

**NEW ISSUE
BOOK-ENTRY-ONLY
BAM GREEN STAR QUALIFIED**

**INSURED RATING: S&P Global Ratings “AA”
INSURER: BUILD AMERICA MUTUAL ASSURANCE COMPANY
UNDERLYING RATING: S&P Global Ratings “A+”
(See “MISCELLANEOUS—Ratings”)**

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

\$32,015,000*
TRIVIEW METROPOLITAN DISTRICT
(in the Town of Monument and County of El Paso, Colorado)
WATER AND WASTEWATER ENTERPRISE REVENUE BONDS
SECOND LIEN SERIES 2026

Dated: Date of Delivery

Due: December 1, as shown below

The Bonds are being issued by the District in fully registered form in denominations of \$5,000 or integral multiples thereof. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. As long as DTC or its nominee is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by the Paying Agent, initially BOKF, NA, Denver, Colorado, directly to DTC, which will remit such payments to Participants for subsequent distribution to the Beneficial Owners. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing on December 1, 2026. Capitalized terms used on the cover page of this Official Statement are defined in the Introduction herein. The Bonds mature, bear per annum interest and are priced or priced to yield as follows.

MATURITY SCHEDULE
CUSIP® 89686A¹

<u>Maturity Date</u> <u>(December 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP®,¹</u>	<u>Maturity Date</u> <u>(December 1)*</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>	<u>CUSIP®,¹</u>
2028	\$515,000				2038	\$835,000			
2029	540,000				2039	880,000			
2030	565,000				2040	920,000			
2031	595,000				2041	965,000			
2032	625,000				2042	1,015,000			
2033	655,000				2043	1,065,000			
2034	690,000				2044	1,120,000			
2035	720,000				2045	1,175,000			
2036	760,000				2046	1,235,000			
2037	795,000								
\$7,160,000*					% Term Bond due December 1, 2051* Yield % CUSIP® 89686A¹				
\$9,185,000*					% Term Bond due December 1, 2056* Yield % CUSIP® 89686A¹				

The scheduled payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company.



The Bonds are special revenue second lien obligations of the District payable out of Net Pledged Revenues derived from the District’s water and wastewater system, as more particularly set forth herein and in the authorizing Bond Resolution. The Bonds constitute an irrevocable lien on Net Pledged Revenues subordinate and junior to the First Lien Obligations, but not an exclusive such lien. The Bonds do not constitute a debt or indebtedness within the meaning of any constitutional or statutory debt limitation or provision and are not payable in whole or in part from the proceeds of ad valorem property taxes.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein.

Proceeds from the sale of the Bonds will be used to: (a) finance the costs of the NMCI Project, as further described herein; (b) funding capitalized interest on the Bonds and (c) pay the costs of issuing the Bonds, including the costs related to the bond insurance premium.

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

The Bonds are offered when, as, and if issued by the District, and accepted by the Underwriter named below, subject to approval of legality and certain other matters by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Kutak Rock LLP, Denver, Colorado, has also acted as Special Counsel to the District for purposes of assisting the District with the preparation of this Official Statement. Certain matters will be passed upon by WBA, P.C., Centennial, Colorado, as General Counsel to the District, and by Stradling Yocca Carlson & Rauth LLP, Denver Colorado, as Counsel to the Underwriter. The Bonds are expected to be available for delivery through the facilities of DTC on or about July __, 2026.



This Official Statement is dated July __, 2026.

* Preliminary; subject to change.

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¹ The District takes no responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of Owners of the Bonds.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

TRIVIEW METROPOLITAN DISTRICT
(in the Town of Monument and County of El Paso, Colorado)

Board of Directors

Jason Gross, President
Ann-Marie Jojola, Vice President
Amanda Carlton, Secretary/Treasurer
Erik Demkowicz, Director
John Gibbons, Director

District Officials

James McGrady, District Manager
Steve Sheffield, Assistant District Manager
Sara Lamb, District Administrator
Wendy Brown, Assistant District Administrator

District General Counsel

WBA, P.C.
Centennial, Colorado

Underwriter

Piper Sandler & Co.
Denver, Colorado

Registrar/Paying Agent

BOKF, NA
Denver, Colorado

Counsel to Underwriter

Stradling Yocca Carlson & Rauth LLP
Denver, Colorado

Bond/Special Counsel

Kutak Rock LLP
Denver, Colorado

No dealer, salesperson, or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been furnished by the District and obtained from other sources which are believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities 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.

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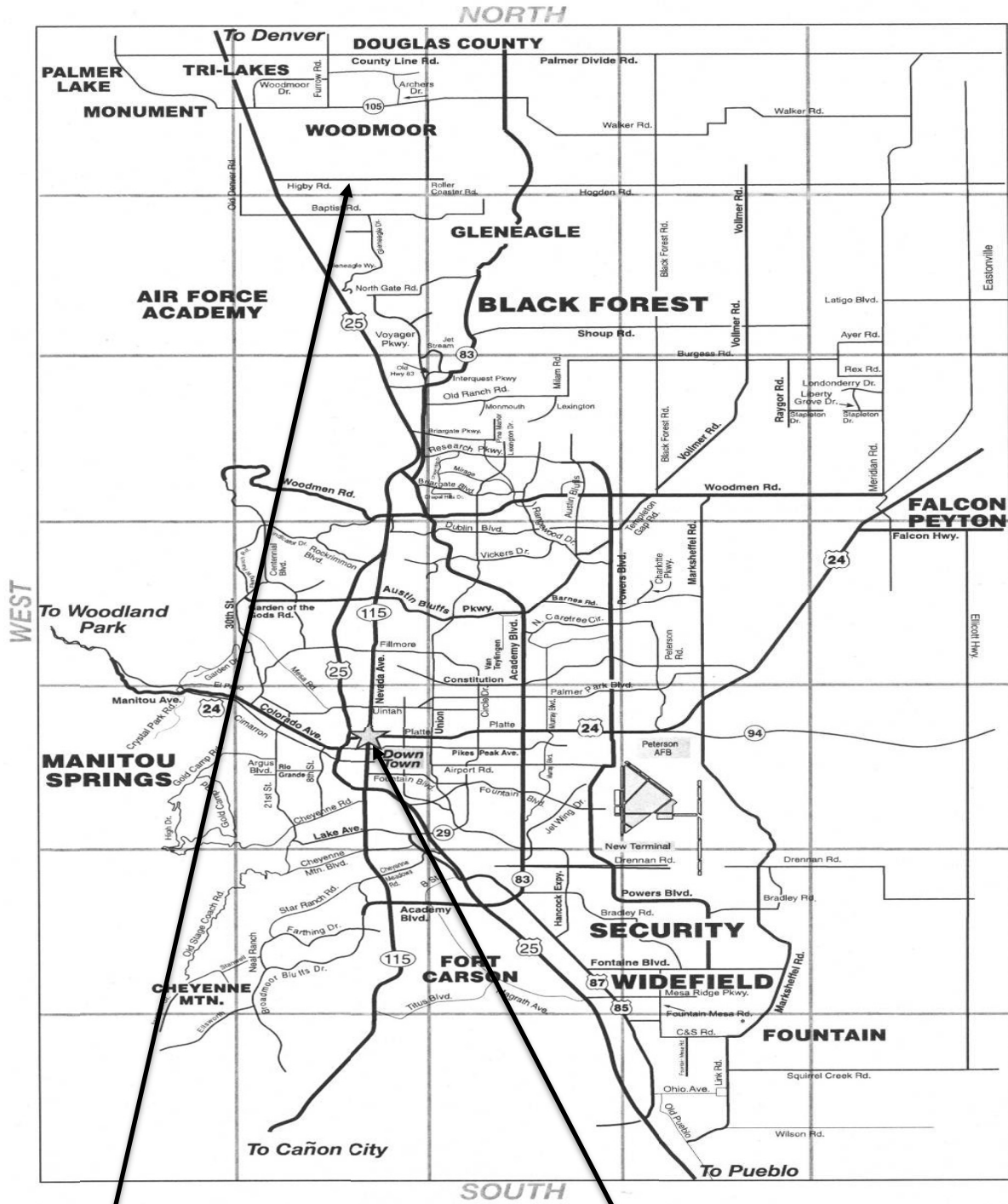
Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Official Statement. Any representation to the contrary is unlawful.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “APPENDIX J—Specimen Municipal Bond Insurance Policy”.

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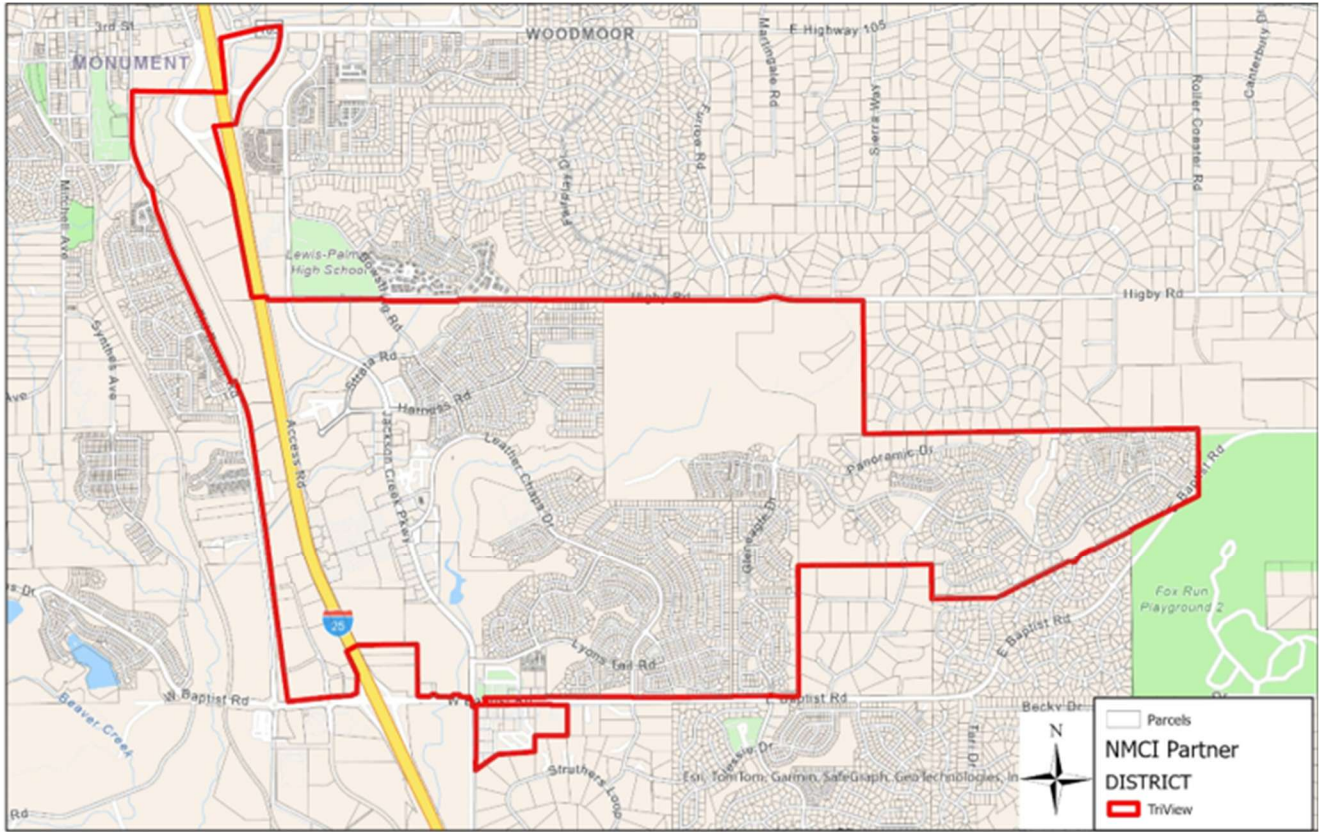
REGIONAL MAP



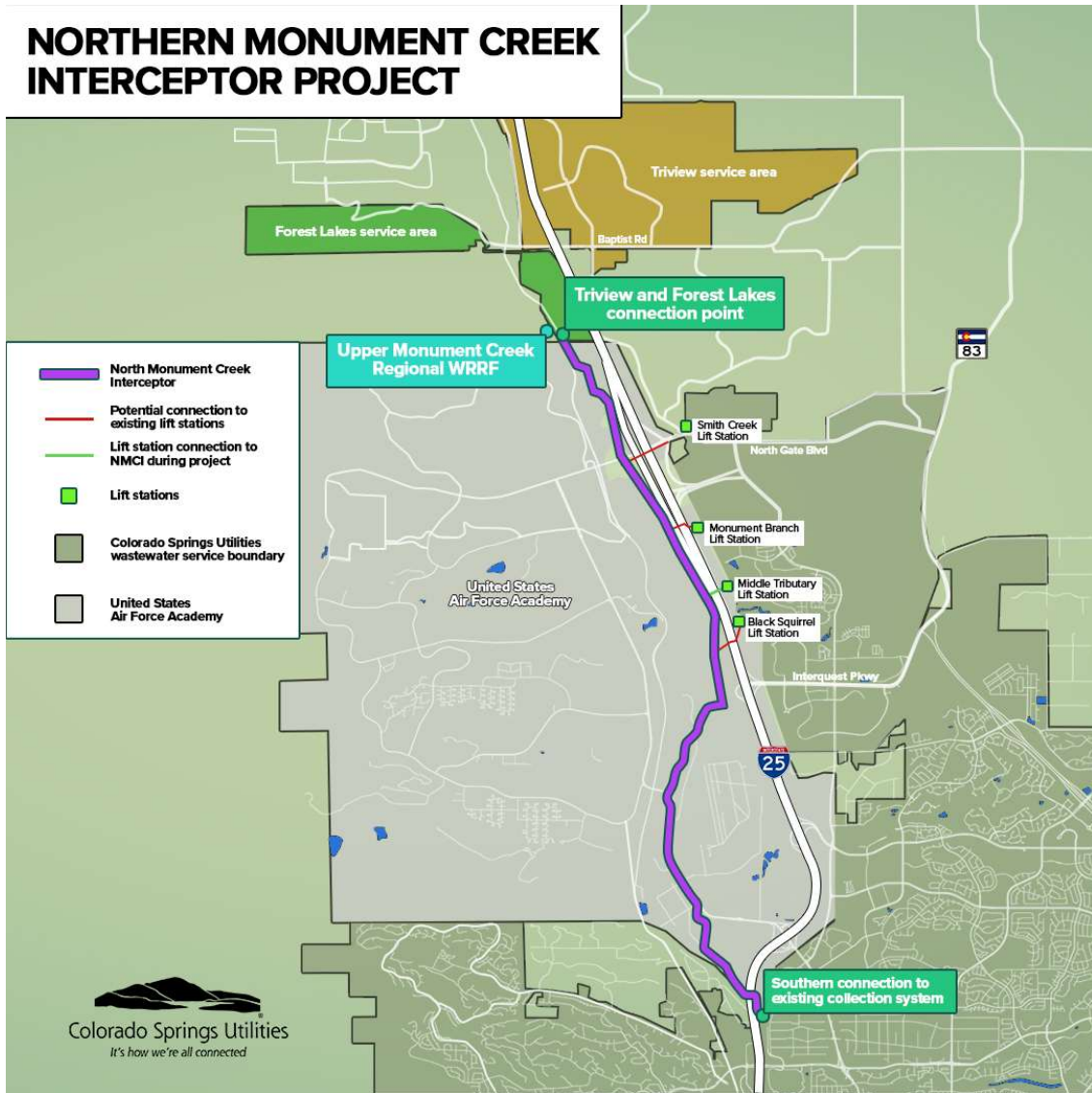
District
Vicinity

Colorado
Springs

DISTRICT SERVICE AREA MAP



PROJECT MAP



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INTRODUCTION

This Official Statement is furnished to prospective purchasers of \$32,015,000* Water and Wastewater Enterprise Revenue Bonds, Second Lien Series 2026 (the “Bonds”), issued by Triview Metropolitan District (the “District”), in the Town of Monument (the “Town”), in El Paso County (the “County”), Colorado. The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

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

The District..... The District is a quasi-municipal corporation and political subdivision of the State created pursuant to the Article 1 of Title 32, Colorado Revised Statutes, as amended (“C.R.S.”) (the “Special District Act”). The District was formed by order of the District Court for El Paso County on May 13, 1985 for the purpose of providing street and drainage, water and wastewater, park and recreation, traffic and safety protection, and mosquito control improvements and services. The District’s formation was preceded by the County’s approval of an original service plan on December 20, 1984. On April 22, 2020, the District approved an Amended and Restated Service Plan (the “Service Plan”) to update the District’s financial plans, development assumptions, and cost estimates, and to authorize the District to create subdistricts pursuant to the Special District Act. See “APPENDIX B—THE DISTRICT.”

The District is located in the Town, approximately 10 miles northeast of the United States Air Force Academy and approximately 20 miles north of the City of Colorado Springs, Colorado. See the preceding “REGIONAL MAP.”

Most of the developed property in the District is being used as or is planned for residential development. The District served an estimated 2,483 single-family residential homes and 835 multi-family residential units as of April 30, 2026. The District also serves 108 commercial accounts and 67 irrigation accounts. The District has a current estimated population of 9,290, which is based on the number of residential homes and units multiplied by an average of 2.8 residents per home (based on household estimates for the Town prepared by the US Census Bureau).

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* Preliminary; subject to change.

The Enterprise..... The District established its water and wastewater activity enterprise (the “Enterprise” or “Water and Wastewater Activity Enterprise”) pursuant to the terms and provisions of Title 37, Article 45.1, Colorado Revised Statutes (“C.R.S.”), as amended (the “Water Activity Law”), and in accordance with a Resolution of the Board of Directors of Triview Metropolitan District Water and Wastewater Enterprise, dated October 25, 1995 (the “Enterprise Resolution”), adopted by the Board of Directors of the District (the “Board”).

Pursuant to the Enterprise Resolution, the Enterprise consists of the business represented by all of the District’s water and sewer facilities and properties (collectively, such water and wastewater facilities are referred to herein as the “System”), now owned or hereafter acquired, whether situated within or without the District boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements, or additions thereof or thereto. The Enterprise has all the authority, powers, rights, obligations, and duties as may be provided or permitted by the Water Activity Law and the constitution and laws of the State, and as may be further prescribed by resolution of the District. The Enterprise constitutes an “enterprise” within the meaning of Article X, Section 20 of the State Constitution (“TABOR”). The Board serves as the officers and governing body of both the District and the Enterprise. See “APPENDIX B—THE DISTRICT—Governing Body” and “APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Constitutional Amendment Limiting Taxes and Spending.”

Purpose Proceeds from the sale of the Bonds, together with legally available moneys of the District, will be used for the purposes of (a) acquiring, constructing, and installing public improvements related to the Northern Monument Creek Interceptor Project, as further described herein (the “Project”); (b) funding capitalized interest on the Bonds and (c) paying the costs of issuing the Bonds including the costs related to the bond insurance premium. See “THE BONDS—Application of Bond Proceeds.”

