3.44	124,869,323	4.92	206,121,045	5.90
2019	21,422,019	15.27	136,013,390	8.92	224,618,938	8.97
2020	23,868,429	11.42	139,570,376	2.62	233,586,882	3.99
2021 [1]	16,044,702	--	98,886,229	--	167,119,299	--

[1] Retail sales through August 31, 2021.
Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2016-2021

Employment

The following tables set forth most recent historical labor force estimates for the County, Denver-Aurora Metropolitan Statistical Area ("MSA") and the State, and employment statistics by industry in the County.

Total Business Establishments and Employment—Jefferson County

	Second Quarter 2020		Second Quarter 2021		Quarterly Change	
Industry [1]	**Units**	**Average Employment**	**Units**	**Average Employment**	**Units**	**Average Employment**
Agriculture, Forestry, Fishing and Hunting	43	595	44	641	1	58
Mining	85	427	85	350	0	(77)
Utilities [2]	30	752	28	754	(2)	2
Construction	2,246	18,193	2,297	17,471	51	(722)
Manufacturing	534	19,718	531	20,018	(3)	300
Wholesale Trade	1,580	6,951	1,622	7,331	42	380
Retail Trade	1,694	25,460	1,748	28,482	54	3,022
Transportation and Warehousing	277	3,239	275	3,271	(2)	32
Information	394	4,895	499	4,246	105	(649)
Finance and Insurance	1,277	7,175	1,367	6,714	90	(461)
Real Estate, Rental and Leasing	1,184	3,344	1,265	3,837	81	493
Professional and Technical Services	4,740	24,420	5,231	26,137	491	1,717
Management of Companies and Enterprises	416	2,459	433	2,918	17	459
Administrative and Waste Services	1,305	13,749	1,378	14,510	73	761
Educational Services [2]	408	3,131	426	3,551	18	420
Health Care and Social Assistance	1,926	28,347	2,043	29,928	117	1,581
Arts, Entertainment and Recreation [2]	333	1,905	343	2,859	10	954
Accommodation and Food Services	1,228	15,748	1,256	21,671	28	5,923
Other Services	1,721	6,154	1,816	7,313	95	1,159
Non-classifiable [2]	11	35	9	15	(2)	(20)
Government	178	34,120	179	34,313	1	193
Total	21,610	220,817	22,875	236,330	1,265	15,513

[1] Information provided herein reflects only those employers who are subject to State unemployment insurance law.
[2] Information suppressed due to confidentiality as set forth in State Law.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

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Labor Force Estimates

Year	County		Denver-Aurora MSA		State	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2016	315,094	3.0%	1,540,407	3.1	2,891,677	3.3%
2017	322,789	2.6	1,589,449	2.7	2,986,522	2.8
2018	330,997	2.9	1,639,035	3.0	3,080,661	3.2
2019	338,722	2.5	1,677,324	2.7	3,148,766	2.8
2020 [1]	333,682	7.1	1,669,888	7.5	3,122,237	7.3
2021 [1, 2]	340,358	5.9	1,702,827	6.3	3,181,227	6.2

[1] As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially since reported April 2020. See “RISK FACTORS—Certain Risks Related to COVID-19.”
[2] Labor force averages through August 31, 2021.
Source: State of Colorado, Department of Labor and Employment, Office of Labor Market Information

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

Selected Major Employers in Jefferson County [1]

Firm	Product or Service	Estimated Number of Employees
Jefferson County R-1 Schools	Education	14,000
Denver Federal Center	Federal Government	8,000
Lockheed Martin	Aerospace	7,080
Jefferson County	County Government	2,981
Terumo BCT	Blood Management	2,330
Lutheran Medical Center	Healthcare	2,300
National Renewable Energy Laboratory (NREL)	Renewable Energy	2,265
St. Anthony Medical Center	Healthcare	2,200
Molson Coors Brewing Company	Beer Manufacturer	2,010
Ball Corporation	Aerospace and Packaging	1,830

Source: County 2020 Annual Financial Report

Selected Major "Private-Sector" Employers in the Denver Metropolitan Area [1]

Firm	Product or Service	Estimated Number of Employees
UCHealth	Health Care – Hospital and Clinics	19,910
Centura Health	Nonprofit Health Care Network	14,188
HCA-HealthONE LLC	Health Care Provider	10,561
SCL Health	Nonprofit Health Care Network	9,453
Comcast Corporation	Global Media and Technology	9,000
Lockheed Martin Space Systems	Aerospace, Defense, Technology	8,300
Kaiser Foundation Health Plan	Integrated Health Care	7,500
Children's Hospital Colorado	Pediatric Hospital	6,429
Ball Corporation	Aluminum/Aerosol Packaging, Aerospace	5,296
Wells Fargo	Banking/Investment Services	5,000

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

Source: Denver Business Journal, July 10, 2020

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

$45,000,000
RRC Metropolitan District No. 2
Jefferson County, Colorado
Limited Tax General Obligation Bonds
Series 2021(3)

THIS CONTINUING DISCLOSURE AGREEMENT (this "Agreement") is entered into on December 17, 2021, by and among **RRC METROPOLITAN DISTRICT NO. 2**, Jefferson County, Colorado (the "District"), **LENNAR COLORADO, LLC,** a Colorado limited liability company (the "Developer"), and **UMB BANK, N.A.**, Denver, Colorado, as trustee (the "Trustee") for the above-captioned bonds (the "Bonds").

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by Piper Sandler & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the District dated December 9, 2021.