Security and Sources

of Payment The Bonds are special revenue second lien obligations of the District, payable after the payment of First Lien Obligations (defined hereafter) from: (a) the Net Pledged Revenues of the System, which generally includes all income, rents, receipts, charges and revenues derived directly or indirectly by the District from the operation and use of and otherwise pertaining to the System, or any part thereof, whether resulting from Capital Improvements or otherwise (collectively, the “Gross Pledged Revenues”), after deduction of operation and maintenance expenses for the System, and (b) the supplemental second lien pledge of (i) certain revenues from a one-half of a one percent Town sales tax generated from properties within the boundaries of the District and remitted to the District in recognition of services, facilities and improvements the District provides (as more specifically defined hereafter, the “Monument Initiative 2A Sales Tax Share”) and (ii) a Note delivered by Forest Lakes Metropolitan District (“Forest Lakes MD”) to the District evidencing the

financial obligation of Forest Lakes MD to remit to the District semiannual payments for the District's funding of Forest Lakes MD's share of Project costs to be funded from proceeds of the Bonds (as more specifically defined hereafter, the "Forest Lakes IGA Note"). See "THE BONDS—Security for the Bonds" and "*—Additional Covenants and Agreements.*" herein.

Following the prior application of Gross Pledged Revenues for payments connection with the First Lien Obligations as provided in resolutions or agreements entered into by the District with respect to the First Lien Obligations (the "First Lien Resolutions"), the Bonds constitute an irrevocable lien on the Net Pledged Revenues, but not necessarily an exclusive such lien, on a parity with Parity Bonds, if any, defined hereafter. Currently outstanding First Lien Obligations of the District include its (i) Water and Wastewater Enterprise Revenue Refunding and Improvement Bonds, Series 2018 (the "Series 2018 Bonds"), (ii) Water and Wastewater Enterprise Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), (iii) Water and Wastewater Enterprise Revenue Bonds, Series 2020B (the "Series 2020B Bonds"), and (iv) a 2022 loan from the Colorado Water Conservation Board (the "CWCB 2022 Loan", and collectively with the Series 2018 Bonds, Series 2020 Bonds and Series 2020B Bonds and future obligations, if any, refunding the same, the "First Lien Obligations"). As of the date of this Official Statement, the aggregate outstanding principal amount of the First Lien Obligations is \$39,695,016. *With the exception of obligations issued to refund the currently outstanding First Lien Obligations, in the future the District may not issue obligations with a first lien senior to the Bonds.*

In the future the District may issue additional bonds, notes, interim securities or other obligations with a pledge of and lien on the Net Pledged Revenues on a parity with the lien of the Bonds (such future obligations, if any, are referred to herein as "Parity Bonds") or with a pledge of and lien on the Net Pledged Revenues that is subordinate or junior to the lien of the Bonds (such future obligations, if any, are referred to herein as "Subordinate Bonds"). See "THE BONDS—Security for the Bonds—*Additional Obligations*" and "APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Revenue and other Financial Obligations". The District does not have current plans to issue additional Parity Bonds or Subordinate Bonds in the foreseeable future, but would do so if needed.

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES ARE ANY OF THE BONDS TO BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT. THE OWNERS MAY NOT LOOK TO ANY GENERAL OR OTHER FUND OF THE DISTRICT FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, EXCEPT THE FUNDS AND ACCOUNTS PLEDGED THERETO BY THE BOND RESOLUTION, AND THE BONDS DO NOT CONSTITUTE A DEBT

OR AN INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION, NOR ARE THEY CONSIDERED OR HELD TO BE GENERAL OBLIGATIONS OF THE DISTRICT.

Bond InsuranceBuild America Mutual Assurance Company (“BAM” or the “Insurer”) has committed to issue, effective as of the date of issuance of the Bonds, a policy of insurance (the “Insurance Policy” or “Policy”) guaranteeing the payment, when due, of the principal of and interest on the Bonds. The insurance extends over the life of the issue and cannot be canceled by the Insurer. Payment under the Policy is subject to the conditions described in “BOND INSURANCE.” A specimen of the Municipal Bond Insurance Policy is attached as Appendix J to this Official Statement. See “BOND INSURANCE.”

Payment Provisions.....Interest on the Bonds is payable semi-annually at the rate set forth on the cover page hereof, on June 1 and December 1 each year, commencing December 1, 2026 (the “Interest Payment Date”). “Record Date” means, with respect to each Interest Payment Date, the fifteenth day of the month immediately preceding the month (whether or not such day is a Business Day) in which such Interest Payment Date occurs.

Authority for Issuance.....The Bonds are issued: (a) in full conformity with the Constitution and the laws of the State, including, in particular, the Water Activity Law, Part 2 of Article 57 of Title 11, C.R.S. (the “Supplemental Public Securities Act”), and Article 1 of Title 32, C.R.S. (the “Special District Act”); and (b) pursuant to an authorizing resolution adopted by the Board, acting as the governing body of the District and the Enterprise, prior to the issuance of the Bonds (the “Bond Resolution”).

Book-Entry-Only

RegistrationThe 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 in principal denominations of \$5,000 or integral multiples thereof through participants in the DTC system (the “Participants”). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Bonds (the “Beneficial Owners”) will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Resolution, 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 H—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.

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

Registration and

Denominations..... The Bonds are issued in fully registered form in denominations of \$5,000 each or integral multiples thereof.

Exchange and Transfer While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC) may be made as described in “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

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

Financial Statements..... Appended hereto are the audited basic financial statements of the District as of and for the year-ended December 31, 2024, being the most recent audited financial statements available for the District.

Delivery Information The Bonds are offered when, as, and if issued by the District and accepted by Piper Sandler & Co. (the “Underwriter”), subject to prior sale, and subject to the delivery of an approving opinion of Bond Counsel regarding the tax-exempt status of the Bonds and the satisfaction of certain other conditions. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about July __, 2026.

ALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions 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: Triview Metropolitan District, 1641 Baja Drive, Monument, Colorado 80132, Telephone: (719) 488-6868; or Piper Sandler & Co., 1144 15th Street, Suite 2050, Denver, Colorado, 80202, Telephone: (303) 405-0852.

FORWARD-LOOKING STATEMENTS

This Official Statement, and particularly the information contained under the headings entitled “INTRODUCTION,” “INVESTMENT CONSIDERATIONS,” and “APPENDIX B—THE DISTRICT” 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 Official Statement, 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 “INVESTMENT CONSIDERATIONS.”

THE BONDS

Description

The Bonds are special revenue second lien obligations of the District. The maturities and interest rates for the Bonds are set forth on the cover page hereof. Certain matters relating to the Bonds are described in detail under the caption “INTRODUCTION” and are not restated under this caption. These include provisions regarding registration and denominations of the Bonds, payment of the principal of, and interest on the Bonds, a description of the authority for issuance of the Bonds, and information regarding delivery of the Bonds. For a complete statement of the details of the Bonds, reference is made to the authorizing Bond Resolution, copies of which are available from the Underwriter prior to delivery of the Bonds.

Prior Redemption

Optional Redemption. The Bonds maturing on and before December 1, 20__ are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 20__ are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine, and by lot within a maturity, on December 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount thereof (without redemption premium), plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds maturing on December 1, 2051* are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date*	Principal Amount*
2047	\$1,295,000
2048	1,360,000
2049	1,430,000
2050	1,500,000
2051 ¹	1,575,000

¹ Final maturity; not a sinking fund redemption payment.

* Preliminary; subject to change.

The Bonds maturing on December 1, 2056* are subject to mandatory sinking fund redemption by lot on December 1 of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Redemption Date*	Principal Amount*
2052	\$1,655,000
2053	1,740,000
2054	1,830,000
2055	1,930,000
2056 ¹	2,030,000

¹ Final maturity; not a sinking fund redemption payment.

Redemption Procedure and Notice. Notice of any redemption of Bonds shall be given by the Paying Agent in the name of the District by sending a copy of such notice by electronic means to DTC or its successors, or by first class, postage prepaid mail, not less than thirty days prior to the redemption date, to the Owner of each Bond being redeemed. Such notice shall specify the number or numbers of the Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with the Bond Resolution funds sufficient to pay the redemption price of such Bond on the redemption date, then such Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Bonds with respect to which such failure or defect did not occur. Any Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

Application of Bond Proceeds

The Project. Proceeds from the Bonds will be used to pay the District’s share and the Forest Lake’s share of costs for the construction of the Northern Monument Creek Interceptor Project (the “NMCI Project”), as described below. See “APPENDIX D—INFORMATION RELATING TO FOREST LAKES METROPOLITAN DISTRICT”.

The District, Forest Lakes Metropolitan District (“FLMD”), and Donala Water and Sanitation District (“Donala”) jointly own and operate the Upper Monument Creek Regional Wastewater Treatment Facility (the “WWTP”). Pursuant to an intergovernmental agreement, the District operates FLMD’s water and wastewater infrastructure, among other services. The District and FLMD have determined it would be mutually beneficial if the parties consolidated the treatment of wastewater at the J.D. Phillips Water Resource Recovery Facility that is owned and operated by Colorado Springs Utilities (“CSU”). The District is working in collaboration with CSU and FLMD to achieve this consolidation through the NMCI Project, which includes the construction and installation of an 8.6-mile, 30-inch wide pipeline that will begin at the southern edge of the U.S. Air Force Academy property and extend to the WWTP. By consolidating wastewater treatment operations, the NMCI Project delivers substantial operational efficiencies, reduces long-term costs, and enables the District to share regulatory compliance risks with CSU’s extensive customer base. This partnership ensures reliable, high-quality wastewater service for both the District and FLMD, supporting future growth and regulatory requirements.

* Preliminary; subject to change.

The total estimated construction cost for the NMCI Project is \$90.3 million. Costs are allocated among the three partners based on their projected wastewater flows: the District, FLMD and CSU will be responsible for \$25.66 million (28.42%); \$6.78 million (7.50%), and \$57.86 million (64.08%), respectively. This proportional investment structure ensures that each entity pays for its share of capacity, aligning financial responsibility with anticipated usage. Upon completion of the NMCI Project, CSU will own and operate the NMCI pipeline, providing professional management and maintenance. Each partner retains an equitable interest and rights to pipeline capacity in proportion to their investment, guaranteeing long-term access and service reliability.

The NMCI Project represents a strategic investment in critical infrastructure benefiting regional collaboration, long-term reliability, a defined cost structure, and asset ownership. It is a cornerstone of the District’s infrastructure strategy, enhancing service reliability, regulatory compliance, and financial sustainability for the District and its stakeholders.

The District’s share of costs for the design and engineering process for the NMCI Project was funded by wastewater connection fees collected from new residential homes and commercial development within the District. More recently, Garney Companies, Inc., prepared and submitted to CSU a proposed GMP contract as the Construction Manager/General Contractor for a guaranteed maximum price for the NMCI Project. Following their respective review and consent of the governing bodies, the District, FLMD, and CSU each formally determined that the proposed GMP contract is reasonable and approved continuing their respective commitments to participate in the NMCI Project. Construction is expected to begin by summer of 2026 and be completed by fall of 2028.

Estimated Sources and Uses of Funds. The estimated sources and uses of the funds relating to the Bond are set forth below:

Sources:

Bond Proceeds	
[Net] Original Issue Premium	
Total.....	

Uses:

Deposit to Bond Account (capitalized interest)	
Deposit to NMCI Account	
Costs of issuance, including underwriting discount, ¹ rating agency fees, the premium in connection with the issuance of the Insurance Policy, professional fees, and printing costs.....	
Total.....	

¹ See “MISCELLANEOUS—Underwriting.”

Security for the Bonds

Special Revenue Second Lien Obligation. The Bonds are special revenue second lien obligations of the District which constitute an irrevocable second lien (but not necessarily an exclusive such lien) upon the Net Pledged Revenues which is subordinate and junior to the lien thereon of the First Lien Obligations and on a parity with future Parity Bonds, if any. Included as a supplemental pledge for the Second Lien Bonds and which are not included in Gross Pledged Revenues for the First Lien Obligations are all income and revenues derived from the Forest Lakes IGA Note and the Monument Initiative 2A Sales Tax Share. The proprietary activity of the System and the Net Pledge Revenues are currently identified in the accounting records of the District as the Water and Wastewater Enterprise Fund (the “Enterprise Fund” and, as generally referred to in the Bond Resolution, the “Income Fund”).

“*Monument Initiative 2A Sales Tax Share*“, defined in the Bond Resolution as the “*Monument IGA Sales Tax Share*”, is that portion of annual tax revenues rebated by the Town to the District pursuant to the Intergovernmental Agreement, dated September 22, 1987, as amended, between the Town and the District, which (i) are attributable to one-half of a one percent Town sales tax authorized in 1990 by voter approved Ballot Initiative 2A and remitted to the District in recognition of services, facilities and improvements it provides and (ii) are in an aggregate amount up to but not exceeding ten percent of the aggregate amount of Gross Pledged Revenues for the respective calendar years in which the rebates are received. See “APPENDIX B—THE DISTRICT—Material Agreements of the District—*Intergovernmental Agreement with the Town of Monument*”.

“*Forest Lakes IGA Note*” is defined in the Bond Resolution as the note delivered by Forest Lakes MD to the District evidencing the financial obligation of Forest Lakes MD to the District under the Intergovernmental Agreement to Finance the NMCI, effective on or about the Closing Date, by and between the District and Forest Lakes Metropolitan District. See “APPENDIX D—INFORMATION RELATING TO FOREST LAKES METROPOLITAN DISTRICT” for a description of the note.

The Bonds do not constitute a debt or an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation; nor shall they be considered or held to be general obligations of the District.

Net Pledged Revenues. The term “Net Pledged Revenues” is defined in the Bond Resolution as Gross Pledged Revenues less all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the System (as further defined in Appendix I attached hereto, the “Operation and Maintenance Expenses”).

The term “Gross Pledged Revenues” is defined in the Bond Resolution as all income, rents, receipts, charges and revenues derived directly or indirectly by the District from the operation and use of and otherwise pertaining to the System, or any part thereof, whether resulting from Capital Improvements (as defined in Appendix I attached hereto) or otherwise, and includes all income, rents, receipts, charges and revenues received by the District from the System, including without limitation:

(a) all fees, rates and other charges for the use of the System, or for any service rendered by the District in the operation thereof, directly or indirectly, the availability of any such service, or the sale or other disposal of any commodities derived therefrom, including, without limitation, connection charges, but excluding (i) any moneys borrowed and used for the acquisition of Capital Improvements or for the refunding of securities, and all income or other gain from any investment of such borrowed moneys and (ii) any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital Improvements, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; and

(b) all income or other gain from any investment of Gross Pledged Revenues (including without limitation the income or gain from any investment of all Net Pledged Revenues, but excluding borrowed moneys and all income or other gain thereon in any acquisition or construction fund, reserve fund, or any escrow fund for any Parity Bonds payable from Net Pledged Revenues heretofore or hereafter issued and excluding any unrealized gains or losses on any investment of Gross Pledged Revenues); and

(c) all income and revenues derived from the operation of any other utility or other income-producing facilities added to the System and to which the pledge and lien provided in the Bond Resolution are lawfully extended by the Board or by the qualified electors of the District; and

(d) all income and revenues derived from the Forest Lakes IGA Note and the Monument Initiative 2A Sales Tax Share.

Flow of Funds. Pursuant to the Bond Resolution, so long as any of the Bonds shall be Outstanding, and following the prior application of Gross Pledged Revenues (with the exception of income and revenues derived from the Forest Lakes IGA Note and the Monument Initiative 2A Sales Tax Share) from the Enterprise Fund for payments connection with the First Lien Obligations as provided in the First Lien Resolutions, the District is to apply the Gross Pledged Revenues in the following order of priority:

FIRST, to the extent not otherwise provided for in the First Lien Resolutions, to the payment of all Operation and Maintenance Expenses as they become due and payable;

SECOND, to the credit of the Bond Account, all amounts required to be deposited as described under “—*Bond Account; Payment of Bonds*” hereafter;

THIRD, to the credit of any reserve account required in connection with Parity Bonds, the amounts required by the instruments authorizing or controlling the payment of such Parity Bonds;

FOURTH, to the credit of the Rebate Fund, any amounts required to be deposited in order to enable the District to comply with its arbitrage rebate covenants under the Bond Resolution;

FIFTH, to the credit of any other fund or account established after the issuance of the Bonds for the payment of the principal of and interest on Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the resolution or other enactment authorizing issuance of the Subordinate Bonds; and

SIXTH, to the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any moneys remaining in the Enterprise Fund after the payments and accumulations as described in the paragraphs entitled FIRST through FIFTH above.

Bond Account; Payment of Bonds. The Bond Resolution establishes the “Second Lien Series 2026 Bond Account” (the “Bond Account”), from which the District is to pay the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds. Following the payment of all Operation and Maintenance Expenses, there is to be credited to the Bond Account, concurrently with pro-rata amounts required to be credited to similar accounts established to meet the principal of, any prior redemption premiums due in connection with, and the interest on outstanding Parity Bonds, the following amounts:

(a) *Interest Payments.* Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the outstanding Bonds on the next succeeding interest payment date; and

(b) *Principal Payments.* Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the

month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds and Parity Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment described in paragraph (a) or (b) (whichever is applicable) above may be appropriately reduced; but the required annual amounts again must be so credited to the Bond Account commencing on such interest payment date or principal payment date.

Maintenance of Rates and Coverage. The District covenants in the Bond Resolution that it will establish, maintain, enforce, and collect fees, rates and other charges for services furnished by or the use of the System to create Gross Pledged Revenues each Fiscal Year sufficient to pay Operation and Maintenance Expenses and to create Net Pledged Revenues in an amount equal to 110% of both the principal and interest on the First Lien Obligations, the Bonds and any Parity Bonds then Outstanding and payable from the Net Pledged Revenues in that Fiscal Year; and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

In the event that the Gross Pledged Revenues at any time is not sufficient to make the payments set forth in subsection (a) or (b) above, as applicable, the District has covenanted to increase such rates, fees, and charges to an extent which will ensure the payments and accumulations required by the Bond Resolution.

Additional Obligations. With the exception of obligations issued to refund the currently outstanding First Lien Obligations, in the future the District may not issue obligations with a first lien on the Net Pledged Revenues which is senior to the Bonds.

The Bond Resolution provides that the District may issue additional Parity Bonds subject to the following conditions: (a) *Absence of Default.* At the time of the adoption of the resolution authorizing the issuance of the additional Parity Bond, the District shall not be in default in making any payments required (i) by the First Lien Resolutions in connection with the First Lien Obligations and (ii) by the Bond Resolution; (b) *Historic Earnings Test.* The Net Pledged Revenues derived in any consecutive 12-month period within the eighteen months immediately preceding the date of issuance of the additional Parity Bonds (referred to as the “Test Period”) shall be not less than 110% of the Combined Maximum Annual Principal and Interest Requirements of Outstanding First Lien Obligations, Outstanding Bonds, any Outstanding Parity Bonds and the Parity Bonds proposed to be issued; (c) *Adjustment of Net Pledged Revenues.* In any computation under the preceding “Historic Earnings Test”, the amount of the Net Pledged Revenues for the applicable Test Period may adjusted to reflect any adopted rate increases not in effect for the full Test Period by adding to the actual Net Pledged Revenues for the Test Period examined an estimated sum equal to 100% of the estimated increase in Net Pledged Revenues that would have been realized during such period had the adopted rate increase been in effect during all of such period.

Notwithstanding the requirements described in the preceding paragraph, the District may issue refunding securities payable from Net Pledged Revenues to refund any Outstanding Bonds provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year. Additionally, the Bond Resolution does not prevent the District from issuing Subordinate Bonds as long as no Event of Default shall have occurred and be continuing.

Additional Protective Covenants. Additional protective covenants established by the Bond Resolution are described in Appendix I attached hereto.

Events of Default and Remedies. The Bond Resolution provides that an Event of Default would occur upon the occurrence of any of the following:

(a) Payment of the principal of any of the Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

(b) Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

(c) The occurrence and continuance of an “event of default,” as defined in the First Lien Resolutions and any authorizing resolution for any outstanding Parity Bonds;

(d) The District unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it will not be an Event of Default if such reconstruction is not essential to the efficient operation of the System or the collection of Gross Pledged Revenues;

(e) An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the District appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the District is not vacated or discharged or stayed on appeal within 60 days after entry;

(f) If an event of default has occurred and is continuing under the provisions of the District’s agreement with the Bond Insurer; and

(g) The District defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the Bond Resolution on its part to be performed (other than with respect to the District’s reporting requirements under its Continuing Disclosure Undertaking), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and must be given by the Paying Agent at the written request of the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding.

The Bond Resolution provides that upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under the Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the District to act as if it were the trustee

of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity are to be instituted, had and maintained for the equal benefit of all Owners of the Bonds. The District will not be liable for incidental, punitive, exemplary or consequential damages, or for lost profits, whether direct or indirect. Acceleration is not a remedy upon the happening or continuance of any Event of Default. Notwithstanding the foregoing, nothing in the Bond Resolution acts as or is to be deemed to be a waiver by the District of the Colorado Governmental Immunity Act (see “LEGAL MATTERS—Sovereign Immunity”).

For purposes of the foregoing, so long as the Bond Insurer is not in default of its payment obligations under the Policy, it is deemed to be an Owner of the Bonds.

Amendments to Bond Resolution. The District may amend the Bond Resolution as described in Appendix I attached hereto.

Bond Resolution Irrepealable. The Bond Resolution provides that after any of the Bonds are issued, such resolution shall remain irrepealable, but amendable, until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged.

Debt Service Coverage

The following table sets forth the annual coverage, which would have been provided on a historical basis for the Bonds, after the application of Gross Pledged Revenues for payments connection with the First Lien Obligations as provided in resolutions or agreements entered into by the District with respect to the First Lien Obligations. The table includes the supplemental pledge of the Monument Initiative 2A Sales Tax Share to the Bonds but does not include revenues to be provided by the Forest Lakes IGA Note, and the coverage is calculated on the basis of the maximum annual debt service due on the First Lien Obligations and the estimated maximum annual debt service due on the Bonds (see “APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Revenue and Other Financial Obligations.”). See “TABLE II—Debt Service Requirements on the Bonds” below for the debt service requirements for the Bonds and the First Lien Obligations. There can be no assurance that coverage factors in future years will remain at the levels shown below.

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TABLE I
History of Net Pledged Revenue and Pro-forma Debt Service Coverage

	2021	2022	2023	2024	2025 ⁸
Gross Pledged Revenues					
Water Sales ¹	\$ 4,974,333	\$ 4,444,380	\$ 5,079,296	\$ 4,839,175	\$ 5,284,053
Tap Fees ²	3,481,672	892,771	4,878,328	4,565,722	7,317,735
Payment In Lieu of Fees	1,009,557	465,066	152,313	60,523	--
Sewer Charges ³	1,947,894	2,022,085	2,346,028	2,626,568	3,102,429
Interest, Miscellaneous and Other Fees ⁴	<u>567,711</u>	<u>701,179</u>	<u>1,418,170</u>	<u>954,384</u>	<u>1,273,198</u>
Total Gross Pledged Revenues	<u>11,981,167</u>	<u>8,525,481</u>	<u>13,874,135</u>	<u>13,046,372</u>	<u>16,977,415</u>
Operation & Maintenance Expenses					
Water System	1,150,158	1,392,780	1,178,118	2,291,289	3,390,739
Sewer System	694,476	748,960	904,661	793,412	1,112,368
General and Administrative	<u>1,564,226</u>	<u>1,852,095</u>	<u>2,226,305</u>	<u>2,526,278</u>	<u>2,652,825</u>
Total Operation and Maintenance Expense	<u>3,408,860</u>	<u>3,993,835</u>	<u>4,309,084</u>	<u>5,610,979</u>	<u>7,155,932</u>
Net Pledged Revenue	<u>\$ 8,572,307</u>	<u>\$ 4,531,646</u>	<u>\$ 9,565,051</u>	<u>\$ 7,435,393</u>	<u>\$ 9,821,483</u>
First Lien Obligations Maximum Annual Debt Service Requirement ⁵	\$2,432,711	\$2,432,711	\$2,432,711	\$2,432,711	\$2,432,711
First Lien Coverage Ratio	3.52x	1.86x	3.93x	3.06x	4.04x
Balance of Net Pledge Revenue after First Lien Allocation	6,139,596	2,098,935	7,132,340	5,002,682	7,388,772
Second Lien Bonds Supplemental Net Pledged Revenue ⁶	<u>807,193</u>	<u>860,133</u>	<u>865,214</u>	<u>866,920</u>	<u>920,629</u>
Net Pledged Revenue for the Second Lien Bonds	<u>\$ 6,946,789</u>	<u>\$ 2,959,068</u>	<u>\$ 7,997,554</u>	<u>\$ 5,869,602</u>	<u>\$ 8,309,401</u>
Second Lien Bonds Maximum Annual Debt Service Requirement ⁷	\$2,140,000	\$2,140,000	\$2,140,000	\$2,140,000	\$2,140,000
Bonds Coverage Ratio	3.25x	1.38x	3.74x	2.74x	3.88x

¹ In addition to water sales, includes revenue from water base rates and charges (i.e. charged monthly for service) as well as bulk water and lease revenues.

² Net of amounts required to be reimbursed to developers. Additionally, investors should be aware that tap fees are one-time fees directly tied to new development, which may or may not continue to occur in future years. The rate maintenance covenants in certain of the First Lien Resolutions for the First Lien Obligations exclude Tap Fees from consideration in their respective coverage tests.

³ Includes revenues from sewer rates and charges (i.e. charges for service).

⁴ Includes penalties, review and comment fees, etc. Also includes fees paid to the District by Forest Lakes pursuant to an intergovernmental agreement for contract operations services. Does not include developer contributions for specific projects.

⁵ Represents maximum annual debt service requirements of the Series 2018 Bonds, the Series 2020 Bonds, the Series 2020B Bonds, and the CWCB 2022 Loan. See "THE BONDS—Debt Service Requirements."

⁶ Represents the actual Monument Initiative 2A Sales Tax Share revenues received by the District in the respective calendar years. The Monument Initiative 2A Sales Tax Share revenues supplement, and comprise part of, the Net Pledged Revenues securing the Second Lien Bonds commencing in calendar year 2026. Revenues from the Forest Lakes IGA Note also will comprise supplemental security for the Second Lien Bonds but have not been represented in this Debt Service Coverage Table.

⁷ Represents the estimated maximum annual debt service requirements of the Bonds. See "THE BONDS—Debt Service Requirements."

⁸ Unaudited figures as of December 31, 2025.

Sources: Derived from the District's audited financial statements for fiscal years 2020-2024; and the District

Debt Service Requirements

Set forth in the following table are the debt service requirements for the Bonds as well as the District's other outstanding First Lien Obligations, including the Series 2018 Bonds, Series 2020 Bonds, Series 2020B Bonds and CWCB 2022 Loan. See the cover page of this Official Statement for the actual interest rates for each maturity of the Bonds. See also "APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Revenue and Other Financial Obligations."

TABLE II
Debt Service Requirements ¹

Year	The Bonds		Outstanding First Lien Obligations ²	Annual Total
	Principal	Interest		
2026	--		\$ 2,432,536	
2027	--		2,427,836	
2028	\$ 515,000		2,431,386	
2029	540,000		2,427,886	
2030	565,000		2,432,436	
2031	595,000		2,429,636	
2032	625,000		2,429,086	
2033	655,000		2,431,586	
2034	690,000		2,431,936	
2035	720,000		2,430,086	
2036	760,000		2,430,086	
2037	795,000		2,428,436	
2038	835,000		2,428,436	
2039	880,000		2,431,586	
2040	920,000		2,427,636	
2041	965,000		2,431,786	
2042	1,015,000		2,429,186	
2043	1,065,000		2,429,573	
2044	1,120,000		2,432,711	
2045	1,175,000		2,428,398	
2046	1,235,000		2,431,873	
2047	1,295,000		2,431,792	
2048	1,360,000		2,429,067	
2049	1,430,000		1,823,698	
2050	1,500,000		1,819,717	
2051	1,575,000		233,892	
2052	1,655,000		233,892	
2053	1,740,000		233,892	
2054	1,830,000		233,892	
2055	1,930,000		--	
2056	<u>2,030,000</u>		<u>--</u>	
Total	<u>\$32,015,000</u>		<u>\$60,473,956</u>	

¹ Assumes no optional redemptions prior to maturity. Figures have been rounded.

² Includes the outstanding principal and interest on the District's Series 2018 Bonds, Series 2020 Bonds, Series 2020B Bonds and CWCB 2022 Loan. See also "APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Revenue and Other Financial Obligations" for a description of the outstanding First Lien Obligations.

Source: The Underwriter

BOND INSURANCE

Set forth below is a brief summary of certain information concerning the Insurer and the terms of the Insurance Policy. Information with respect to the Insurer and the Insurance Policy has been supplied to the District by the Insurer. The following discussion does not purport to be complete and is qualified in its entirety by reference to the Insurance Policy.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$493.3 million, \$277.6 million and \$215.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

BAM GreenStar Bonds

The Bonds have been designated BAM GreenStar Bonds because BAM has determined that the use of bond proceeds by the Issuer as described in this Official Statement and in any additional information obtained by BAM aligns with one of the Green Bond Principles ("GBPs") developed by the International Capital Markets Association ("ICMA"). The GBPs were developed by the ICMA with the goal of establishing universally accepted guidelines for the issuance of green bonds, and one of the key requirements addresses the use of proceeds. BAM has been identified by the ICMA as an observer organization that is active in the field of green and/or social or sustainability finance and as a Climate Bond Initiative approved verifier. The GreenStar Credit Profile prepared by BAM for the Bonds will identify which of the following GBP categories applies to the Bonds:

- renewable energy
- energy efficiency
- pollution prevention and control
- environmentally sustainable management of living natural resources and land use
- terrestrial and aquatic biodiversity
- clean transportation
- climate change adaptation
- sustainable water and wastewater management
- green buildings

Each of the GBPs correlates to one of the following UN Sustainable Development Goals which will also be included in the GreenStar Credit Profile for the Bonds:

- clean water and sanitation
- affordable and clean energy
- sustainable cities and communities
- industry innovation and infrastructure
- responsible consumption and production
- climate action
- life below water
- life on land

The Issuer makes no representation regarding the applicability of or suitability of the GreenStar designation. The term “GreenStar” is neither defined in, nor related to, the security documents relating to the Bonds. The GreenStar designation is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described in this official statement. The Issuer is under no contractual or other legal obligation to ensure compliance with any legal or other principles relating to “GreenStar” designation. The Issuer has made no commitment to provide ongoing reporting or information regarding the designation or compliance with the GBPs.

The BAM GreenStar designation is based upon an assessment by BAM at the time of the issuance of the Bonds and such designation by BAM reflects only the views of BAM. BAM does not charge a fee in connection with the designation, does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. The designation is provided on an “AS IS” basis and is based on BAM’s own investigation, studies, assumptions, and criteria using its reasonable best efforts. In issuing its GreenStar designation, BAM has assumed and relied upon the accuracy and completeness of the information made publicly available by the Issuer or that was otherwise made available to BAM. BAM makes no representation or warranty, express or implied, including, but not limited to, the accuracy, results, timeliness, completeness, merchantability or fitness for any particular purpose with respect to the designation. A complete description of BAM GreenStar, and its limitations and terms of use, are available on BAM’s website <https://bambonds.com/wp-content/uploads/2020/10/2024-BAM-GreenStar-Winter-Not-for-Print.pdf> and <https://bambonds.com/terms-of-use> and incorporated herein by reference. The BAM GreenStar designation is determined solely by BAM; it has not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for such designation.

BAM’s GreenStar designation does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the Bonds and is not a recommendation to any person to purchase, hold, or sell the Bonds. Such labeling does not address the market price, marketability or suitability of these Bonds for a particular investor. There is no assurance that the designation will be retained for any given period of time or that the designation will not be revised, suspended, or withdrawn by BAM if, in its judgment, circumstances so warrant.

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

INVESTMENT CONSIDERATIONS

PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT AND SHOULD GIVE PARTICULAR CONSIDERATION TO THE FOLLOWING INVESTMENT CONSIDERATIONS IN CONNECTION WITH THE PURCHASE OF THE BONDS.

General

The purchase of the Bonds involves certain Investment Considerations, which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. 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 Investment Considerations described below, which, among others, could affect the payment of debt service on the Bonds when due.

Limited Obligations

The Bonds do not constitute a lien upon the physical properties of the System or any part thereof but constitute a lien only on Net Pledged Revenues. Therefore, following the application of capitalized interest, the security for the punctual payment of the principal of, and interest on the Bonds is dependent on the District's ability to generate such Net Pledged Revenues in an amount sufficient to meet the debt service requirements of the Bonds. The Bonds and the interest thereon do not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory debt provision or limitation, and do not give rise to a charge against the District's general credit or taxing power. See "THE BONDS—Security for the Bonds."

In the event that the District is unable to generate Net Pledged Revenues in amounts sufficient to pay debt service on the Bonds when due, for whatever reason, the District is obligated, pursuant to its covenant in the Bond Resolution, to increase its System rates and charges so as to generate amounts sufficient to meet said debt service and the additional amounts required by the Bond Resolution. See “THE BONDS—Security for the Bonds.”

General. The Bonds constitute special, limited obligations of the District. The principal of, and interest on the Bonds is payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues derived by the District from the operation of the System, together with certain interest income and other amounts as provided in the Bond Resolution. The Bonds constitute an irrevocable second lien (but not necessarily an exclusive such lien) upon the Net Pledged Revenues which is subordinate and junior to the lien thereon of the First Lien Obligations and on a parity with future Parity Bonds, if any. See “THE BONDS—Security for the Bonds.” ***The Bonds do not constitute a general obligation of the District. Owners of the Bonds may not look to any funds or accounts of the District other than those specifically pledged to the payment of the Bonds.***

The ability of the District to meet its payment obligations under the Bond Resolution will depend upon the ability of the System to generate sufficient Gross Pledged Revenues to meet such obligations, the System’s operating expenses, debt service on other debt or obligations, extraordinary costs or expenses that may occur and other costs and expenses. Accordingly, investors should be aware that future revenues and expenses of the District will be subject to conditions that may differ materially from current conditions to an extent that cannot be determined at this time.

No Mortgage Securing the Bonds. The payment of the Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except for the Net Pledged Revenues and other moneys pledged for the payment of debt service on the Bonds. No property of the District, subject to such exception, will be liable to be forfeited or taken in payment of the Bonds. See “THE BONDS—Security for the Bonds—*Special Revenue Second Lien Obligations*”

No Reserve Fund. While the District historically has maintained a material operating balance in its Enterprise Fund, the Bond Resolution only requires that the District maintain Net Pledged Revenue providing a historic rate coverage ratio of 1.1 times the annual debt service on the Bonds and does not establish or require the maintenance of a reserve fund securing payment of the Bonds. Material fluctuations in the level of Net Pledged Revenue could affect the District’s ability to pay the debt service on the Bonds when due. See “THE BONDS—Security for the Bonds—*Maintenance of Rates and Coverage.*”

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 a number of considerations including, but not limited to, real estate and financial market conditions.

Factors That May Cause Insufficiency of Expected Revenues

The generation of Net Pledged Revenues is dependent upon several factors outside the District’s control, such as the economy, collections of water service charges and tap fees, continued growth (or lack thereof) and changes in law. It is impossible to predict whether current economic conditions will continue or worsen, or to predict how future conditions will affect the operation of the System or the District’s

finances in general. The following factors, among others, may impact the generation of Net Pledged Revenues in the future.

General. Payment of the Bonds is dependent upon the generation of sufficient Net Pledged Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental or governmental restriction or for any other reason, if the District should lack raw water or lack treatable water due to contamination, lack of adequate supply to serve existing customers, drought or for any other reason, if the District has inadequate storage or transmission facilities, if the District is unable to increase rates and charges for any reason or if the District incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the District may be unable to generate adequate revenues from the System to pay debt service on the Bonds. No assurance can be made that the generation of Net Pledged Revenues from the System will be sufficient to pay debt service on the Bonds, even in observation of the rate maintenance covenant provided in the Bond Resolution.

Potable Water Quality, Sanitary Wastewater and Environmental Requirements. The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water and sanitary sewerage systems like the System are regulated by the Environmental Protection Agency (the “EPA”) through the Colorado Department of Public Health and Environment (“CDPHE”), which has the authority to enforce drinking water quality standards and issue and regulate sanitary sewage discharge permits. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Pledged Revenues.

Wastewater treatment systems are also regulated by the EPA as it has delegated the CDPHE the authority to issue permits and enforce discharge standards. The existing WWTP is operated by Donala under an effluent discharge permit issued by the CDPHE. The current discharge permit was originally effective on May 1, 2015, and most recently reissued with modifications which were effective November 1, 2018. The discharge permit expired on April 30, 2020. The District submitted a renewal application for the discharge permit in October 2019, and CDPHE acknowledged receipt of the same in November 2019. The CDPHE indicated the discharge permit would be administratively extended until it issued a renewed permit. The permit remains administratively extended under the pre-existing terms and conditions as of May 1, 2026. It is expected to remain administratively extended for no less than one additional year as the discharge permit renewal is not on the CDPHE work plan for renewal within the next four calendar quarters

Implementation of more stringent effluent standards in the future could result in increased operation and maintenance costs or could require substantial capital improvements to the System. Should that occur, the System’s costs would increase; such increased costs could reduce the amount of Net Pledged Revenues available to pay debt service on the Bonds. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Pledged Revenues.