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

"*Audited Financial Statements*" means the most recent annual financial statements for the District prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"*Bond Resolution*" means the resolution or resolutions authorizing the issuance of the Bonds adopted by the Board of Directors prior to the issuance of the Bonds.

"*Bonds*" means the Limited Tax General Obligation Bonds, Series 2021(3), issued by the District pursuant to the Indenture in the aggregate principal amount of $45,000,000.

"*Development Substantial Completion Date*" has the meaning assigned to such term in Section 5 of this Agreement.

"*Indenture*" means the Indenture of Trust pursuant to which the Bonds are issued, dated as of December 17, 2021, by and between the District and the Trustee, as such Indenture may be amended or supplemented from time to time in accordance with the provisions thereof.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds, dated December 9, 2021.

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

"*Quarterly Report*" has the meaning assigned to such term in Section 3(a) of this Agreement.

"*Report Deadline*" has the meaning assigned to such term in Section 3 of this Agreement.

"*Trustee Filing Deadline*" has the meaning assigned to such term in Section 3 of this Agreement.

Section 3. Procedures for Providing Quarterly and Annual Reports.

(a) ***Provision of Quarterly Information to Trustee***. Prior to the Development Substantial Completion Date, the Developer, as to Section 1 of the Quarterly Report, and the District, as to Sections 2 through 6 of the Quarterly Report, shall provide to the Trustee the information set forth in the form of the quarterly report appended as Appendix A hereto (each, a "Quarterly Report") as follows:

Last Day of Quarterly Reporting Period	Date Trustee Sends Notice to District and Fund Balance Information for Section 3	Date Quarterly Report Is Due to Trustee ("Report Deadline")	Date Quarterly Report is Due To Be Filed With the MSRB ("Trustee Filing Deadline")
March 31	March 31	May 15	May 25
June 30	June 30	August 15	August 25
September 30	September 30	November 15	November 25
December 31	December 31	February 15	February 25

The first Quarterly Report will be due for the quarter ending March 31, 2022.

The District shall further provide its Audited Financial Statements by November 15 of each year as part of the September 30 Quarterly Report in such year. The information required to be provided by the District under Section 5 of the Quarterly Report may be provided as part of the Audited Financial Statements of the District. Any or all of the items required to be updated in a Quarterly Report may be incorporated by reference from other documents, including the official statements of debt issues which are available to the public on the MSRB's Internet website or filed with the SEC. The Developer and the District, as applicable, shall clearly identify each such document incorporated by reference.

(b) ***Provision of Annual Information to Trustee***. On and after the Development Substantial Completion Date, the District shall provide to the Trustee the information set forth in Sections 3 through 6 of the quarterly report appended as Appendix A hereto and the District's Audited Financial Statements (each, an "Annual Report") as follows:

Last Day of Quarterly Reporting Period	Date Trustee Sends Notice to District and Fund Balance Information for Section 3	Date Quarterly Report Is Due to Trustee ("Report Deadline")	Date Quarterly Report is Due To Be Filed With the MSRB ("Trustee Filing Deadline")
September 30	September 30	November 15	November 25

Any or all of the items required to be updated in an Annual Report may be incorporated by reference from other documents, including the official statements of debt issues which are available to the public on the MSRB's Internet website or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

(c) ***Provision of Annual Budget to Trustee***. The District shall provide to the Trustee the annual budget required in Section 5 of the quarterly report appended as Appendix A hereto (each, an "Annual Budget") as follows:

Last Day of Quarterly Reporting Period	Date Trustee Sends Notice to District and Fund Balance Information for Section 3	Date Quarterly Report Is Due to Trustee ("Report Deadline")	Date Quarterly Report is Due To Be Filed With the MSRB ("Trustee Filing Deadline")
December 31	December 31	February 15	February 25

(d) ***Provision of Reports to the MSRB***. The Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Quarterly Report, Annual Report, or Annual Budget (each, a "Report"), as applicable, by the dates provided in Section 3(a), (b), and (c) above. Each Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above; provided that the Audited Financial Statements of the District may be submitted separately from the balance of the Quarterly Report due on each November 25.

If the Developer or the District fails to provide to the Trustee the information in the Report required to be provided by such party by at least 10 days prior to the applicable Report Deadline, then the Trustee shall provide notice to the Developer or the District (as applicable) that its respective portions of the Report remain due, and shall indicate in such notice the applicable Report Deadline. If the Developer or the District fails to provide to the Trustee the information in the Report required to be provided by it by the applicable Report Deadline, which results in the Trustee's inability to provide a complete Report to the MSRB by the applicable Trustee Filing Deadline, then, as soon as practicable after the Trustee Filing Deadline, the Trustee shall promptly file such portion of the Report as has been provided to it as of such date, and shall file or cause to be filed a notice in substantially the form attached as Appendix B with the MSRB.

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Report and/or the notice described in the preceding paragraph with the MSRB, the Trustee shall, upon request, send a report to the Developer and the District stating the date that such report or notice was filed and listing all the entities to which it was provided.

(e) ***Means of Transmitting Information***. Subject to technical and economic feasibility, the Developer and the District shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

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

Section 4. Notice of Material Events. Not later than 10 business days after the occurrence of any of the following events, the District shall cause the Trustee to provide a notice of such event to the MSRB:

(a) the failure or refusal by the District to impose the Required Mill Levy or to collect and apply the other components of the Pledged Revenue as required by the Indenture;

(b) any non-payment related default under the Indenture (if the District deems such default to be material to the Owners), including a description of such default;

(c) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(d) modifications to rights of Bond owners, if material;

(e) Bond calls and tender offers; and

(f) Defeasances.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the District of such event. For purposes of this paragraph, “actual knowledge” of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indenture or the Bonds.