The current WWTP may be subject to various environmental regulations which could subject the District to increased operating costs or capital expenditures. Such increased costs could reduce the amount of Net Pledged Revenues available to pay debt service on the Bonds. See “THE SYSTEM—System Capital Improvements Program.”

On April 10, 2024, the EPA announced the finalized National Primary Drinking Water Regulation establishing legally enforceable levels called Maximum Contaminant Levels (“MCLs”) for certain Per- and Polyfluoroalkyl Substances (“PFAS”) in drinking water. The new rules prevent companies from starting or resuming the manufacture or processing of numerous PFAS without a complete EPA review and risk determination. The EPA also finalized health-based, non-enforceable Maximum Contaminant Level Goals

(“MCLGs”) for certain PFAS. Under the new regulations, public water systems must monitor for certain PFAS and have until 2027 to complete initial monitoring, with ongoing compliance monitoring required thereafter. Water systems must also provide the public with information on the levels of PFAS in their drinking water beginning in 2027 and have until 2029 to implement solutions that reduce PFAS if monitoring shows that drinking water levels exceed the MCLs. According to District officials, the District is in full compliance the new PFAS requirements for both the EPA and CDPHE. The District has completed the initial monitoring and found that all the PFAS level in the water system are below the detection limit.

Fluctuations in Water Revenues. Fluctuations in water revenues can be exacerbated by the fixed nature of the Water System’s costs as the fixed cost of providing water does not vary considerably when the amount of water delivered to customers varies. The inconsistency between a fixed cost structure and a variable revenue structure causes annual budgeting and financial instability and uncertainty. It is not possible to predict what impacts, if any, such inconsistency might have on future System revenues.

Delay in Collection of Unpaid Amounts. The District has the authority to enforce payment of its rates and charges through a number of means. The District may certify unpaid fees and charges to the County treasurer for collection in the same manner as taxes, and the District itself may foreclosure upon liens on the real property of delinquent ratepayers. Both methods of collection from delinquent ratepayers can result in delayed collection of unpaid amounts. The statutory certification process for unpaid fees and charges is a simple process for the District, but relies on the County treasurer collection process, which can be time-consuming. Proceeds realized from either process, if any, may not be sufficient to cover the delinquent rates and charges. Liens are used as a last resort, as the District is very aggressive in its collection of unpaid debt. Historically, the percentage of collected fees and charges, in relation to total District revenue, has averaged approximately 99%.

Constitutional Limitations on Enterprises. The District has concluded that the System presently qualifies as an “enterprise” under TABOR. If the System should fail at some time in the future to qualify as an enterprise for purposes of TABOR, the System would become subject to the limitations of TABOR, including, without limitation, the spending limits contained in TABOR. See “APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Constitutional Amendment Limiting Taxes and Spending.” If the District fails to maintain the enterprise status of the System, that event will not adversely affect the validity or enforceability of the Bonds, but may affect the District’s ability to collect Net Pledged Revenues in an amount sufficient to pay debt service.

Climate Change. The Town and the County have experienced firsthand the risks posed by changing climate and weather patterns. The most recent winter brought a record low amount of snow, underscoring the unpredictability and severity of current climate trends. As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity, and timing of extreme weather events and natural disasters—including drought, wildfires, floods, and heatwaves. These impacts, driven in part by human activities, may have material adverse effects within the District and the System. The future fiscal or operational impact of climate change on the District and its systems remains difficult to predict; however, recent events demonstrate the potential for significant damages that could strain the availability of Net Pledged Revenues.

Second Lien Obligations

The Bonds are secured by and constitute an irrevocable second lien (but not necessarily an exclusive such lien) upon the Net Pledged Revenues which is subordinate and junior to the lien thereon of the First Lien Obligations and on a parity with future Parity Bonds, if any. As of the date of this Official Statement, the aggregate outstanding principal amount of the First Lien Obligations is \$39,695,016. With

the exception of obligations issued to refund the currently outstanding First Lien Obligations, in the future the District may not issue obligations with a first lien senior to the Bonds.

Included as a supplemental pledge for the Second Lien Bonds and which are not included in Gross Pledged Revenues for the First Lien Obligations are all income and revenues derived from the Forest Lakes IGA Note and the Monument Initiative 2A Sales Tax Share. See “THE BONDS—Security for the Bonds” for additional information defining the various obligations. The District does not have current plans to issue additional Parity Bonds or Subordinate Bonds in the foreseeable future, but would do so if needed.

Bankruptcy and Foreclosure

The ability and willingness of an owner or operator of property to remit water rates and charges in a timely manner may be adversely affected by the filing of a bankruptcy proceeding by the owner. The ability to collect delinquent water service charges using foreclosure and sale for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner of a property. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in the collection of Net Pledged Revenues in amounts that may be insufficient to pay debt service on the Bonds when due.

Future Changes in Laws

Various State laws and constitutional provisions apply to the imposition and collection of District rates, fees, and charges, and the financing of System operations. Other State and federal laws, constitutional provisions, and regulations apply to the obligations created by the issuance of the Bonds. There is no assurance that there will not be any change in, differing interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of Net Pledged Revenues.

Legal Matters Relating to the System

The District is also subject to extensive State and federal regulation of its water facilities. While the District has complied and intends to continue to comply with all valid laws and regulations affecting such operations, there can be no assurance that actions of and standards imposed by State and federal authorities will not result in increases in the District’s future costs of operations, impairment of its ability to serve its present or future customers, or both.

Limitations on Remedies Available to Owners of Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of the principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds are subject to 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 delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations, which could result in a federal lien on the Net Pledged Revenues which is superior to the lien thereon of the Bonds; 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.

Payments Under Bond Insurance Policy

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable Bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable Bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "MISCELLANEOUS—Ratings" herein.

In an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency. Neither the District nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

THE SYSTEM

General

The District provides water and wastewater services to all areas included within the District's boundaries, through its Water and Wastewater Enterprise, funded through rates and fees. All properties within the District are required to connect to the District's water system and wastewater system (together, the "System"). The District does not currently provide any service outside its boundaries. System services are overseen by the District's Utility Department. In addition to its water and wastewater services, the District also operates a Public Works department, which oversees the District's Parks and Open Space and Street Maintenance services.

System Management

The Board serves as the governing body of the Enterprise. The System is managed by the District Manager, who reports directly to the Board. The District has approximately 30 employees who work for the District's Utility Department (under which the System is managed), the District's Public Works department (which includes Parks and Open Space, and Street Maintenance services), or the District's Administration Department. Administrative employees oversee billing, accounts payable, personnel, and overall District management. Although meter-reading is completed in-house, American Conservation and Billing creates the bills and mails them to the District's nearly 2,600 customers. See "REVENUES AVAILABLE FOR DEBT SERVICE—Billing and Collections."

Service Area

The District was established in 1985 and began operations in the 1990s. The District's service area is currently the same as its boundaries. The District is the exclusive provider of water and wastewater service within its service area. The District does not currently provide water and wastewater service outside its boundaries.

Facilities

Water Facilities. The District operates water treatment facilities, storage tanks, 68 miles of water pipelines, and other distribution infrastructure comprising the water system. The District currently operates one water treatment plant, known as B Plant. B Plant was constructed in 2001 and expanded in 2008. It has a current capacity of 2.44 million gallons per day. The original water treatment, known as A Plant, was decommissioned in December, 2025. The treatment capacity from that plant is now being provided at B Plant. The District currently operates nine Denver Basin Wells, the ground water of which is treated at B Plant. Additionally, the District, by agreement with CSU, is delivered treated water rights owned by the District through a pipeline connection from CSU's system to the District's distribution system. Per the CSU Agreement, as defined below, the District limits its water demand on CSU's system to an instantaneous flow rate of not less than 0 gallons per minute, not more than 1,750 gallons per minute, and a total maximum daily delivery of 2.50 million gallons per day (daily flow limit). Given this current constraint defined by the CSU Agreement, the total water available to serve the District's daily demand from all sources is 4.94 million gallons per day.

In 2024, the District completed a \$26 million pipeline known as the Northern Delivery System ("NDS"). This six-mile pipeline provides the District with the ability to utilize its own renewable water rights through a partnership with CSU. The NDS pipeline originates at the connection point with CSU's infrastructure near the northern edge of Colorado Springs and extends approximately six miles northward, terminating within the District in Monument. The NDS provided over 70% of the District's water in 2025.

This pipeline, and associated reservoir storage and water right decrees, is a major infrastructure achievement for the District and is aimed at securing a long-term, renewable water supply. The District's renewable water infrastructure has been developed over the past decade, with significant investments in water rights, reservoir storage, and infrastructure, including the NDS pipeline. At full buildout, the NDS will serve approximately 4,500 homes and businesses, with future benefits extending to FLMD residents. This milestone ensures the District can sustainably meet the needs of its growing population using renewable sources, backed by Denver Basin wells during peak summer demand and drought periods.

The District has transitioned from nonrenewable Denver Basin Groundwater to renewable surface water with the NDS, which began operations in August 2024 and is capable of supplying approximately 100% of the District's overall demand. Groundwater will only be used as a secondary source during peak summer demand and drought periods.

The District operates two water tanks (a 1.5 million gallon tank, and a 1.1 million gallon tank) with a total storage capacity of approximately 2.6 million gallons. The District is expanding its water storage capacity by constructing a new 1.5 million-gallon tank next to the existing B Plant tank on St. Lawrence Way, funded in part by a \$1 million American Rescue Plan Act grant from El Paso County. This project will improve water supply reliability, meet fire flow requirements, and allow maintenance of the older tank without service interruption. With the new tank, total storage will increase to 4.1 million gallons, enhancing both water supply and emergency readiness for the community.

Sewer Facilities. The District's wastewater system includes the WWTP, interceptors, 47 miles of sewer pipelines and collection lines, and other infrastructure wholly or partially owned by the District. The WWTP is jointly owned (as tenants in common) by the District, Donala and FLMD pursuant to the WWTP Agreement (see "APPENDIX B—THE DISTRICT—Material Agreements of the District"). The current ownership of the WWTP is as follows: 44% by the District; 38.9% by Donala; and 17.1% by FLMD. The WWTP has a treatment capacity of 1.75 MGD. Each district has the authority to allocate its WWTP capacity for use within its respective service area in accordance with its own rules and regulations. Following the anticipated completion of the NMCII Project in 2028, the District and FLMD are expected to obtain all wastewater treatment service at the J.D. Phillips Water Resource Recovery Facility operated by the CSU.

The WWTP was originally designed, financed and constructed by the District and FLMD and was operated by Donala pursuant to a 1993 lease and financing agreement between the parties. Pursuant to the WWTP Agreement, FLMD and the District conveyed part ownership of the WWTP and associated real property (including access, utility lines, administration and treatment buildings) to Donala, which undertook an initial WWTP expansion from 0.500 MGD of capacity to 0.875 MGD. Donala is the WWTP Operator pursuant to the WWTP Agreement under the supervision of an Operations Committee comprised of one representative from each District. The WWTP Operator is entitled to charge the other Districts a management fee that would be paid as an Operation and Maintenance Expense; however, no such fee is currently charged.

The Operations Committee is required to meet on a regular basis to review performance of the WWTP, to inform each of the parties of matters concerning operations and maintenance and to coordinate planning for orderly growth and expansion of the WWTP. Other than changes in WWTP operations mandated by federal, State or local regulations and/or to ensure permit compliance, major decisions with respect to the WWTP are made by each board of directors or their designated representatives (each district having one vote). Major decisions include the annual budget for operations and expenses, replacement of the WWTP Operator, expansion or major repairs and replacements of facilities and approval of the plans related thereto, determinations regarding insurance and use of the facilities by parties other than the districts. Each district must comply with applicable environmental regulations.

The WWTP Operator is required to present a proposed budget for operation and maintenance costs for the WWTP, as defined in the WWTP Agreement (referred to herein as “O&M costs”) for the following year to each party by September 15 of each year; a final budget must be agreed to by the parties by October 15. The O&M costs are allocated among the districts in direct proportion to the respective metered influents coming into the facilities, except that O&M costs associated with the tertiary facilities are paid in direct proportion to metered return flows. Each district is required to budget, and appropriate sufficient funds for payment of its O&M costs. No later than the 10th day of each month, the WWTP Operator provides information to each district regarding its metered flow and the related O&M costs for the previous month. O&M cost payments are made quarterly to the WWTP Operator.

The WWTP Agreement provides for the financing of WWTP expansions and related changes in ownership percentages of the facilities. It also provides for the use of WWTP capacity, the use by the parties of unused capacity of other parties, the reservation of capacity for use by any district that is not borrowing capacity from another party, required water rights to be provided by each party, construction provisions, insurance provisions, defaults under the agreement and a 90-day cure period and remedies, including a tap moratorium on a party defaulting on its financial responsibilities. The WWTP Agreement prohibits the sale of any portion of a district’s co-tenancy without the prior written consent of the other districts. It also prohibits the sale of any use of capacity without a sale of the underlying ownership interest. Each district has the right of first refusal in the event of a proposed sale; any sale must be made to a governmental or quasi-governmental entity.

Water Rights

All of the District’s pending change cases and exchange cases have been adjudicated. The District does not have any pending water-rights cases at this time. The District’s decreed renewable water rights will yield, on average, approximately 1,939-acre-feet of renewable water per year. The District also owns or leases 3,689 acre-feet of storage consisting of 1,060 acre-feet of storage in Big Johnson Reservoir, 1,630, acre-feet of storage in the Stonewall Springs South Reservoir, and has a 40 year Excess Storage Capacity lease in Pueblo Reservoir for 999 acre-feet. See “—*Pueblo Reservoir Excess Storage Capacity Lease*” below.

The District and its consultants believe that with its water-rights portfolio, the District owns more than enough water to supply all forecasted demands at buildout. The District continues to discuss and work with similarly situated neighboring districts and municipalities for efficiencies in delivery and re-use of water.

The District’s current water rights are represented by nonrenewable groundwater supply derived from Denver Basin wells and from renewable water resources in three separate and distinct watersheds, the Fountain Creek Water Shed, the Upper Arkansas River Watershed, and the Lower Arkansas Watershed, as described above.

Denver Basin Wells. The District’s Denver Basin wells produce water that can be used and reused to extinction due to existing decreed plans for augmentation. The Denver Basin Wells are capable of producing approximately 2,000,000 gallons per day. The District continues to maintain this well field. Additionally, in order to provide redundancy, the Denver Basin wells known as A-9 and D-9 were constructed. These wells came online in December 2020 and added 500 gallons per minute to the District’s water supply and brings the total number of Denver Basin Wells to nine.

It is projected that the District’s build-out demand will be approximately 2,200-acre-feet. The District has set a goal to derive no more than 10% of its projected buildout demand from Denver basin wells which equates to 220-acre-feet of first use pumping from the existing Denver basin wells. Given the fact

that all of the District's water demand is reusable, this demand will produce approximately 1,500 acre-feet of reusable return flows, that can be used to extinction. Given this, the District has 3,439 acre-feet of decreed renewable water supply, in addition to its Denver Basin Ground water supply. Therefore, the District has excess renewable water of approximately 1,239-acre-feet when operating its planned renewable water projects. This excess amount of water is very conservative in that the actual yield from the District's existing Denver Basin wells is calculated to be a maximum of 6.41-acre-feet per day. In the future it is expected that the System will be base loaded from the District's renewable water supply and any daily peak demands will be supplied by the District's existing Denver Basin wells.

Fountain Mutual Irrigation Company ("FMIC"). The District owns 1,057 shares in FMIC, yielding approximately 740 acre-feet of water annually. These shares entitle the District up to 1,000 acre-feet of storage in the Big Johnson Reservoir.

Upper Arkansas. The District owns the Bale Ditch No. 1 and 50% of Bale Ditch No. 2 shares, totaling approximately 62 acre-feet. The District also holds shares in Arkansas Valley Irrigation Company, with an average annual yield of approximately 568 acre-feet.

Lower Arkansas. The District owns approximately 40.2% of Excelsior Irrigation Company, which owns and operates Excelsior Ditch. This represents approximately 569 acre-feet of average annual yield.

Stonewall Springs Reservoir Complex ("SSRC"). The District owns 19,538 shares in Stonewall Springs Reservoir Company, representing approximately 19,538 acre-feet of storage capacity at the SSRC. The SSRC includes East, Central, and South Reservoirs; the South Reservoir (approximately 1,630 acre-feet) is completed and operational.

Pueblo Reservoir Excess Storage Capacity Lease. The District entered into a 40-year lease with the Bureau of Reclamation ("BOR Lease"), effective as of December 29, 2021. The BOR Lease provides for the acquisition of an "if and when" storage account in the Pueblo Reservoir, which facilitates the exchanges of the District's Renewable Water Supply, and provides the District with an estimated 999 acre-feet of storage.

In 2022, the District was approved for a 1041 permit, a local government permit issued under Colorado's "1041 powers," which allows counties and municipalities to regulate certain activities of state interest, such as water storage and infrastructure projects. The 1041 permit allows the District to store up to 999 acre-feet of water in the Pueblo Reservoir, as provided by the BOR Lease. The permit is necessary for the District to legally utilize and operate its storage account for its renewable water supply exchanges.

In 2023, a second 1041 permit from Pueblo County was approved, allowing for the exchange of District water rights (Excelsior, Fountain, and others) delivered via Fountain Creek between Stonewall Springs Reservoir and Pueblo Reservoir; storage of this water in the Pueblo Reservoir; operation of exchange rights on Fountain Creek; delivery of water through the Pueblo Reservoir North Outlet Works, the Southern Delivery System Pipeline, and the Northern Delivery System project (under construction) to the District's municipal service area; and storage of water in the Stonewall Springs Reservoir Complex (approximately 1,850-acre-feet) for exchange and use by the District and others; and permission to construct Stonewall Springs Central Reservoir.

Regulatory Matters

The operation of the System is subject to substantial regulation under both State and federal law. District management believes that the District complies in all material respects with all applicable current regulations. However, there can be no assurance that compliance with future requirements will not adversely impact future development in the Service Area or result in substantially increased capital and operating expenses for the System. This is the primary driver for the District’s decision to participate in the NMCI Project, in partnership with CSU and FLMD, which will result in the District and FLMD discontinuing treatment of their wastewater at the WWTP. See “THE BONDS—Application of Bond Proceeds—*The Project*.”

System Capital Improvements Program

In addition to the NMCI Project, the District is constructing a 1.5 million gallon water tank, partially funded by a grant from the American Rescue Plan Act from El Paso County. This project is being constructed in 4 phases. Phase three is currently under construction and will be completed by the end of calendar year 2026. Phase 4, which includes the actual construction of the tank, will begin in calendar year 2027 or 2028.

REVENUES AVAILABLE FOR DEBT SERVICE

Major Sources of Enterprise Fund Revenues

The governmental fund utilized to record and account for the financial activity of the System is the proprietary Enterprise Fund. As detailed below, the main sources of funds for the Enterprise fund are derived from: (i) monthly fees paid by District residents to help fund utility operations, the acquisition of renewable water and the associated infrastructure needed to deliver the renewable water to homes; (ii) fees paid by developers to connect homes under construction to the District’s water and wastewater facilities; and (iii) a 0.5% sales tax share-back from the Town of Monument for renewable water. The Enterprise Fund provides funding for water and wastewater services to the District’s currently existing 2,483 single-family homes, 835 multi-family residential units. There are an additional 300 multi-family units currently under construction. In addition to the single-family homes and multi-family units, there are 108 commercial customers.

Customer Rates and Charges

General Information. The District has adopted Rules and Regulations with respect to water and sewer service and assigns single-family equivalents (“SFE”) based upon meter sizes. The District currently has installed meters ranging in size from 5/8” to 3” in diameter, with SFE assignments ranging from one SFE for 5/8” and 3/4” meters to 16 SFEs for 3” meters. While other larger sizes are called out in the District tap fee schedule, the District has not sold any meters larger than 3”. Meters are required for all structurally independent buildings requiring water service.

The District has regularly engaged the services of Raffelis Financial Consultants, Inc. to report on or facilitate analysis of System water and wastewater rates. While a primary purpose of such service is to assist in measuring compliance with debt service coverage compliance of the District’s outstanding debt obligations, the District regularly targets more stringent measures to provide for additional planning cushion and to better ensure sufficient funding for operation and maintenance costs, debt service coverage, capital replacement and refurbishment needs, capital expansion projects and more generally to provide financial stability for the utilities.

Current Usage Rates. Each year, the Board reviews rates and adjusts them as necessary. The District has generally imposed rate increases each year since the date of issuance of its currently outstanding First Lien Bonds and, in December 2025, the District engaged Waterworth, a utility rate management firm that analyzed the District’s historical data and trends, forecasted future revenue and expenses, and recommended an optimized rate structure to adjust rates as needed. Waterworth suggested an annual increase to the rate schedule of 6.5% for the years 2026 through 2029 and the District has implemented such increase for the current fiscal year.

The average monthly combined water and wastewater bill for residential property within the District in 2025 (unaudited) was \$170 in January through March, \$242 in April through September, and \$180 in October through December. For the largest commercial accounts and their combined billed amounts for 2025, see “REVENUES AVAILABLE FOR DEBT SERVICE—Customer Information” hereafter.

The District’s current water and wastewater service rates, including a monthly metering charge of \$7.00, effective January 1, 2026, are shown in the following tables:

Residential Water and Wastewater Rates

Water Rates:

Base Rate per month		\$48.00
Volume Rate (per 1,000 gallons):		
Tier 1	0 to 8,000	10.50
Tier 2	8,001 to 20,000	15.50
Tier 3	20,001 to 30,000	23.00
Tier 4	30,001 and Over	34.50

Wastewater Rates:

Base Rate per month		67.00
Volume Charge (per 1,000 gallons) (based on average volume usage for November through February)		6.75

Commercial Rates

Meter Size:	Base Rate Per Month	
	Water Rates	Wastewater Rates
1” and less	\$ 96.00	\$ 134.00
1 ½”	192.00	268.00
2”	384.00	536.00
3”	767.00	1,072.00
Volume Rate (per 1,000 gallons) (based on average volume usage for November through February)	12.00	7.00

Irrigation Only Rates

Meter Size	Base Rate Per Month
1" and less	\$ 96.00
1 ½"	192.00
2"	384.00
3"	767.00
Volume Rate (per 1,000 gallons):	
Uniform rate based on monthly water usage	12.00

Outside District Boundary Rates

Volume Rates	Per 1,000 Gallons
Uniform Rate – Full Service	\$ 18.25
Uniform Rate – Convey Treat and Deliver	15.25

The District imposes other miscellaneous charges related to water and wastewater service, including review fees, disconnect and reconnect fees, and late fees.

Tap Fees

General. The District also imposes tap fees for connection to the System. Tap fees must be paid prior to issuance of a building permit. Pursuant to the Rules and Regulations, no tap fee refunds are paid by the District unless the District cancels or revokes an application for service. Tap fees are reviewed by the Board annually.

Residential Tap Fees. The Board may use its discretion to impose different tap fees. The District also imposes other fees that must be paid at the same time as tap fees. The following table sets forth the District's current residential tap fee schedule relating to the System as of January 1, 2026, which also are included in Gross Pledged Revenues.

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Residential Tap Fees ¹

Fees	Attached Single Family ²	Single Family ³	Duplex
Water Tap Fee	\$ 9,030.00	\$12,040.00	\$15,050.00
Sewer Tap Fee	8,250.00	11,000.00	13,750.00
Renewable Water/Transmission Fee	10,801.50	14,402.00	18,002.50
Review and Comment Fee	500.00	500.00	500.00
Sewer Impact Fee	500.00	500.00	500.00
Water Meter Fee	768.00	768.00	1,924.00

¹ Subject to additional developer/administrative fees depending on lot location. Additional fees not included in Gross Pledged Revenues such as the Drainage Impact Fee, the Park, Recreation and Landscape Fee, and the Road and Bridge Fee are not included in this table.

² Attached single-family means townhome or condominium.

³ The District requires that attached single-family units and duplexes be supplied individual meters.

Source: 2026 Water and Wastewater Service Utility Rate schedule, as of January 1, 2026

In 2019, the District passed a resolution eliminating what was previously known as the reuse tap fee and combined it with the renewable water fee. All revenue collected under the water reuse tap fee was transferred to the renewable water fee. The original purpose of the reuse fee was to install a purple pipe system and use treated effluent to provide irrigation to the District’s parks and open spaces; however, with increased regulation of non-potable systems, and the fact that the system would require miles of pipe and sophisticated treatment processes, none of which proved to be cost effective, the District elected to focus their attention the use and reuse of reusable water discharged from the District’s Upper Monument Wastewater Treatment Facility. The District remains committed to the re-use of all water supplies available to the District, which can legally be so re-used, thereby maximizing all available water resources. The District currently plans to continue to collect a renewable water fee in order to facilitate acquisition of reusable water supplies, development of infrastructure to allow for such reuse and other related matters.

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Commercial Tap Fees. Commercial tap fees are imposed based upon meter size/SFEs. The District’s current commercial tap fee schedule, as well as the schedule of commercial renewable water fees and commercial reuse tap fees as of January 1, 2026, is set forth below. The minimum tap for commercial, office or industrial use is one inch.

Schedule of Commercial Tap Fees – Based Upon Tap Size

Tap Size/SFEs	Water Tap Fee	Sewer Tap Fee	Renewable Water Transmission Fee
1”/1.9	\$ 22,876.00	\$ 20,900.00	\$ 27,363.80
1.5”/4.4	52,976.00	48,400.00	63,368.80
2”/8.1	97,524.00	89,100.00	116,656.20
2.5”/13.25	159,530.00	145,750.00	190,826.50
3”/19	228,760.00	209,000.00	273,638.00
4”/35	421,400.00	385,000.00	504,070.00
6”/84	1,011,360.00	924,000.00	1,209,768.00
8”/154	1,854,160.00	1,694,000.00	2,217,908.00
10”/250	3,010,000.00	2,750,000.00	3,600,500.00
12”/368	4,430,720.00	4,048,000.00	5,299,936.00

History of Tap Connections. The following table sets forth a history of tap connections in the District.

**TABLE III
History of Tap Connections**

Year	Number of Connections		
	Residential	Commercial	Total
2020	1,845	120	1,965
2021	2,003	124	2,127
2022	2,104	133	2,237
2023	2,190	134	2,324
2024	2,302	164	2,469
2025	2,402	176	2,578
2026 ¹	2,422	177	2,599

¹ Through March 31, 2026 (unaudited).
Source: The District

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Customer Information

Historical Customer Accounts. The following table sets forth a five-year history of the District customer accounts.

**TABLE IV
History of District Customer Accounts**

Year	Water Customers		Wastewater Customers	
	Residential	Commercial ¹	Residential	Commercial
2021	2,055	72	2,055	72
2022	2,237	77	2,237	77
2023	2,247	77	2,247	77
2024	2,300	104	2,300	104
2025 ²	2,411	108	2,411	108

¹ Certain customers may have both a commercial account and an irrigation account.

² Through December 31, 2025 (unaudited).

Source: The District’s 2024 annual financial report, and the District

Historical Water and Wastewater Revenue. The following table sets forth a history of the revenue derived from charges for water service and wastewater service. The service charges include only amounts billed for monthly service. Other tables in this Official Statement include other water and/or sewer-related fees and revenues in addition to service charge revenue; as a result, they differ from the service charge revenues shown below.

**TABLE V
History of Revenues for Water and Sewer Service**

Year	Water Sales	Sewer Charges
2021	\$1,695,632	\$1,759,244
2022	1,943,215	1,990,085
2023	2,025,798	2,290,528
2024	3,142,691	2,626,568
2025 ¹	3,173,940	3,102,429
2026 ²	457,520	418,000

¹ Properties within the District experienced materially greater rainfall in the Summer of 2025, resulting in below average water sales during said period.

² Through April 30, 2026 (unaudited).

Source: The District’s 2024 Annual Financial Report, and the District

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Largest System Customers. Set forth in the following table is a list of the ten largest customers (based upon total service charges paid) of the System for the 12-month period ending on December 31, 2025. Information on water usage by those customers also is provided. State law protects personal financial information of utility users unless that information is presented in an aggregate or statistical form that prevents the identification, location or habits of individuals. Accordingly, the information set forth below does not identify customers by name; it includes only the type of business. No independent investigation has been made of, and consequently there can be no representation as to, the financial condition of the customers listed below, the likelihood that such customers will remain in the District or continue to be served by the District, or their continued usage of the System. During 2025, no individual customer of the District accounted for more than 1.23% of total System revenues.

TABLE VI
Largest System Customers ¹

Customer	Consumption (000 gallons)	Total Service Charges Paid	Percent of Total Charges
Car Wash	5,556	\$101,670	1.23%
Hotel	2,185	100,482	1.22
Car Wash	2,678	56,999	0.69
Restaurant	2,503	51,121	0.62
Senior Center	1,475	50,223	0.61
Retail Center	1,114	40,221	0.49
Car Wash	1,671	39,483	0.48
Grocery Store	1,127	31,864	0.39
Gas Station	1,474	30,825	0.37
Apartment Building	1,447	<u>30,467</u>	<u>0.37</u>
Total		<u>\$533,355</u>	<u>6.47%</u>

¹ Based on total water and wastewater service charge revenue of \$8,237,785 (unaudited) for 2025.
Source: The District

Billing and Collection

The District’s customers are billed monthly for water and wastewater services by American Conservation & Billing Solutions (“ACBS”) on behalf of the District. Payments are due within 30 days of the billing date. If payment is not received within 30 days, additional charges may apply. Customers who are more than 60-days overdue receive a letter from ACBS notifying them of a scheduled service shut-off in 10 days. If payment is not made within that 10-day period, the District will shut off the customer’s service as indicated in the notice. Water and wastewater connection charges (tap fees) are billed at the time building permits are issued, and remitted directly to the District.

In addition, Colorado law permits the District to certify certain unpaid fees to the El Paso County Treasurer for collection in the same manner as property taxes in accordance with State statute. The District has never had to file a lien to collect unpaid fees.

Historical System Financial Information

Set forth hereafter is a comparative statement of revenues, expenses, and changes in fund balance for the Enterprise Fund. Such information should be read together with the financial statements and accompanying notes appended hereto. Preceding years' financial statements may be obtained from the sources noted in "MISCELLANEOUS—Additional Information."

TABLE VII
Statement of Revenues, Expenditures and Changes in Fund Balance – Water and Wastewater Enterprise Fund

	2021	2022	2023	2024	2025 (unaudited) ¹
Operating Revenues:					
Water Sales	\$ 4,974,333	\$ 4,444,380	\$ 5,079,296	\$ 4,839,175 ²	\$5,284,053
Tap Fees	4,103,963	1,272,615	2,878,328	4,565,722 ²	7,317,735
Payment in Lieu of Taxes	1,009,557	465,066	152,313	60,523	--
Sewer Charges	<u>1,947,894</u>	<u>2,022,085</u>	<u>2,346,028</u>	<u>2,626,568</u>	<u>3,102,429</u>
Total Operating Revenue	<u>12,035,747</u>	<u>8,204,146</u>	<u>12,455,965</u>	<u>12,091,988</u>	<u>15,704,217</u>
Operating Expenses:					
Water System	1,150,158	1,392,780	1,178,118	2,291,289	3,390,739
Wastewater System	694,475	748,959	904,661	793,412	1,112,368
General and Administrative	1,564,226	1,852,095	2,226,305	2,526,278	2,652,825
Depreciation	<u>1,226,356</u>	<u>1,258,594</u>	<u>1,299,856</u>	<u>1,358,952</u>	<u>1,389,784</u>
Total Operating Expenses	<u>4,635,215</u>	<u>5,252,428</u>	<u>5,608,940</u>	<u>6,969,931</u>	<u>8,545,716</u>
Operating Income	7,400,532	2,951,718	6,847,025	5,122,057	7,158,501
Non-Operating Revenue (Expense)					
Interest Income	5,946	184,062	571,117	270,824	215,867
Miscellaneous Income	439,265	394,617	847,053	683,560	1,057,331
Grant	--	--	--	--	700,915
IGA Revenue	122,500	122,500	(4,080)	1,026,253	--
Loan Fee – CWCB	--	--	--	(51,509)	--
Developer Refund	(287,867)	--	--	--	--
Tap Fee Credits	(622,291)	(379,844)	(147,208)	(1,389,125)	(1,275,629)
Interest Expense	<u>(1,467,976)</u>	<u>(1,459,079)</u>	<u>(1,462,304)</u>	<u>(1,458,918)</u>	<u>(1,426,833)</u>
Total Non-Operating Expense, Net	<u>(1,810,423)</u>	<u>(1,137,744)</u>	<u>(195,422)</u>	<u>(918,915)</u>	<u>(728,349)</u>
Income Before Transfers and Contributions	5,590,109	1,813,974	6,651,603	4,203,142	6,430,152
Contributions	--	1,607,720	1,500,000	1,123,910	184,284
Transfers In	<u>600,000</u>	<u>750,000</u>	<u>900,000</u>	<u>800,000</u>	<u>800,000</u>
Change in Net Position	<u>6,190,109</u>	<u>4,171,694</u>	<u>9,051,603</u>	<u>6,127,052</u>	<u>7,414,436</u>
Net Position – Beginning of Year	<u>49,455,191</u>	<u>55,645,300</u>	<u>59,816,994</u>	<u>68,868,597</u>	<u>74,995,649</u>
Net Position – End of Year	<u>\$55,645,300</u>	<u>\$59,816,994</u>	<u>\$68,868,597</u>	<u>\$74,995,649</u>	<u>\$82,410,085</u>

¹ Unaudited figures as of December 31, 2025 which are subject to change prior to the finalization of the Audit.

² Renewable water fees in the amount of \$2,098,622 which are part of the Gross Pledged Revenues were reported as tap fees in the 2024 audited financial statements.

Sources: District Audited Financial Statements 2021-2024, and the District

Budgeted Financial Information. The following tables set forth a comparison and a summary of the 2025 and 2026 budgets as adopted, the 2025 actual year-end unaudited figures and the 2026 actual year to date unaudited figures for the District's Enterprise Fund.

TABLE VIII
Water and Wastewater Enterprise Fund Budget Summary and Comparison ¹

	2025 Budget	2026 Budget (as amended)	2026 Actual Year-to-Date (unaudited) ³
Revenue:			
Water Revenues	\$ 3,767,082	\$ 3,491,387	\$1,407,888
Sewer Revenues	2,756,177	3,377,644	1,535,635
Renewable Water Fees	540,075	612,085	273,638
Contract Sewer and Water Service-FLMD	224,334	235,551	160,414
Water Meter Kits	56,250	63,750	42,932
Miscellaneous	70,000	70,000	764,915
Bulk Water Revenue	5,000	5,000	11,160
Water Lease-Comanche	197,303	203,222	61,104
Lot Inspection Fees	7,000	5,000	0
Base Rate/Capital Improvement Fee	1,566,000	1,782,050	600,016
Administrative Fee	176,400	194,050	42,000
Interest	<u>330,000</u>	<u>200,000</u>	<u>67,962</u>
Total Revenue	<u>9,695,621</u>	<u>11,039,739</u>	<u>4,967,664</u>
Expenditures:			
Administrative:			
Salaries and Benefits	1,628,428	1,773,457	570,840
Professional Services	370,000	534,359	160,848
General Administration	397,209	414,929	199,844
Water System	3,287,235	4,173,351	1,289,848
Wastewater System/Treatment	878,879	1,301,700	941,886
Wastewater System/Collections	<u>90,000</u>	<u>90,000</u>	<u>13,490</u>
Total Administrative and Operations	<u>6,651,751</u>	<u>8,287,796</u>	<u>3,176,759</u>
Debt Service:			
Paying Agent Fees	5,000	5,000	--
CWCB Loan Interest	233,892	233,892	233,892
2018 Bonds – Debt Service	663,100	661,350	--
2020B Bonds - Debt Service	643,650	649,050	--
2020A Bonds – Debt Service	<u>889,744</u>	<u>888,244</u>	<u>--</u>
Sub Total Debt Service	2,435,386	2,711,733	233,892
Total Expenditures	<u>9,087,137</u>	<u>10,999,529</u>	<u>3,410,651</u>
Excess of Revenue Over (Under) Expenditures	608,483	140,210	1,557,003
Other Financing Sources (Uses)			
Transfer from Other Funds	800,000	(800,000)	<u>264,000</u>
Transfer to Other Funds	<u>(2,231,219)</u>	<u>--</u>	<u>--</u>
	(1,431,219)	(800,000)	<u>264,000</u>
Excess Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(822,736)	940,210	1,821,003
Fund Balance Beginning	<u>3,808,046</u>	<u>5,765,877</u>	
Fund Balance Ending	<u>\$ 2,985,310</u>	<u>\$ 6,706,087</u>	

¹ Numbers may not total due to rounding.

² Actual unaudited fiscal year-end figures through December 31, 2025.

³ Actual unaudited year-to-date figures through March 31, 2026.

Source: District's 2025 and 2026 Budget documents, and the District

LEGAL MATTERS

Sovereign Immunity

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

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

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

For claims accruing on or after January 1, 2026 and before January 1, 2030, 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 \$505,000; and (b) for an injury to two or more persons in any single occurrence, the sum of \$1,421,000 for claims accruing before January 1, 2030 (except in such instance, no single person may recover in excess of \$505,000). These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index and, with respect to claims accruing prior to January 1, 2026, prior period amounts are less than the current period limits. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.”