Section 5. Termination. The obligations of the District and the Trustee under this Agreement shall terminate at such time as none of the Bonds are Outstanding under the Indenture. The obligations of the Developer hereunder shall terminate on the date when the District certifies to the Trustee in writing that Jefferson County has issued certificates of occupancy with respect to at least 900 dwelling units within the Development (the “Development Substantial Completion Date”).

Section 6. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Owners holding in the aggregate the majority of the Bonds outstanding under the Indenture.

Section 7. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the District makes no representation as to the accuracy of any information provided by the Developer.

Section 8. Failure To Perform. Any failure by the District to perform in accordance with this Agreement shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If the District fails to comply with this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations hereunder. If the Developer fails to comply with this Agreement, the District, within 10 business days of receipt of notice in substantially the form attached as Appendix B from the Trustee, shall be obligated to provide the information which the Developer is obligated to provide hereunder, to the extent that such information is publicly available. Furthermore, if the Developer fails to comply with this Agreement, the sole remedy of Owners shall be an action in mandamus or for specific performance to compel the Developer, as applicable, to comply with its obligations hereunder, to the extent the District has not otherwise satisfied such obligations as provided above.

Section 9. Severability. If any section, paragraph, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Trustee and the Owners and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the District agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days' prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or report (including without limitation any Quarterly Report) prepared by the Developer or the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Notice. Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Agreement shall be in writing, shall be given either in person, by electronic mail or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

to District:	RRC Metropolitan District No. 2 c/o McGeady Becher, P.C. 450 E. 17th Avenue Suite 400 Denver, CO 80203 Telephone: (303) 592-4380 E-mail: pwilliams@specialdistrictlaw.com Attention: Paula Williams, Esq.

and

Simmons & Wheeler, P.C.
304 Inverness Way South
Suite 490
Englewood, CO 80112
Telephone: (303) 689-0833
E-mail: diane@simmonswheeler.com
Attention: Diane Wheeler

to Developer: Lennar Colorado, LLC
Attn: John Cheney
Vice President - Land Acquisition
John.Cheney@Lennar.com
Office 303-754-0613

to Trustee: UMB Bank, n.a.
Corporate Trust and Escrow Services
1670 Broadway
Denver, CO 80202
Telephone: (303) 839-2258
E-mail: john.wahl@umb.com
Attention: John Wahl

The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 15. Electronic Transactions. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16. Counterparts. This Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

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

RRC METROPOLITAN DISTRICT NO. 2,
Jefferson County, Colorado

By ____
John Cheney, Vice President

Lennar Colorado, LLC, a Colorado limited liability company

By ____
Name ______________________________________
Title _______________________________________

UMB BANK N.A., as Trustee

By ____
Authorized Officer

[Signature Page to Continuing Disclosure Agreement]

APPENDIX A
TO FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF QUARTERLY REPORT

$45,000,000
RRC Metropolitan District No. 2
Jefferson County, Colorado
Limited Tax General Obligation Bonds
Series 2021(3)

Date of Report: __________, 20___

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement (the "Agreement") entered into on December 17, 2021, by and among RRC Metropolitan District No. 2, Jefferson County, Colorado (the "District"), Lennar Colorado, LLC, a Colorado limited liability company (the "Developer") and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee"), under the Indenture relating to the above-captioned bonds (the "Bonds"). Unless otherwise stated herein, capitalized terms shall have the meanings assigned them in the Limited Offering Memorandum dated December 9, 2021, pertaining to the Bonds, and all information contained herein is the most current information available as of the Date of Report specified above, and is provided with respect to development within the Development.

Section 1. Development. **[Developer to complete; to be updated each quarter until the Development Substantial Completion Date.]** Provide the following information with respect to property within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds.

(a) ***Building Permits-Residential***. State the number of residential building permits issued by Jefferson County for homes to be constructed within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds:

Last Quarter: ___________

Cumulatively: __________

(b) ***Certificates of Occupancy-Residential***. State the number of residential certificates of occupancy issued by Jefferson County for homes constructed within the Development since both the last Quarterly Report and cumulatively, since the date of issuance of the Bonds:

Last Quarter: ___________

Cumulatively: __________

(c) ***Other Activity***. In the event that the Developer's site development plan has changed materially from that described in the Limited Offering Memorandum, please describe such change in the Developer's site development plan.

(d) ***Zoning***. Describe any changes to the zoning of the property initiated by the Developer or of which the Developer has been given written notice by other owners of property within the Development since the last Quarterly Report (including any amendments to any final plan, sketch plat, preliminary development plans, or final development plans).

Section 2. Inclusions and Exclusions. **[District to complete; to be updated each quarter until the Development Substantial Completion Date.]** Describe any property, by parcel designation and acreage, which has been included within or excluded from the boundaries of the District since the last Quarterly Report, if applicable.