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

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the District may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee of 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 Kutak Rock LLP, Denver, Colorado, Bond Counsel. Certain matters will be passed upon by WBA, P.C., Centennial, Colorado, as General Counsel to the District. Stradling Yocca Carlson & Rauth LLP is acting as legal counsel to the Underwriter.

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

General Counsel to the District is expected to render an opinion upon delivery of the Bonds stating that, to the best of its actual knowledge, and based on representations made in a letter from Monson, Cummins, Shohet & Farr, LLC, as water counsel to the District, dated on or about the Closing Date, there is no action, suit, or proceeding pending in which the District is a party, nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Resolution and all other documents executed in connection with the delivery of the Bonds.

Future Changes in Laws

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

TAX MATTERS

General

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

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

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

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

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix G.

Original Issue Premium

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

Original Issue Discount

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

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

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

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

Backup Withholding

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

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory

authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

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

MISCELLANEOUS

Ratings

S&P Global Ratings (“S&P”) is expected to assign an insured rating on the Bonds of “AA” based upon the Policy to be issued concurrently with the delivery of the Bonds by the Bond Insurer. S&P has also assigned an underlying rating on the Bonds of “A+” based upon its rating of the Bonds without regard to the delivery of the Policy. Such ratings reflect only the view of such rating agency. Any explanation of the significance of the ratings should be obtained from S&P at 55 Water Street, New York, New York, 10041.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the applicable rating agency if in the judgment of such rating agency circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Registration of Bonds

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

The “Colorado Municipal Bond Supervision Act,” Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the “Commissioner”) to regulate and monitor the issuance of municipal securities by special districts and certain other 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. Exempted from the registration requirement are, among others, any issue of Bonds rated in one of its four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations. The Bonds will be exempt from registration pursuant to said exemption, among others.

Interest of Certain Persons Named in This Official Statement

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

Independent Auditor

The basic financial statements of the District for the year-ended December 31, 2024 were audited by Haynie & Company, Certified Public Accountants & Management Consultants, Littleton, Colorado (the “Auditor”) and are appended hereto as Appendix A. Such financial statements are the most current audited financial information available for the District and have been included in this Official Statement without review or consent of the Auditor.

Continuing Disclosure Undertaking

Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the “Rule”), the District has agreed for the benefit of the holders of the Bonds to annually upload its audited financial statements (each, an “Audit”), certain annual operating and financial data (“Annual Financial Information”), and notices of certain events to the Electronic Municipal Market Access facility (“EMMA”) operated by the Municipal Securities Rulemaking Board after the Bonds are executed and delivered. The form of the District’s Continuing Disclosure Undertaking for the Bonds is attached as Appendix E to this Official Statement.

The District entered into continuing disclosure undertakings in connection with the issuance of its outstanding publicly issued municipal bonds (the “Prior Undertakings”). During the last five years, the District timely filed its Audits for each fiscal year, with the exception of the District’s 2021 Audit, which was filed one day after the deadline provided in the Prior Undertakings. In accordance with the requirements of the Prior Undertakings, the District filed a failure to file notice concerning the late 2021 Audit on EMMA on July 8, 2025. The District takes no position as to the materiality of the foregoing omission. The District’s Annual Financial Information for the last five years was timely filed.

Any future failure by the District to comply with the requirements of the Rule will not constitute an “event of default” under the authorizing resolution (although Bond owners will have any available remedy at law or in equity). Nevertheless, any future failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, any future failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Underwriting

The Bonds are being sold by the District to the Underwriter at a price of \$ _____ (computed as the par amount of the Bonds of \$ _____, plus net original issue premium of \$ _____, less an underwriting discount of \$ _____), pursuant to a bond purchase agreement entered into between the Underwriter and the District. Expenses associated with the issuance of the Bonds are being paid by the District from proceeds of the Bonds. The right of the Underwriter to receive compensation in connection with the Bonds is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds to the public at the price set forth on the cover page of this Official Statement. 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 to the public.

Piper Sandler & Co. (“Piper”), the Underwriter of the Bonds, has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Additional Information

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

Official Statement Certification

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

TRIVIEW METROPOLITAN DISTRICT

By /s/ _____
President of the Board of Directors

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS OF THE DISTRICT
AS OF AND FOR THE YEAR-ENDED DECEMBER 31, 2024**

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TRIVIEW METROPOLITAN DISTRICT

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

BOARD OF TRUSTEES

President Mark Melville

Vice President Anthony Sexton

Secretary/Treasurer James Barnhart

Director Amanda Carlton

Director Jason Gross

James McGrady - District Manager

TRIVIEW METROPOLITAN DISTRICT

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INDEPENDENT AUDITORS' REPORT

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Independent Auditors' Report

To the Board of Directors
Triview Metropolitan District
Monument, Colorado

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund, of Triview Metropolitan District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Triview Metropolitan District as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

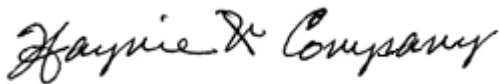
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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



Littleton, Colorado

July 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRIVIEW METROPOLITAN DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) is presented to provide an overview of the financial activities and conditions for the fiscal year ended on December 31, 2024. The MD&A contains information currently known to management as of the date of the auditors' report. The MD&A should be read in conjunction with the District's financial statement that accompanies this report.

FINANCIAL HIGHLIGHTS

- Total Assets equaled: \$154,435,344 for 2024.
- Deferred Outflows of Resources were \$3,010,672.
- Cash, Cash Equivalents and Investments as of December 31, 2024 were \$12,613,966.
- Total Liabilities for 2024 equaled \$88,318,868.
- Deferred Inflows of Resources were \$3,707,107.
- Net Position for 2024 totaled \$65,420,041.
- Governmental change in Net Position from 2023 to 2024 was an increase of \$2,746,558.
- Business-type change in Net Position from 2023 to 2024 was an increase of \$6,127,052.

FINANCIAL STATEMENTS

The financial statements consist of three parts - management discussion and analysis, the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two are government-wide statements that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplemental information that further explains and supports the information in the financial statements.

Government-wide Statements — The government-wide statements consist of the Statement of Net Position and the Statement of Activities. These statements report information about the District as a whole and include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and liabilities, is one way to measure the District's financial status, or financial position. Over time increases or decreases in the District's net position is one indicator whether its financial health is improving or deteriorating. Other non-financial factors, however, such as changes in the District's property tax base (Assessed Valuation) are needed to assess the overall strength of the District.

Fund Financial Statements — The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds, not the District as a whole. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Fund — The activity of the District's General fund is reported as a governmental fund, which focuses on how money flows into and out of the General fund. This fund is reported using the modified accrual accounting method, which measures cash and all of the other financial assets that can readily be converted to cash. The governmental fund statement provides a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs.

Proprietary (Enterprise) Fund — The activity of the District Enterprise fund is to report the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's Enterprise fund is the same as the business-type activities reported in the governmental-wide statements but provides more detailed and additional information, such as cash flows.

District Specific — The Triview Metropolitan District utilizes two separate financial categories of activities; one for the general district functions and one for the enterprise, or business-type functions. Each of these, in turn, is segregated into operational and capital functions. Together, these comprise the overall government-wide statements. The Governmental, or general, category covers the public functions involving: administration; streets; drainage; landscaping; traffic control; street lighting; street signage; environmental and mosquito control. The Proprietary, or Business-type, category involves the public provision of water, wastewater, reuse water, related administration, and environmental functions. The Governmental functions are funded by property taxes, sales taxes, impact fees and bond financing when required. The Proprietary functions are funded by water and sewer user charges, tap fees and, similarly, bond financing when required for capital projects.

FINANCIAL POSITION & RESULTS FROM OPERATIONS

NET POSITION:

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
ASSETS						
Other	\$ 10,321,984	\$ 7,499,625	\$ 17,821,609	\$ 11,486,807	\$ 8,571,661	\$ 20,058,468
Capital	23,455,797	113,157,938	136,613,735	21,020,769	106,307,303	127,328,072
Total assets	<u>\$ 33,777,781</u>	<u>\$ 120,657,563</u>	<u>\$ 154,435,344</u>	<u>\$ 32,507,576</u>	<u>\$ 114,878,964</u>	<u>\$ 147,386,540</u>
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,952,076	\$ 58,596	\$ 3,010,672	\$ 3,148,881	\$ 79,279	\$ 3,228,160

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
LIABILITIES						
Current	\$ 1,891,151	\$ 3,583,770	\$ 5,474,921	\$ 2,824,061	\$ 3,826,631	\$ 6,650,692
Long-term	40,707,207	42,136,740	82,843,947	41,622,820	42,263,015	83,885,835
Total Liabilities	\$ 42,598,358	\$ 45,720,510	\$ 88,318,868	\$ 44,446,881	\$ 46,089,646	\$ 90,536,527
DEFERRED INFLOWS OF RESOURCES	\$ 3,707,107	\$ -	\$ 3,707,107	\$ 3,531,742	\$ -	\$ 3,531,742
NET POSITION						
Net investment in capital assets	\$ (15,184,334)	\$ 70,274,794	\$ 55,090,460	\$ (18,298,170)	\$ 63,353,567	\$ 45,055,397
Restricted position	153,242	-	153,242	153,242	-	153,242
Unrestricted position	5,455,484	4,720,855	10,176,339	5,822,762	5,515,030	11,337,792
Total Net Position	\$ (9,575,608)	\$ 74,995,649	\$ 65,420,041	\$ (12,322,166)	\$ 68,868,597	\$ 56,546,431

Triview Metropolitan District was formed in 1985. In 1987 debt was placed upon Triview and in 1988 the developer filed for bankruptcy. This "Old Debt" remained in place accruing interest at 12.21% annual rate with no payments being made. This is referred to as the "Inactive Period". In 1994 the majority of the land within the District was acquired by a new developer and in 1997 a development agreement was reached whereby all of the previous debt and any new debt to that developer became Limited Tax Obligation Debt, or "Unscheduled Bonds" resembling "Revenue Bonds". The point-in-time from 1998 onward is referred to as the "Active Period".

The Old Debt had paid for a portion of the sewer system, a partially constructed water tank, partial road grading and soft costs; but nothing at that stage, the Inactive Period, could provide services. In order to service the first house within Triview, additional funds had to be obtained to complete the water and sewer systems, construct streets and improve the site drainage along with other required improvements. This funding initially took the form of developer loans that were then converted into Limited Tax Liability Bonds during this Active Period.

The current financial position is the result of the District investing in infrastructure in order to provide services. That infrastructure is being depreciated. The debt in excess of that directly related to the infrastructure equates to the accruing interest costs thus resulting in the status of the net position.

PROGRAM REVENUE BY SOURCE:

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Charges of services						
User charges (rates)	\$ -	\$ 12,091,988	\$ 12,091,988	\$ -	\$ 12,455,965	\$ 12,455,965
Impact fees	973,339	-	973,339	1,721,945	-	1,721,945
Capital contributions	-	1,123,910	1,123,910	-	1,500,000	1,500,000
Water & sewer tap fees	-	-	-	-	-	-
GENERAL						
Tax revenue	7,567,333	-	7,567,333	7,003,581	-	7,003,581
Interest income	386,358	270,824	657,182	501,925	571,117	1,073,042
IGA revenue	-	1,026,253	1,026,253	-	-	-
Other	56,764	683,560	740,324	97,257	842,973	940,230
Total revenue	8,983,794	15,196,535	24,180,329	9,324,708	15,370,055	24,694,763

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
FUNCTIONAL						
General government	1,054,184	-	1,054,184	855,254	-	855,254
Streets	1,709,820	-	1,709,820	1,583,996	-	1,583,996
Lighting	32,298	-	32,298	24,391	-	24,391
Drainage	51,483	-	51,483	12,554	-	12,554
Signage	12,764	-	12,764	15,423	-	15,423
Traffic control	80,370	-	80,370	85,099	-	85,099
Parks	1,523,370	-	1,523,370	1,291,558	-	1,291,558
Conservation	37,558	-	37,558	42,471	-	42,471
Debt service	1,948,188	-	1,948,188	1,984,136	-	1,984,136
Water, wastewater and reuse	-	9,869,483	9,869,483	-	7,218,452	7,218,452
Total expenditures	6,450,035	9,869,483	16,319,518	5,894,882	7,218,452	13,113,334
Developer contribution	1,012,799	-	1,012,799	362,358	-	362,358
Transfers	(800,000)	800,000	-	(900,000)	900,000	-
Change in net position	2,746,558	6,127,052	8,873,610	2,892,184	9,051,603	11,943,787
Net position- beginning of year	(12,322,166)	68,868,597	56,546,431	(15,214,350)	59,816,994	44,602,644
Net position- end of year	\$ (9,575,608)	\$ 74,995,649	\$ 65,420,041	\$ (12,322,166)	\$ 68,868,597	\$ 56,546,431

Both Governmental and Proprietary (Business Type) Activities exhibited a positive change in net position primarily attributable to monitoring appropriate expenditures in conjunction with increasing fee revenue.

ANALYSIS OF POSITION

The overall financial position of the District continued to improve during 2024, as the District continued to monitor expenditures while experiencing an increase in revenue, primarily service charges. National economic factors, rising mortgage rates and inflation, continue to impact the District's residential growth in 2024 but the District continues to be an attractive area for both home buyers and retail establishments.

The General Fund recorded revenue over and above budgeted amounts, primarily due to fees.

Capital assets for the Governmental Activities increased in 2024 due to capital outlay exceeding depreciation by \$2,435,028. Capital assets for the Business-type Activities increased due to capital outlay exceeding depreciation in 2024 by \$6,850,634 as the District invested over \$8,000,000 in water rights, land, equipment and capital improvements during the year.

CAPITAL ASSETS:

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Operating systems	\$ 35,529,167	\$ 134,068,412	\$ 169,597,579	\$ 32,091,542	\$ 125,858,826	\$ 157,950,368
Accumulated depreciation	(12,073,370)	(20,910,474)	(32,983,844)	(11,070,773)	(19,551,523)	(30,622,296)
Total capital assets, net	\$ 23,455,797	\$ 113,157,938	\$ 136,613,735	\$ 21,020,769	\$ 106,307,303	\$ 127,328,072

Long-term liabilities decreased during 2024 by \$966,888 due to principal payments on both the Revenue and G.O. Bonds.

LONG-TERM DEBT:

	2024			2023		
	Governmental Activities	Proprietary Activities	Total	Governmental Activities	Proprietary Activities	Total
Bonds payable	\$ -	\$ 42,941,740	\$ 42,941,740	\$ -	\$ 43,033,015	\$ 43,033,015
G.O. bonds payable	41,592,207	-	41,592,207	42,467,820	-	42,467,820
Total long-term debt	<u>\$ 41,592,207</u>	<u>\$ 42,941,740</u>	<u>\$ 84,533,947</u>	<u>\$ 42,467,820</u>	<u>\$ 43,033,015</u>	<u>\$ 85,500,835</u>

FUTURE TRENDS AND ECONOMIC FACTORS

As of December 31, 2024, there are 2,302 residential taps and 167 commercial taps being serviced by the District.

The District is located in a desired area for both Denver and Colorado Springs commuters. This will assist the District’s residential and commercial building activity to return to pre-inflation levels when economic factors take a positive turn.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Triview Metropolitan District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to James McGrady, District Manager, PO Box 849, 16055 Old Forest Point, Suite 302, Monument, Colorado, 80132.

BASIC FINANCIAL STATEMENTS

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TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
December 31, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,789,792	\$ 819,818	\$ 2,609,610
Cash and cash equivalents, restricted	582,286	-	582,286
Investments	3,555,389	3,793,536	7,348,925
Investments, restricted	2,073,145	-	2,073,145
Property taxes receivable	3,707,107	-	3,707,107
Accounts receivable	878,290	419,484	1,297,774
Prepaid expenses	101,381	101,381	202,762
Internal balances	(2,365,406)	2,365,406	-
Capital assets, net of accumulated depreciation	23,455,797	113,157,938	136,613,735
Total assets	<u>33,777,781</u>	<u>120,657,563</u>	<u>154,435,344</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	2,952,076	58,596	3,010,672
Total deferred outflows of resources	<u>2,952,076</u>	<u>58,596</u>	<u>3,010,672</u>
LIABILITIES			
Accounts payable	156,535	2,552,283	2,708,818
Accrued interest	289,819	178,487	468,306
Accrued settlement	-	48,000	48,000
Developer escrow	559,797	-	559,797
Long-term liabilities			
Due within one year	885,000	932,242	1,817,242
Due in more than one year	40,707,207	42,009,498	82,716,705
Total liabilities	<u>42,598,358</u>	<u>45,720,510</u>	<u>88,318,868</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	3,707,107	-	3,707,107
Total deferred inflows of resources	<u>3,707,107</u>	<u>-</u>	<u>3,707,107</u>
NET POSITION			
Net investment in capital assets	(15,184,334)	70,274,794	55,090,460
Restricted			
Emergency reserve (TABOR)	153,242	-	153,242
Unrestricted	5,455,484	4,720,855	10,176,339
Total net position (deficit)	<u>\$ (9,575,608)</u>	<u>\$ 74,995,649</u>	<u>\$ 65,420,041</u>

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

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 1,054,184	\$ -	\$ -	\$ -	\$ (1,054,184)	\$ -	\$ (1,054,184)
Streets	1,709,820	375,980	-	1,012,799	(321,041)	-	(321,041)
Lighting	32,298	-	-	-	(32,298)	-	(32,298)
Drainage	51,483	150,600	-	-	99,117	-	99,117
Signage	12,764	-	-	-	(12,764)	-	(12,764)
Traffic control	80,370	-	-	-	(80,370)	-	(80,370)
Parks, landscape and open space	1,523,370	446,759	-	-	(1,076,611)	-	(1,076,611)
Conservation Trust	37,558	-	-	-	(37,558)	-	(37,558)
Interest and fiscal charges	1,948,188	-	-	-	(1,948,188)	-	(1,948,188)
General government	<u>\$ 6,450,035</u>	<u>\$ 973,339</u>	<u>\$ -</u>	<u>\$ 1,012,799</u>	<u>(4,463,897)</u>	<u>-</u>	<u>(4,463,897)</u>
Business-type activities:							
Water and Wastewater Fund	\$ 9,869,483	\$ 12,091,988	\$ -	\$ 1,123,910		3,346,415	3,346,415
Total	<u>\$ 9,869,483</u>	<u>\$ 12,091,988</u>	<u>\$ -</u>	<u>\$ 1,123,910</u>		<u>3,346,415</u>	<u>3,346,415</u>
General revenues and transfers:							
					7,567,333	-	7,567,333
					386,358	270,824	657,182
					37,558	-	37,558
					19,206	683,560	702,766
					-	1,026,253	1,026,253
					(800,000)	800,000	-
					<u>7,210,455</u>	<u>2,780,637</u>	<u>9,991,092</u>
					2,746,558	6,127,052	8,873,610
					(12,322,166)	68,868,597	56,546,431
					<u>\$ (9,575,608)</u>	<u>\$ 74,995,649</u>	<u>\$ 65,420,041</u>

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

**TRIVIEW METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2024**

	General
ASSETS	
Cash and cash equivalents	\$ 1,789,792
Investments	3,555,389
Restricted cash and cash equivalents	2,655,431
Property taxes receivable	3,707,107
Accounts receivable, other	878,290
Prepaid expense	101,381
Total assets	\$ 12,687,390
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Accounts payable	\$ 156,535
Developer escrow	559,797
Due to other funds	2,365,406
Total liabilities	3,081,738
 DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenue	3,707,107
TOTAL DEFERRED INFLOWS OF RESOURCES	3,707,107
 FUND BALANCE	
Nonspendable:	
Prepaid expenditures	101,381
Restricted:	
Debt service	2,073,145
Emergency reserves	153,242
Unassigned	3,570,777
Total fund balance	5,898,545
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 12,687,390
 Total fund balance, governmental funds	 \$ 5,898,545
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets	23,455,797
Deferred outflows of resources are not current financial resources, and therefore are not reported in the funds	2,952,076
Accrued interest is not due and payable in the current period, and therefore, is not reported as a liability in the funds	(289,819)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position	(41,592,207)
Net position (deficit) of governmental activities	\$ (9,575,608)

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

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGE
IN FUND BALANCE - GOVERNMENTAL FUND
Year Ended December 31, 2024**

	General
REVENUES	
Taxes	\$ 7,567,333
Fees	973,339
Conservation trust funds	37,558
Interest income	386,358
Miscellaneous revenue	19,206
Total Revenue	8,983,794
 EXPENDITURES	
General government	1,009,028
Streets	2,900,616
Lighting	32,298
Signage	12,764
Traffic control	78,867
Drainage	51,483
Parks, landscape and open space	2,814,261
Conservation Trust	37,558
Debt Service:	
Interest and fiscal charges	2,634,037
Total Expenditures	9,570,912
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(587,118)
 OTHER FINANCING SOURCES (USES)	
Developer contribution - Higby Road	1,012,799
Transfers out	(800,000)
Total other financing sources	212,799
NET CHANGE IN FUND BALANCE	(374,319)
FUND BALANCE - BEGINNING OF YEAR	6,272,864
FUND BALANCE - END OF YEAR	\$ 5,898,545

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

**TRIVIEW METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE - GOVERNMENTAL
FUND TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2024**

A reconciliation reflecting the differences between the governmental fund net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balance - Total governmental funds	\$	(374,319)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation for the period.</p>		
		2,435,028
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		<u>685,849</u>
Change in net position - Governmental activities	\$	<u><u>2,746,558</u></u>

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

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND WASTEWATER FUND
December 31, 2024**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets	
Cash and cash equivalents	\$ 819,818
Investments	3,793,536
Accounts receivable	419,484
Prepaid expenses	101,381
Due from other funds	2,365,406
Total current assets	7,499,625
Non-current assets	
Capital assets, net of depreciation	113,157,938
Total non-current assets	113,157,938
Total assets	120,657,563

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	58,596
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TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

\$ 120,716,159

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable	\$ 2,552,283
Accrued interest	178,487
Accrued settlement	48,000
Bonds payable	805,000
Loan payable	127,242
Total current liabilities	3,711,012
Non-current liabilities	
Bonds payable	36,934,300
Loan payable	5,075,198
Total non-current liabilities	42,009,498
Total liabilities	45,720,510

NET POSITION

Net investment in capital assets	75,477,234
Unrestricted	(481,585)
Total net position	74,995,649

TOTAL LIABILITIES AND NET POSITION

\$ 120,716,159

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

TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2024

OPERATING REVENUES	
Water sales	\$ 4,839,175
Tap fees	4,565,722
Payment in lieu of fees	60,523
Sewer charges	2,626,568
Total operating revenue	12,091,988
 OPERATING EXPENSES	
Water system	2,291,289
Wastewater system	793,412
General and administrative	2,526,278
Depreciation	1,358,952
Total operating expenses	6,969,931
 OPERATING INCOME	 5,122,057
 NONOPERATING REVENUE (EXPENSE)	
Interest income	270,824
Miscellaneous income	683,560
IGA revenue	1,026,253
Loan fee	(51,509)
Tap fee credits	(1,389,125)
Interest expense	(1,458,918)
Total nonoperating expense, net	(918,915)
 INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	 4,203,142
 CONTRIBUTIONS	 1,123,910
 TRANSFERS IN	 800,000
 CHANGE IN NET POSITION	 6,127,052
 NET POSITION - BEGINNING OF YEAR	 68,868,597
 NET POSITION - END OF YEAR	 \$ 74,995,649

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

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2024**

	Water and Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 11,722,747
Cash payments to suppliers for goods and services	(3,949,860)
Cash payments to employees for services	(1,640,858)
Net cash provided by operating activities	6,132,029
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	1,605,787
Investment income	270,824
Net cash provided (used) by investing activities	1,876,611
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers in	800,000
Miscellaneous non-operating income	683,560
Change in due from other funds	51,528
Net cash used by noncapital financing activities	1,535,088
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(8,209,586)
Principal paid on debt	(770,000)
Loan proceeds	718,000
Developer contributions	1,123,910
IGA revenue/sale of asset	1,026,253
Loan fee	(51,509)
Tap fee credits	(1,389,125)
Interest and other debt-related charges	(1,549,732)
Net cash used in capital and related financing activities	(9,101,789)
NET DECREASE IN CASH AND CASH EQUIVALENTS	441,939
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	377,879
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 819,818
Cash is reflected on The Statement of Net Position as follows:	
Cash and cash equivalents	\$ 819,818
	\$ 819,818

Continued

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

**TRIVIEW METROPOLITAN DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND WASTEWATER FUND
Year Ended December 31, 2024**

**RECONCILIATION OF OPERATING INCOME TO CASH FLOWS
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 5,122,057
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	1,358,952
Effects of changes in operating assets and liabilities:	
Accounts receivable	(369,241)
Prepaid expense	41,697
Accounts payable	<u>(21,436)</u>
Total adjustments	<u>1,009,972</u>
Net cash provided by operating activities	<u><u>\$ 6,132,029</u></u>

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

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NOTES TO BASIC FINANCIAL STATEMENTS

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Triview Metropolitan District (the "District") is a quasi-municipal political subdivision of the State of Colorado organized to develop and provide certain services to the residents of the District. The District was formed by order of the District Court for the County of El Paso, Colorado, entered in Civil Action No. 85 CV 0893 on May 13, 1985, following the favorable outcome of an organizational election held on May 10, 1985. The District, as a metropolitan district, derives its power from state statutes. Among the express statutory powers of the District are the powers of taxation and eminent domain, and the power to borrow money and issue both general obligation bonds and revenue bonds. The District has purchased water rights, and has constructed a water distribution system, a sanitary and storm sewer collection system, roadways, signs and other improvements.

The District's financial statements are prepared in accordance with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). A summary of the significant accounting policies used in the preparation of these financial statements follows.

Reporting Entity — The District has no component units for which either discrete or blended presentation is required. The inclusion or exclusion of component units is based on a determination of the elected official's financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Further, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

Government-Wide and Fund Financial Statements — The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between *governmental* and *business-type* activities of the District. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities are financed to a significant extent by fees and charges.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include 1) fees and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation — The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements.

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The District considers property taxes as available if they are collected within 30 days after year-end. Property taxes are recognized as revenue in the fiscal period for which they are levied, providing the available criteria are met.

Those revenues susceptible to accrual are property taxes, sales taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the accrual criteria are met. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District reports the following major governmental fund:

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

Additionally, the District reports the following major proprietary fund:

Enterprise Fund – The enterprise fund is used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District has one enterprise fund-the Water and Wastewater Fund. The intent of the District is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

TRIVIEW METROPOLITAN DISTRICT
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Amounts reported as *program revenues* include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Receivables — All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepaid Expenses — Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Due To and From Other Funds — Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payable are classified as "due from other funds" or "due to other funds". In the government-wide financial statements, all internal balances have been substantially eliminated.

Restricted Cash and Investments — The use of certain cash and investments of the District is restricted. These cash and investment items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Investments — Investments are stated at fair value. Fair value is the amount the District can reasonably expect to receive to sell an investment in an orderly transaction between market participants. See Note 4 for further information on the fair values of investments.

Capital Assets — Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, traffic, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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Buildings, improvements, vehicles, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

Roads and streets	2 – 40 years
Wells	20 years
Water storage tank	40 years
Wastewater treatment facility	40 years
Water distribution system and treatment facility	40 years
Equipment	3 – 7 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net assets.

Accumulated Employee Benefit Amounts — Accumulated unpaid vacation, sick pay, and other employee benefit amounts are not material. Therefore, a liability of these benefits has not been reflected in these financial statements.

Long-Term Liabilities — In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issue costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification — The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications available to be used in the governmental fund financial statements are as follows:

Non-spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Statement of Cash Flows — For purposes of the Statement of Cash Flows, the District's cash and cash equivalents are considered to be cash on hand, demand deposits, government pools, and short-term investments with original maturities of three months or less from the date of acquisition, including restricted cash and cash equivalents. Funds held in escrow are excluded from the District's definition of cash and cash equivalents.

Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events — The District has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date of issuance of the financial statements.

**2. RECONCILIATION OF GOVERNMENT-WIDE AND
FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the general fund balance sheet and the government-wide statement of net position:

The general fund balance sheet includes reconciliation between *fund balance-governmental fund* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "capital assets used in governmental

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activities are not financial resources and, therefore, are not reported in the funds". The details of this difference are as follows:

Capital assets	\$ 35,529,167
Accumulated depreciation	<u>(12,073,370)</u>
Net adjustment to fund balance – governmental fund to arrive at net position – governmental activities	<u>\$ 23,455,797</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and change in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and change in fund balance includes a reconciliation of *net changes in fund balance-governmental fund* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that governmental funds report outlays for capital assets as expenditures. In contrast in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The details of this difference are as follows:

Depreciation	\$ (1,002,597)
Capital outlays	<u>3,437,625</u>
Net adjustment to net change in fund balance – governmental fund to arrive at change in net position – governmental activities	<u>\$ 2,435,028</u>

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities". The details of this difference are as follows:

Amortization of advance refunding difference	\$ (117,644)
Amortization of discount/premium	30,613
Repayment of bonds	845,000
Change in accrued interest	<u>(72,120)</u>
Net adjustment to net change in fund balance – governmental funds to arrive at change in net position of governmental activities	<u>\$ 685,849</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information — The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In the fall, the District Manager submits to the Board of Directors, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the District to obtain taxpayer comments.
3. Prior to December 15, the budget is legally approved.

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4. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
5. Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. The budget for the Water and Wastewater Fund is prepared on a basis of accounting other than generally accepted accounting principles, which is normal for proprietary funds. The primary differences are that bond proceeds are treated as a budget source, capital expenditures and principal payments are treated as a budget use, and accrued unpaid interest and the amortization and depreciation expense are not budgeted.
8. Budgeted amounts are as originally adopted or amended.
9. All annual appropriations lapse at the end of the year.

4. DEPOSITS AND INVESTMENTS

The District's deposits and investments consist of the following at December 31, 2024:

	<u>Deposits</u>	<u>COLOTRUST</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,609,610	\$ -	\$ 2,609,610
Restricted cash and cash equivalents	582,286	-	582,286
Investments	-	7,348,925	7,348,925
Restricted investments	-	2,073,145	2,073,145
Total	<u>\$ 3,191,896</u>	<u>\$ 9,422,070</u>	<u>\$ 12,613,966</u>

Reconciliation of cash and cash equivalents to the government-wide financial statements at December 31, 2024:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 1,789,792	\$ 819,818	\$ 2,609,610
Restricted cash and cash equivalents	582,286	-	582,286
Investments	3,555,389	3,793,536	7,348,925
Restricted investments	2,073,145	-	2,073,145
Total	<u>\$ 8,000,612</u>	<u>\$ 4,613,354</u>	<u>\$ 12,613,966</u>

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

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At December 31, 2024, the carrying amount of the District's deposits, including certificates of deposits and money markets, was \$3,191,896 the bank balances were \$3,269,825. Of the total bank balance, \$500,000 was covered by FDIC insurance and \$2,769,824 falls under the provision of the Colorado Public Deposit Protection Act which is collateralized in single institution pools.

Investments — The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States and certain U.S. government agencies' securities
- Certain international agencies' securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Certain commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposits
- Certain money market fund
- Guaranteed investment contracts

As of December 31, 2024, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted average under 60 days	\$9,422,070

Fair Value Measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest level to unobservable inputs (level 3) as follows:

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Observable inputs other than quoted market prices.

Level 3 Valuation derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

Colorado Government Liquid Asset Trust (COLOTRUST) is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes by state statutes. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust currently offers three portfolios, COLOTRUST PRIME, COLOTRUST PLUS+ and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate

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similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAAsf/S1 by Fitch Ratings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

Investments with maturities of less than 90 days are classified as cash and cash equivalents on the financial statements.

The District's investments are subject to interest rate risk and credit risk as described below:

Interest Rate Risk: The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates.

Credit Risk. State law limits investments to those described above. The District does not have an investment policy that would further limit its investment choices.

5. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2024:

GENERAL FUND	
Cash with County Treasurer	\$ 27,123
Taxes from town	717,938
Tap fee receivable	86,504
Other	<u>46,725</u>
Total general fund	<u>\$ 878,290</u>
WATER AND WASTEWATER FUND	
User fees receivable	\$ 91,237
Tap fee receivable	284,431
Other	<u>43,816</u>
Total water and wastewater fund	<u>\$ 419,484</u>
Total accounts receivables	<u>\$ 1,297,774</u>

**TRIVIEW METROPOLITAN DISTRICT
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6. INTERFUND BALANCES AND TRANSFERS

Interfund balances consisted of the following at December 31, 2024:

Receivable	Payable	Amount
Enterprise fund	General fund	<u>\$ 2,365,406</u>

The enterprise fund has a receivable from the general fund, the purpose of this interfund balance is to be a mechanism to track the proper allocation of payments and receipts. During the year ended December 31, 2024 the General Fund transferred \$800,000 to the Enterprise Fund.

7. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and are payable in two installments due February 28 and June 15, or in one installment due April 30. El Paso County bills and collects property taxes for the District. District property tax revenues are recognized when levied to the extent that they result in current receivables. The tax rate for the year ended December 31, 2024 was 35.000 mills, 20.500 mills less a temporary mill reduction of 14.500 mills. The District's assessed valuation for 2024, for taxes collected in 2024, was \$172,266,940.

8. ESCROW FUNDS HELD

In 2022, an Escrow account was established in the District's name to accumulate funds for the Monument Industrial Park. The balance in the account at December 31, 2024 was \$245,760. Escrow funds of \$559,797 are being held in the General Fund for the construction of Higby Road.

9. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Balance at December 31, 2023	Additions	Disposals/ Retirements	Balance at December 31, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Construction in process	\$ 717,773	\$ 1,252,661	\$ -	\$ 1,970,434
Total capital assets not being depreciated	<u>717,773</u>	<u>1,252,661</u>	<u>-</u>	<u>1,970,434</u>
Capital assets, being depreciated:				
Road and streets	25,540,131	945,045	-	26,485,176
Traffic control	453,073	11,153	-	464,226
Parks, landscape and open space	2,619,737	1,170,180	-	3,789,917
Equipment	1,361,566	48,973	-	1,410,539
Office space	1,399,262	9,613	-	1,408,875
Total capital assets being depreciated	<u>31,373,769</u>	<u>2,184,964</u>	<u>-</u>	<u>33,558,733</u>
Less accumulated depreciation for:				
Road and streets	(9,204,993)	(709,447)	-	(9,914,440)
Traffic control	(438,302)	(1,503)	-	(439,805)
Parks, landscape and open space	(728,607)	(86,527)	-	(815,134)
Equipment	(654,983)	(159,964)	-	(814,948)
Office space	(43,888)	(45,156)	-	(89,043)
Total accumulated depreciation	<u>(11,070,773)</u>	<u>(1,002,597)</u>	<u>-</u>	<u>(12,073,370)</u>
Total capital assets, net	<u>\$ 21,020,769</u>	<u>\$ 2,435,028</u>	<u>\$ -</u>	<u>\$ 23,455,797</u>

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	Balance at December 31, 2023	Additions	Disposals/ Retirements	Balance at December 31, 2024
Business-type activities:				
Capital assets, not being depreciated:				
Water rights and land	\$ 24,530,651	\$ 2,197,356	\$ -	\$ 26,728,007
Construction in process	54,547,918	5,773,665	-	60,321,583
Total capital assets not being depreciated	<u>79,078,569</u>	<u>7,971,021</u>	<u>-</u>	<u>87,049,590</u>
Capital assets, being depreciated:				
Wells	5,735,698	182,073	-	5,917,771
Water storage tank	1,065,456	-	-	1,065,456
Wastewater treatment facility	12,064,302	-	-	12,064,302
Water distribution system and treatment facility	22,030,224	432	-	22,030,656
Sanctuary Pointe	4,378,959	-	-	4,378,959
Building	112,816	-	-	112,816
Equipment	1,392,802	56,060	-	1,448,862
Total capital assets being depreciated	<u>46,780,257</u>	<u>238,565</u>	<u>-</u>	<u>47,018,822</u>
Less accumulated depreciation for:				
Wells	(1,600,213)	(155,830)	-	(1,756,043)
Water storage tank	(691,625)	(26,636)	-	(718,261)
Wastewater treatment facility	(5,200,085)	(301,607)	-	(5,501,692)
Water distribution system and treatment facility	(10,650,031)	(564,591)	-	(11,214,621)
Sanctuary Pointe	(706,610)	(109,474)	-	(816,084)
Building	(941)	(11,282)	-	(12,223)
Equipment	(702,018)	(189,532)	-	(891,550)
Total accumulated depreciation	<u>(19,551,523)</u>	<u>(1,358,952)</u>	<u>-</u>	<u>(20,910,474)</u>
Total capital assets, net	<u>\$ 106,307,303</u>	<u>\$ 6,850,634</u>	<u>\$ -</u>	<u>\$ 113,157,938</u>

10. LONG-TERM LIABILITIES

Changes In Long-Term Liabilities

	Balance at December 31, 2023	Additions	Reductions	Balance at December 31, 2024	Amounts Due Within One Year
<u>Governmental Activities:</u>					
Series 2016 GO Bonds	\$ 41,765,000	\$ -	\$ 845,000	\$ 40,920,000	\$ 885,000
Bond Issuance Premium	702,820	-	30,613	672,207	30,613
Total - Governmental Activities	<u>\$ 42,467,820</u>	<u>\$ -</u>	<u>\$ 875,613</u>	<u>\$ 41,592,207</u>	<u>\$ 915,613</u>
<u>Business-Type Activities:</u>					
<u>Revenue Bonds</u>					
Revenue Bonds - 2018	\$ 10,190,000	\$ -	\$ 225,000	\$ 9,965,000	\$ 235,000
Revenue Bonds - 2020	15,285,000	-	315,000	14,970,000	330,000
Revenue Bonds - 2020B	10,720,000	-	230,000	10,490,000	240,000
Bond Issuance Premium - 2018 Bonds	272,229	-	10,889	261,340	10,889
Bond Issuance Premium - 2020 Bonds	741,928	-	28,086	713,842	28,086
Bond Issuance Premium - 2020B Bonds	1,390,955	-	51,837	1,339,118	51,837
Total - Revenue Bonds	<u>\$ 38,600,112</u>	<u>\$ -</u>	<u>\$ 860,812</u>	<u>\$ 37,739,300</u>	<u>\$ 895,812</u>
<u>Loans</u>					
CWCB Loan - 2022	\$ 4,432,903	\$ 769,537	\$ -	\$ 5,202,440	\$ 127,242
	<u>\$ 4,432,903</u>	<u>\$ 769,537</u>	<u>\$ -</u>	<u>\$ 5,202,440</u>	<u>\$ 127,242</u>
Total - Business-Type Activities	<u>\$ 43,033,015</u>	<u>\$ 769,537</u>	<u>\$ 860,812</u>	<u>\$ 42,941,740</u>	<u>\$ 1,023,054</u>

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General Obligation Bonds — The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Voters of the District authorized the issuance of \$50,840,800 of debt at special elections held in November 1986 and November 1987. General obligation bonds have been issued for governmental activities.