Section 3. Fund Balances and Transfers. **[District to complete, based upon information received from the Trustee; to be updated each quarter on and prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.]**

The amount on deposit in each of the following funds is set forth below, as of __________, 20___:

(a) the amount on deposit in the Project Fund is $__________

(b) the amount on deposit in the Bond Fund is $___________

Section 4. Assessed Value, Actual Value and Mill Levies. **[District to complete to be provided annually with the Quarterly Report due February 15.]**

The District shall complete and update the following tables for the applicable five-year period, ending with the current year as the last Collection Year:

History of Assessed Valuations and Mill Levies for District No. 2 (Issuing District)

Levy Year	**Collection Year**	**Assessed Valuation**	**Percent Increase**	**Mill Levy**
2017	2018		%	
2018	2019			
2019	2020			
2020	2021			
2021	2022			
Future years as applicable				

Source: Jefferson County Assessor's Office

History of Assessed Valuations and Mill Levies for District No. 1

Levy Year	Collection Year	Assessed Valuation	Percent Increase	Mill Levy
2017	2018		%	
2018	2019			
2019	2020			
2020	2021			
2021	2022			
Future years as applicable				

Source: Jefferson County Assessor's Office

Property Tax Collections in District (District No. 2)

Levy Year	Collection Year	Taxes Levied	Current Tax Collections[1]	Current Collections As a % of Tax Levied
2017	2018			%
2018	2019			
2019	2020			
2020	2021			
2021	2022			
Future years as applicable				

[1] Figures are through __________, 20___.
Source: Jefferson County Treasurer's Office

Property Tax Collections in District No. 1

Levy Year	Collection Year	Taxes Levied	Current Tax Collections[1]	Current Collections As a % of Tax Levied
2017	2018			%
2018	2019			
2019	2020			
2020	2021			
2021	2022			
Future years as applicable				

[1] Figures are through __________, 20___.
Source: Jefferson County Treasurer's Office

Section 5. Annual District Financial Information. [District to complete; to be provided with the Quarterly Report indicated below.] Each of the annual information items set forth below must be provided only once each year as indicated below. Audited Financial Statements shall be provided with, and no later than, the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

(a) Audited Financial Statements of the District for the year ending __________, _____. (Must be provided with the Quarterly Report due November 15.)

(b) Annual budget of the District for fiscal year _____. Such annual budget ☐ has ☐ not been adopted by the Board of Directors of the District. (Must be provided with the Quarterly Report due February 15.)

Section 6. Authorized Denominations. [District to complete; to be updated each quarter on and prior to the Development Substantial Completion Date, and to be updated annually after the Development Substantial Completion Date.]

The Bonds are presently outstanding in Authorized Denominations of:

(a) $500,000 or any integral multiple of $1,000 in excess thereof; or

(b) pursuant to paragraph (c) of the definition of Authorized Denomination in the Indenture, the Authorized Denominations were reduced to $1,000 or any integral multiple thereof on __________, _____ [insert date].

[Remainder of Page Intentionally Left Blank]

The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness.

The party executing this report on behalf of each of the District and the Developer hereby certifies that he/she is authorized to execute this report on behalf of the party on whose behalf he/she has so executed. The Developer hereby further certifies as to the information provided in Section 1 only of the foregoing report, the District hereby further certifies as to the information provided in Sections 2 through 6 only of the foregoing report and that such information is, to the best of its knowledge, true, accurate and complete. This report may be executed below on counterpart signature pages.

RRC METROPOLITAN DISTRICT NO. 2,
Jefferson County, Colorado

By ____
Name ______________________________________
Title _______________________________________

Lennar Colorado, LLC, a Colorado limited liability company

By ____
Name ______________________________________
Title _______________________________________

APPENDIX B
TO FORM OF CONTINUING DISCLOSURE AGREEMENT

NOTICE OF FAILURE TO FILE REPORT

Name of District:	RRC Metropolitan District No. 2, Jefferson County, Colorado
Name of Bond Issue:	RRC Metropolitan District No. 2, Jefferson County, Colorado, Limited Tax General Obligation Bonds, Series 2021$_{(3)}$, in the original aggregate principal amount of $45,000,000;
CUSIPS:	78110P AA5
Date of Issuance:	December 17, 2021

NOTICE IS HEREBY GIVEN that the (check as appropriate) ☐ District ☐ Developer has not provided a portion of the information required for a (check as appropriate) ☐ Quarterly ☐ Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated December __, 2021, among the District, the Developer and the Trustee. The (check as appropriate) ☐ District ☐ Developer anticipates that such information required by such Report will be filed by ____________________.

Dated: __________, 20___

UMB BANK, N.A., as Trustee

By ____
Name ______________________________________
Title _______________________________________

APPENDIX F

FORM OF BOND COUNSEL OPINION

December 17, 2021

RRC Metropolitan District No. 2
Town of Morrison, Jefferson County, Colorado

$45,000,000
RRC Metropolitan District No. 2
Town of Morrison, Jefferson County, Colorado
General Obligation Limited Tax Bonds, Series 2021(3)

Ladies and Gentlemen:

We have acted as bond counsel to RRC Metropolitan District No. 2, Town of Morrison, Jefferson County, Colorado (the "District"), in connection with its issuance of $45,000,000 General Obligation Limited Tax Bonds, Series 2021(3) (the "Bonds"). In such capacity, we have examined the District's certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter.

The Bonds are issued and secured pursuant to an authorizing resolution of the Board of Directors of the District adopted on December 6, 2021 (the "Bond Resolution"), pursuant to that certain Indenture of Trust dated as of December 17, 2021 (the "Indenture"), between the District and UMB Bank, n.a., as trustee (the "Trustee"), and pursuant to that certain Capital Pledge Agreement dated as of December 17, 2021 (the "Capital Pledge Agreement"), between the District and RRC Metropolitan District No. 1, Town of Morrison, Jefferson County, Colorado ("District No. 1" and, together with the District, the "Districts"), and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Indenture or the Capital Pledge Agreement, as applicable.

Regarding questions of fact material to our opinions, we have relied upon the District's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds are valid and binding limited tax general obligations of the District, payable solely from the Pledged Revenue and from funds and accounts pledged therefor under the Indenture.

2. All of the taxable property of the District is subject to the levy of an ad valorem tax, in the amount of the Required Mill Levy, for the purpose of paying the Bonds.

3. Assuming due authorization, execution, and delivery by the Trustee, the Indenture constitutes a valid and binding obligation of the District.

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

5. The Capital Pledge Agreement is a valid and binding limited tax general obligation of each of the Districts and is enforceable against the respective Districts in accordance with its terms.

6. All of the taxable property of District No. 1 is subject to the levy of an ad valorem tax, in the amount of the Mandatory Capital Levy, for the purpose of paying the Bonds. District No. 1 is required under the Capital Pledge Agreement to impose a debt service mill levy in the amount of the Mandatory Capital Levy as required pursuant to the Indenture and the Capital Pledge Agreement.

7. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excluded from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect as of the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the District incurred pursuant to the Bonds, the Bond Resolution, and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

Except as specifically stated above regarding the Required Mill Levy and the Mandatory Capital Levy, no opinion is rendered herein regarding the validity or enforceability of any fees, charges, or other revenue sources which comprise a portion of the Pledged Revenue.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Limited Offering Memorandum relating to the Bonds or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

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

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APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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APPENDIX H

ASSESSED VALUE APPRECIATION REPORT

KING & ASSOCIATES INC.
Market, Feasibility And Economic Analysis For The Real Estate Industry

Memorandum

To:	RRC Metropolitan District.
From:	King & Associates, Inc.
Date:	November 4, 2021
RE:	RRC Metropolitan District – Appreciation Analysis.

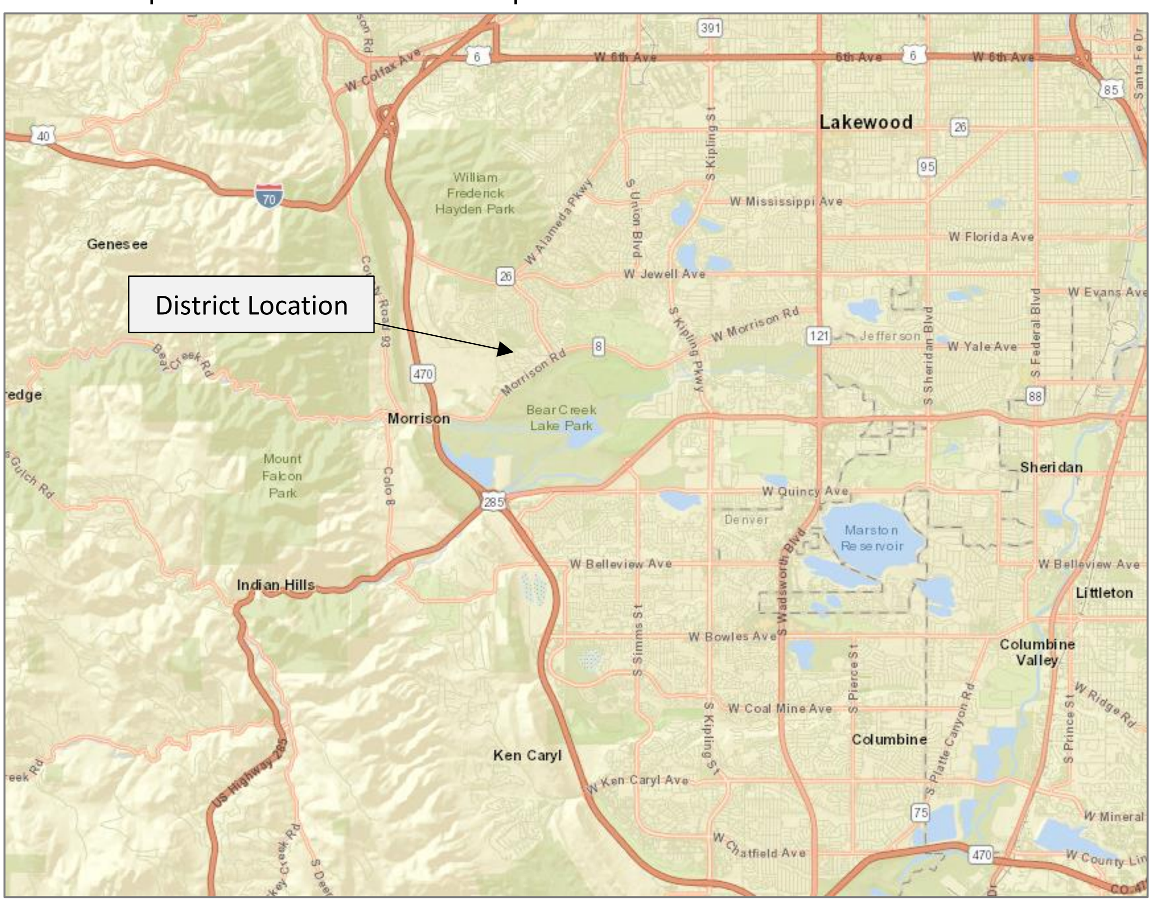
SCOPE

RRC Metropolitan District has retained King & Associates, Inc. to provide a residential value appreciation projection for the District. To complete the projection, residential market trends in the Morrison / Lakewood (zip codes 80228 & 80465) and the Denver - Aurora - Lakewood, MSA (includes Jefferson County) market areas have been reviewed.

BACKGROUND

RRC Metropolitan District is located in unincorporated Jefferson County, Colorado, east of the C-470 and West Morrison Rd intersection. This memo addresses appreciation of residential units planned in the District with the map below providing the location of RRC Metropolitan District.

RRC Metropolitan District – Locator Map



Source: King & Associates, Inc

RESIDENTIAL APPRECIATION TRENDS

The Zillow Inc. Home Value Index has been used to review local Morrison / Lakewood residential real estate market area trends and the S&P / CoreLogic Case-Shiller Home Price Index has been used to review regional Denver - Aurora - Lakewood, MSA residential real estate market area trends.

Home Value Index - Morrison / Lakewood Market Area, Colorado

- The District is located in the Morrison / Lakewood (zip codes 80228 & 80465) residential market area, which includes the District and homes in the surrounding area.
- The Zillow Inc. Home Value Index has been reviewed to assess long-term appreciation trends in the Morrison / Lakewood market area.[1]
- From the November 2011 (extent of available data) through October 2021 period, the Home Value Index in the Morrison / Lakewood market area increased from approximately $264,500 to $641,000, equaling appreciation of 9.33% annually.
- During the 2011 (November) through 2021 (October) period, the Home Value Index reached two defined high points (March 2020 and October 2021) and one low point (February 2012).
    - The Home Value Index peaked at approximately $498,500 per unit in March 2020 and $641,000 in October 2021.
    - The Home Value Index dipped to a low point of approximately $264,500 per unit in February 2012.

Denver - Aurora - Lakewood, MSA Sales Price Trends

- S&P / CoreLogic Case – Shiller (Case – Shiller) single-family home price index data has also been provided as additional residential appreciation trend information.[2]
- Denver - Aurora - Lakewood, MSA residential price appreciation trends have been reviewed over the past thirty-year period extending from Q2 1991 through Q2 2021 (most current data).
- RRC Metropolitan District is located in unincorporated Jefferson County which is within the Denver - Aurora - Lakewood, MSA.
- The Denver - Aurora - Lakewood, MSA provides a discrete geographic area for tracking price appreciation trends within urban and suburban neighborhoods surrounding the District.
- S&P / CoreLogic Case – Shiller (Case – Shiller) housing price data has been used as a basis to forecast future appreciation rates in the District since it indexes single-family home price trends from urban and suburban areas throughout the Denver - Aurora - Lakewood, MSA.

[1] The Zillow Inc. Home Value Index includes single-family attached and detached home types.
[2] The S&P / CoreLogic Case – Shiller Home Price Index addresses single-family homes and does not specify between single-family attached and detached unit types. The index does not include condominiums or co-ops.

S&P / CoreLogic Case – Shiller (Case – Shiller) Home Price Index

- The Case – Shiller index has been used to review residential home price appreciation trends in the Denver - Aurora - Lakewood, MSA.
- The Case – Shiller index was designed to track the value of single-family housing within the United States and geographic submarkets.
- The purpose of the Case – Shiller index is to provide an accurate measure of housing price changes within prescribed geographic areas (nationally, regionally, metropolitan areas).
- The index is calculated on a quarterly basis using the repeat sales methodology, which is claimed to be the most widely recognized methodology for indexing housing prices.
- The index publishers (S&P / CoreLogic Case – Shiller) state that the index uses “data on properties that have sold at least twice, in order to capture the true appreciated value of each specific sales unit”.
- The index tracts single-family home price trends and is based on home sales variables that include: price changes, segmented market price points, weighted price variables and sales anomalies.

Denver - Aurora - Lakewood, MSA – S&P / CoreLogic Case – Shiller Home Price Index

- The Case – Shiller Denver - Aurora - Lakewood, MSA Home Price Index has been reviewed from Q2 1991 through Q2 2021 (most current data).
- In Q2 1991, the Denver - Aurora - Lakewood, MSA Home Price Index stood at 74.42.
- By Q2 2021, the Home Price Index was 405.77.
- During the Q2 1991 through Q2 2021 time period, the Denver - Aurora - Lakewood, MSA Home Price Index has increased by an annual rate of 5.81% and provides an excellent measure of home price appreciation trends during the past thirty-year period.
- The review period includes one significant housing market down-cycle, which extended from Q4 2005 through Q1 2011, during which the Home Price Index decreased by 1.69% annually.
- There have also been two periods of extended housing price appreciation in the Denver - Aurora - Lakewood, MSA housing market.
    - The first period extended from 1991 through 2005 (approximately 15 years) with home price appreciation equaling 6.94% annually.
    - The second period has extended from 2011 through Q2 2021 (most recent data) with home price appreciation equaling 8.58% annually.
- The following table summarizes Denver - Aurora - Lakewood, MSA single-family home price appreciation trends over the last thirty-year period.

Denver - Aurora - Lakewood, MSA – Home Price Appreciation Trends

Year	Index
Q2 1991	74.42
Q2 2021	405.77
Annual Appreciation	5.81%

Source: S&P / CoreLogic Case-Shiller.
Notes:

1. The Home Price Index reflects single-family homes.
2. The values in the table above represent an index of single-family home prices and do not reflect average or median sales prices. The index is based on single-family home sales variables that include price changes, segmented market price points, weighted price variables and sales anomalies.

CORONVIRUS (SARS-COV-2) IMPACTS

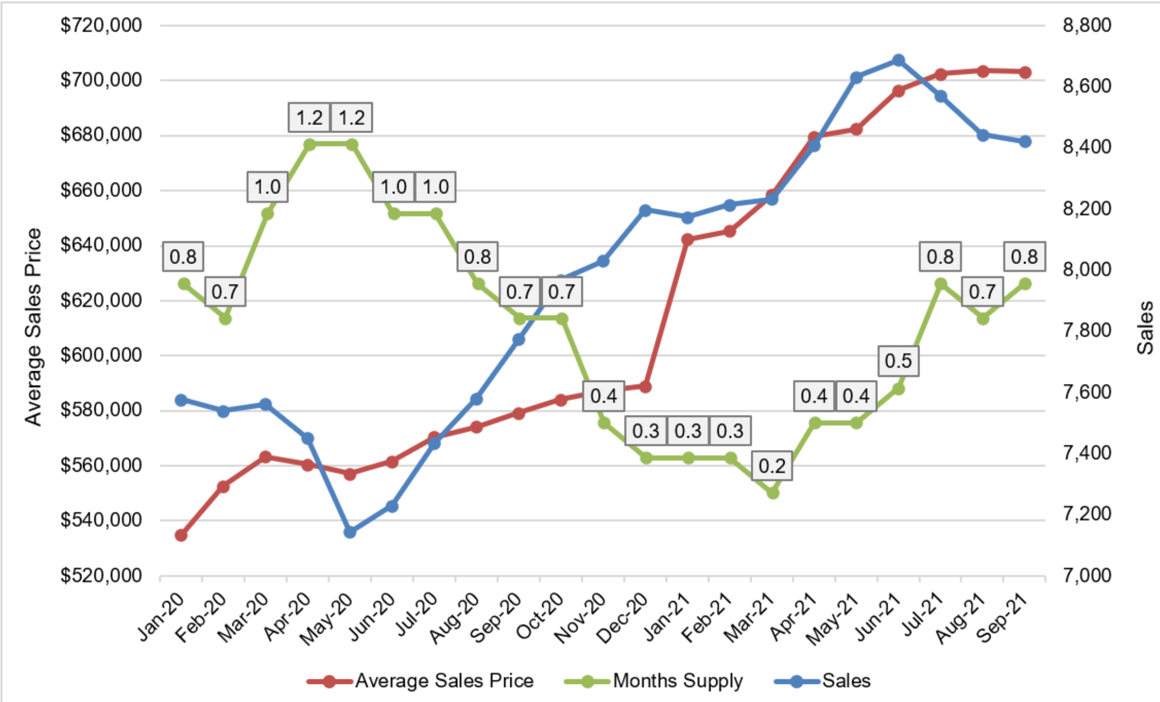
- The State of Colorado implemented measures to combat the spread of the Coronavirus during March 2020, which included closing nonessential businesses and stay-at-home guidelines for the general population.
- These guidelines have been reviewed and updated since March 2020, with easing of stay-at-home guidelines for the general population and gradual reopening of businesses occurring throughout the State of Colorado.
- Given unprecedented impacts on global health and safety, as well as economic uncertainties, the extended impacts of the Coronavirus on home prices and appreciation in the Denver - Aurora - Lakewood, MSA area are not fully known at the current time.
- However, single-family detached and attached (including condominiums) resale (existing homes) statistics have been summarized from January 2020 through September 2021 for the Jefferson County market area to depict known and current impacts of the Coronavirus.

Single-family Detached Jefferson County Home Sales

- Single-family detached resale (existing homes) statistics from the Colorado Association of Realtors are provided for the past year (September 2021 compared with September 2020) for the Jefferson County market area.
- Resale data comparing September 2021 trailing-twelve-month statistics with September 2020 trailing-twelve-month statistics show: i) sales volume up by 8.3%, ii) average sales prices up by 23.2%, iii) active listings down by 550% and iv) months supply of inventory increasing to 0.8 from 0.7.
- Year-over-year comparative statistics for the month of September (2021 and 2020) show: i) sales volume up by 3.7%, ii) active listing up by 24.7% and iii) average sales prices up by 21.4%.
- Given this data, single-family detached resale markets in Jefferson County have demonstrated strong buying activity and increased average home sale prices since the onset of the Coronavirus.

- See chart below summarizing Jefferson County single-family detached resale (existing homes) statistics.

Jefferson County – Single-family Detached Existing Home Sale Trends



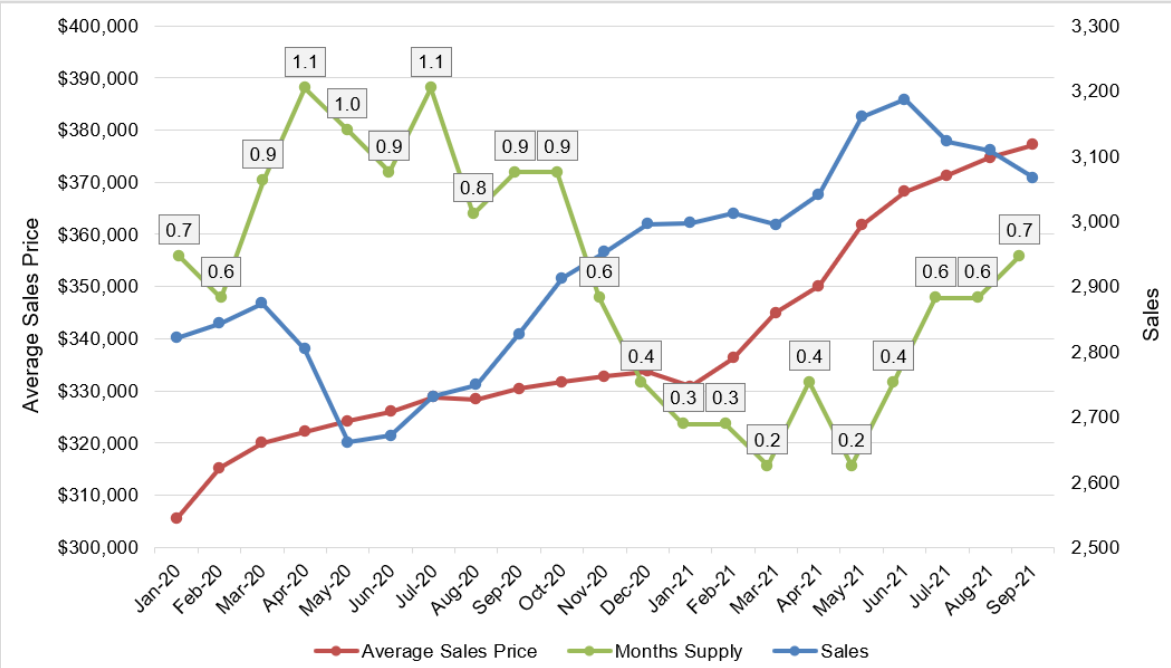
Source: Colorado Association of Realtors, King & Associates, Inc.
Note:

1. Sales data presented above includes trailing-twelve-month statistics.

Single-family Attached Jefferson County Home Sales

- Single-family attached (including condominiums) resale (existing homes) statistics from the Colorado Association of Realtors are provided for the past year (September 2021 compared with September 2020) for the Jefferson County market area.
- Resale data comparing September 2021 trailing-twelve-month statistics with September 2020 trailing-twelve-month statistics show: i) sales volume up by 8.5%, ii) average sales prices up by 14.7%, iii) active listings down by 34.2% and iv) months supply of inventory decreasing to 0.7 from 0.9.
- Year-over-year comparative statistics for the month of September (2021 and 2020) show: i) sales volume up by 3.3%, ii) active listing down by 24.5% and iii) average sales prices up by 14.2%.
- Given this data, single-family attached (including condominiums) resale markets in Jefferson County have demonstrated strong buying activity and increased average home sale prices since the onset of the Coronavirus.
- See chart below summarizing Jefferson County single-family attached (including condominiums) resale (existing homes) statistics.

Jefferson County – Single-family Attached Existing Home Sale Trends



Source: Colorado Association of Realtors, King & Associates, Inc.
Note:

1. Sales data presented above includes trailing-twelve-month statistics.

<u>FINDINGS</u>

- King & Associates, Inc. has reviewed single-family home appreciation trends in the Morrison / Lakewood (zip codes 80228 & 80465) market area and the Denver - Aurora - Lakewood, MSA (includes Jefferson County) market area.
- The Zillow Inc. Home Value Index for the Morrison / Lakewood market area indicates single-family resale home prices have appreciated by 9.33% annually from November 2011 through October 2021.
- From Q2 1991 through Q2 2021, the S&P / CoreLogic Case-Shiller Home Price Index for the Denver - Aurora - Lakewood, MSA has increased annually by 5.81%.
- A 3.00% annual appreciation rate is projected for single-family residential units in the District and is believed to be a conservative ongoing average of residential value growth (appreciation) that considers periods of both increasing and declining residential market values.
- The following table summarizes residential appreciation trends in the Morrison / Lakewood market area and the Denver - Aurora - Lakewood, MSA market area.

Residential Appreciation Trends and Ongoing Appreciation Rate Projection

Morrison / Lakewood Market Area - Home Value Index Trends	
2011 (November)	$264,500
2021 (October)	$641,000
Average annual appreciation	9.33%
Denver - Aurora - Lakewood, MSA - Single-family Home Price Index Trends	
1991 (Q2)	74.42
2021 (Q2)	405.77
Average annual appreciation	5.81%
Projected Appreciation:	
Ongoing single-family projected appreciation rate	3.00%

Source: Zillow Inc., S&P / CoreLogic Case-Shiller, King & Associates, Inc.

CONCLUSION

Based on review and analysis of single-family residential units appreciation trends in the Morrison / Lakewood and Denver - Aurora - Lakewood, MSA housing market areas, King & Associates, Inc. projects the ongoing appreciation rate pertaining to the actual value of homes in the District at 3.00% annually through 2061.

DISCLAIMER

King & Associates, Inc. has reviewed real estate market conditions in the Morrison / Lakewood and Denver - Aurora - Lakewood, MSA to review assessed value inflation potential in the project area of RRC Metropolitan District. Readers of this report should understand that real estate market conditions are dynamic and that unforeseen factors can have a negative impact, sometimes materially, on market conditions in the region, trade area and the project. The findings and conclusion put forth within this report are based on information and market conditions as of its date and should not be interpreted as a guarantee of assessed value appreciation potential and ultimate project performance.

SARS-CoV-2 (CORONAVIRUS) DISCLAIMER

This memorandum has been completed during the SARS-CoV-2 (Coronavirus) outbreak in 2020 and 2021. At the time of this report, the impacts of the Coronavirus upon national and local real estate markets has not been fully determined. The findings in this memorandum have been based on the most current real estate market information available prior and during the Coronavirus outbreak. Actual home appreciation that may occur in the RRC Metropolitan District given impacts from the Coronavirus outbreak may be different, possibly materially, from the findings and conclusions detailed in this memorandum.