On December 15, 2016, the District issued \$46,215,000 in general obligation bonds with interest rates ranging from 4.0% to 5.0%. The District issued the bonds to advance refund \$42,740,000 of the outstanding Series 2009 general obligation bonds. The refunding was undertaken to lock in interest rates which were being remarketed weekly with the refunded bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$4,526,516. This amount is netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. The 2009 Series Bonds were redeemed in November 2019 when the remaining bonds became callable.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Series 2016 General Obligation Refunding Bonds bearing interest rates ranging from 4.00% to 5.00% until maturity on November 1, 2046.	<u>\$ 40,920,000</u>
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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>December 31,</u>	<u>Governmental Activities.</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 885,000	\$ 1,738,913
2026	980,000	1,694,663
2027	1,030,000	1,645,663
2028	1,130,000	1,594,162
2029	1,190,000	1,537,663
2030-2034	7,355,000	6,745,462
2035-2039	9,700,000	5,052,162
2040-2044	12,630,000	2,858,624
2045-2046	6,020,000	376,200
Total	<u>\$ 40,920,000</u>	<u>\$ 23,243,512</u>

Revenue Bonds — On November 29, 2018 the District issued Water and Wastewater Enterprise Revenue and Refunding and Improvement Bonds in the amount of \$11,165,000. The bonds were issued to retire existing debt consisting of a Tax Exempt Revenue Note issued in 2014 through Northstar/Independent Bank and the refunding of the Water and Wastewater Enterprise Revenue

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Bonds issued in 2016. In addition, the issuance of the bonds provided \$416,000 for the purchase of water rights. The bonds are payable semiannually on June 1 and December 1 each year commencing June 1, 2019 with the final payment due December 1, 2048. The bonds are pledged by water and sewer revenue and have a variable interest rate of 4% to 5%. Annual debt service requirements to maturity for business-type activities for the 2018 bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 235,000	\$ 428,100
2026	245,000	416,350
2027	260,000	404,100
2028	270,000	391,100
2029	285,000	377,600
2030-2034	1,655,000	1,659,250
2035-2039	2,080,000	1,243,000
2040-2044	2,525,000	793,000
2045-2048	2,410,000	246,000
Total	<u>\$ 9,965,000</u>	<u>\$ 5,958,500</u>

On May 27, 2020 the District issued Water and Wastewater Enterprise Revenue Bonds-Series 2020 in the amount of \$16,140,000. The bonds were issued to partially fund the purchase of water rights and land known as Stonewall Springs. The bonds are payable semiannually on June 1 and December 1 each year commencing December 1, 2020 with the final payment due December 1, 2050. The bonds are pledged by water and sewer revenue and have a variable interest rate of 3.375% to 5%. Annual debt service requirements to maturity for business-type activities for the 2020 bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 330,000	\$ 559,744
2026	345,000	543,244
2027	365,000	525,994
2028	380,000	507,744
2029	400,000	488,744
2030-2034	2,300,000	2,150,920
2035-2039	2,770,000	1,685,370
2040-2044	3,315,000	1,134,382
2045-2049	3,905,000	548,368
2049-2050	860,000	29,025
Total	<u>\$ 14,970,000</u>	<u>\$ 8,173,531</u>

On November 5, 2020 the District issued Water and Wastewater Enterprise Revenue Bonds – Series 2020B in the amount of \$10,940,000. The bonds were issued to fund the purchase of water rights and land. The bonds are payable semiannually on June 1 and December 1 each year commencing December 1, 2021 with the final payment due December 1, 2050. The bonds are pledged by water and sewer revenue and have an interest rate of 4%. Annual debt service requirements to maturity

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

for business-type activities for the 2020B bonds are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 240,000	\$ 403,650
2026	255,000	394,050
2027	255,000	383,850
2028	275,000	373,650
2029	280,000	362,650
2030-2034	1,585,000	1,635,050
2035-2039	1,895,000	1,305,800
2040-2044	2,250,000	964,050
2045-2049	2,785,000	481,000
2050	670,000	26,800
Total	<u>\$ 10,490,000</u>	<u>\$ 6,330,550</u>

Loans payable

\$5,202,440 Loan Agreement, Colorado Water Conservation Board

On March 15, 2022, the District entered into a loan agreement with CWCB for a maximum principal amount of \$4,731,000. The loan proceeds are to be utilized in the District's efforts to replace its nonrenewable Denver Basin groundwater supplies with renewable surface water supplies. In 2024, the loan was amended to a maximum principal amount of \$5,202,440, which includes a 1% loan service fee of \$51,509.

Annual payments of \$233,892, comprised of principal and interest, will be due annually beginning June 1, 2025. The loan bears interest at the rate of 2.05% per annum. The District has the option to repay the loan, in whole or in part, without penalty upon prior written notice of not less than 30 days to CWCB. Annual debt service requirements to maturity for business-type activities for the CWCB loan are as follows:

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 127,242	\$ 106,650
2026	129,850	104,041
2027	132,512	101,380
2028	135,229	98,663
2029	138,001	95,891
2030-2034	733,617	435,842
2035-2039	811,960	357,498
2040-2044	898,668	270,791
2045-2049	994,637	174,822
2050-2054	1,100,724	68,605
Total	<u>\$ 5,202,440</u>	<u>\$ 1,814,183</u>

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

11. NET POSITION

The District has net position consisting of three components: net investment in capital assets; restricted; and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and increased by unamortized deferred amounts on refunding. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

As of December 31, 2024, the District had net investment in capital assets as follows:

Net investment in capital assets:	
Capital assets, net of depreciation	\$ 136,613,735
Deferred outflow related to debt refunding	3,010,672
Long-term liabilities due within one year	(1,817,242)
Long-term liabilities due in more than one year	<u>(82,716,705)</u>
Total net investment in capital assets	<u>\$ 55,090,460</u>

Restricted assets are reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported:

As of December 31, 2024, the District had restricted net position as follows:

Emergency reserve (TABOR)	<u>\$ 153,242</u>
Total restricted	<u>\$ 153,242</u>

Unrestricted net position consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The District utilizes unrestricted net position before using restricted net position. As of December 31, 2024, the District had unrestricted net position of \$10,176,339.

12. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District carries commercial insurance for these risks of loss, including worker's compensation and employee health and accident insurance. Settlements have not exceeded coverage during the

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

past three fiscal years.

13. COMMITMENTS AND CONTINGENCIES

Litigation — The District is involved in pending or threatened lawsuits and claims. The District and its legal counsel estimate that the potential claims against the District not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

Tap fees — In 2007, the District settled a condemnation proceeding with a developer by agreeing to provide the developer with a credit for sewer and water tap fees in the cumulative amount of \$436,000. As of December 31, 2024 the developer had a remaining credit for sewer and water tap fees in the amount of \$48,000.

Commitments - On January 23, 2015 the District entered into an agreement with certain developers to expand the District's infrastructure to provide water, sewer and other standard services to a new area, Phase I of Sanctuary Pointe (Phase I) within the District's boundaries. The expansion of the District's services to this new area will require additional infrastructure estimated to cost approximately \$4,850,000.

A separate escrow account was set up for a portion of the tap fees to be used to fund the additional infrastructure improvements. The District pledged to escrow \$8,000 from each single family and \$6,000 from each multi-family tap fee from Phase I. The agreement required the Developers in Phase I to pay a Water Impact Fee of \$3,000, in excess of the standard District tap fees.

The agreement committed funding of approximately \$2,400,000 from escrowed tap fees and an additional \$250,000 from the District. The additional funding of approximately \$2,200,000 will be provided by the Developers. The contribution from the Developers will be repaid by the District from additional escrowed tap fees based on the schedule above. The estimated remaining funding of \$250,000 not supplied by the tap fees was required from the District within 90 days of the installation of the final residential meter in Phase I. As of December 31, 2024, the District had expended \$2,650,000 for infrastructure improvements in accordance with the Agreement.

Should the Developers fail to complete the development within two years after filing their intent to proceed the District will not be obligated to reimburse the Developers for all sewer infrastructure estimated to be approximately \$1,355,000.

14. INTERGOVERNMENTAL AGREEMENTS

Intergovernmental Agreement with Forest Lakes Metropolitan District and Donala Water and Sanitation District — The District entered into an agreement dated November 11, 1999, subsequently amended on October 25, 2001, with Forest Lakes Metropolitan District and Donala Water and Sanitation District to define ownership rights in the wastewater treatment plant. Under the amended agreement, the District and Forest Lakes transferred part ownership to Donala.

In 2009 the District completed an expansion of the plant to 1.75 million gallons per day (MGD). Under the terms of the above agreements, the three Districts reallocated ownership. Ownership was also modified under a 2009 agreement between the District and Donala, with the District deeding ownership of 6.7% of the 1.75 MGD capacity to Donala. The current ownership is 37.3% owned by the District, 17.1% by Forest Lakes, and 45.6% by Donala. The plant is currently being operated by Donala and all parties are responsible for their respective share of operations and

TRIVIEW METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

maintenance costs, based on the relative share of actual flows.

In 2009 the District deeded 6.7% of the 1.75 MGD total plant treatment capacity to Donala. The District expects the 6.7% of plant ownership to be deeded back to the District pursuant to the intergovernmental agreement to fund the completion of the wastewater treatment plant.

In addition, in accordance with the November 11, 1999 agreement, an ownership interest in a 24" interceptor was transferred to the Forest Lakes Metropolitan District. As a result of the transfer, the interceptor is owned 50% by the District, 25% by Forest Lakes, and 25% by Donala.

Intergovernmental Agreement with Forest Lakes Metropolitan — On March 28, 2002, the District entered into an intergovernmental agreement with Forest Lakes Metropolitan District for the design, construction, operation and ownership of the Monument Creek Interceptor.

Intergovernmental Agreements with the Town of Monument — The 1987-1999 IGA with the Town of Monument is part of (appendix to) the 1987 Annexation Agreement which brought the property into the Town. This IGA sets out how the District and the Town will interact as two separate public entities. Additionally, the IGA contains various requirements for Triview Metropolitan District to follow, including the collection of certain fees and the methods for infrastructure construction as well as the maintenance of said facilities.

15. SUBDISTRICT A AND SUBDISTRICT B

On November 3, 2020, electors approved the formation of Triview Metropolitan Subdistricts A and B for the purpose of providing additional services to specific areas of the Triview Metropolitan District. SubDistrict B was dissolved in 2024. As of December 31, 2024, the SubDistrict A is financially inactive.

16. AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the *State Constitution*, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 6, 2006 District residents voted to exempt the District from the revenue limits of the Amendment. This revenue change was effective from January 1, 2007 through December 31, 2017. On November 7, 2017 District residents voted to continue the exemption of the revenue limits indefinitely. The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment language in order to determine its compliance.

REQUIRED SUPPLEMENTAL INFORMATION

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**TRIVIEW METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGE IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2024**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
REVENUE			
Taxes	\$ 7,220,139	\$ 7,567,333	\$ 347,194
Fees	421,500	973,339	551,839
Conservation trust funds	40,000	37,558	(2,442)
Interest income	135,000	386,358	251,358
Miscellaneous revenue	28,000	19,206	(8,794)
Total Revenue	<u>7,844,639</u>	<u>8,983,794</u>	<u>1,139,155</u>
EXPENDITURES			
General government	816,748	1,009,028	(192,280)
Streets	886,450	920,391	(33,941)
Capital	2,551,500	1,980,225	571,275
Lighting	23,000	32,298	(9,298)
Signage	15,000	12,764	2,236
Traffic control	105,000	78,867	26,133
Drainage	20,000	51,483	(31,483)
Parks, landscape & open space	1,131,450	1,356,861	(225,411)
Capital	1,454,500	1,457,400	(2,900)
Conservation trust	40,000	37,558	2,442
Debt Service:			
Interest and fiscal charges	2,634,163	2,634,037	126
Total Expenditures	<u>9,677,811</u>	<u>9,570,912</u>	<u>106,899</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,833,172)</u>	<u>(587,118)</u>	<u>1,246,054</u>
OTHER FINANCING SOURCES (USES)			
Developer contribution - Higby Road	1,600,000	1,012,799	(587,201)
Transfers out	(800,000)	(800,000)	-
Total other financing sources	<u>800,000</u>	<u>212,799</u>	<u>(587,201)</u>
NET CHANGE IN FUND BALANCE	(1,033,172)	(374,319)	658,853
FUND BALANCE - BEGINNING OF YEAR	<u>3,336,260</u>	<u>6,272,864</u>	<u>2,936,604</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,303,088</u>	<u>\$ 5,898,545</u>	<u>\$ 3,595,457</u>

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

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SUPPLEMENTAL INFORMATION

TRIVIEW METROPOLITAN DISTRICT
SCHEDULE OF REVENUE, EXPENSES AND CHANGE IN
NET POSITION (NON-GAAP BUDGETARY BASIS)
WATER AND WASTEWATER ENTERPRISE FUND
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Water assessments	\$ 5,627,511	\$ 4,850,000	\$ 4,839,175	\$ (10,825)
Sewer assessments	2,814,980	2,630,000	2,626,568	(3,432)
Interest income	200,000	270,000	270,824	824
Water and sewer tap fees	1,428,000	4,565,000	4,565,722	722
Payment in lieu of water	100,000	100,000	60,523	(39,477)
Fees	525,400	550,000	549,847	(153)
ARPA Grant	250,000	-	-	-
NDS - Forest Lakes/Purchase Participation Agreement	798,025	1,026,250	1,026,253	3
AGRA-Excelsior Culvert	84,000	-	-	-
Developer contributions	-	878,150	878,150	-
Miscellaneous income	60,000	134,000	133,713	(287)
Total Revenue	<u>11,887,916</u>	<u>15,003,400</u>	<u>14,950,775</u>	<u>(52,625)</u>
EXPENSES				
General & administrative:				
Salaries & wages	1,190,430	1,260,000	1,258,945	1,055
Employee benefits	377,683	382,000	381,913	87
Engineering	60,000	122,000	122,009	(9)
Legal	170,000	262,000	261,858	142
Communications	40,000	40,000	37,915	2,085
Accounting and auditing	78,000	81,000	81,217	(217)
Conference/training/class	11,500	11,000	10,892	108
Dues, publications & subscriptions	9,000	9,000	7,972	1,028
IT support	51,700	46,000	45,840	160
Office supplies & equipment	2,000	5,800	5,754	46
Postage	1,500	1,000	925	75
Publications - legal notice	200	200	-	200
Telephone service	17,000	19,650	19,645	5
Travel & meetings	2,000	2,000	420	1,580
Office overhead	14,000	14,000	12,687	1,313
Insurance	60,000	60,000	59,752	248
Billing expense	120,000	136,000	135,880	120
Miscellaneous	13,000	28,000	27,763	237
Vehicle repair and maintenance	70,000	55,000	54,891	109
Total General & Administrative	<u>2,288,013</u>	<u>2,534,650</u>	<u>2,526,278</u>	<u>8,372</u>
Water system	1,431,935	2,291,900	2,291,289	611
Wastewater system	1,047,338	793,500	793,412	88
Principal payments on capital debt	770,000	770,000	770,000	-
Interest and bond expense	1,522,694	1,595,000	1,549,732	45,268
Cost of issuance - CWCB Loan	-	-	51,509	(51,509)
Tap fee credits	-	1,390,000	1,389,125	875
Capital expenditures	9,912,895	9,600,000	9,598,711	1,289
Total Expenses	<u>16,972,875</u>	<u>18,975,050</u>	<u>18,970,056</u>	<u>4,994</u>
EXCESS OF REVENUE OVER (UNDER)				
EXPENSES	<u>(5,084,959)</u>	<u>(3,971,650)</u>	<u>(4,019,281)</u>	<u>(47,631)</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	450,000	718,000	769,537	51,537
Transfer from (to) other funds	800,000	800,000	800,000	-
MI-PB-Escrow	226,002	246,000	245,760	(240)
Total other financing sources	<u>1,476,002</u>	<u>1,764,000</u>	<u>1,815,297</u>	<u>51,297</u>
EXCESS OF REVENUE OVER EXPENSES	<u>(3,608,957)</u>	<u>(2,207,650)</u>	<u>(2,203,984)</u>	<u>3,666</u>
NET POSITION - BEGINNING OF YEAR	<u>7,242,650</u>	<u>4,651,602</u>	<u>4,651,602</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 3,633,693</u>	<u>\$ 2,443,952</u>	<u>\$ 2,447,618</u>	<u>\$ 3,666</u>

**TRIVIEW METROPOLITAN DISTRICT
RECONCILIATION OF BUDGETARY BASIS TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND
Year Ended December 31, 2024**

Excess of revenues over expenses	<u>\$ (2,203,984)</u>
Reconciling Items:	
Expenses included in statement of revenues, expenses and changes in net position, but not included with expenses on a budgetary basis:	
Depreciation	(1,358,952)
Expenses included under budgetary basis, but not included in statement of revenues, expenses and changes in net position	
Capital outlay	9,598,711
Debt paid	770,000
Loan proceeds	(718,000)
Loan fee	(51,535)
Amortization of Bond Premium	<u>90,812</u>
Change in net position per statement of revenues, expenses and changes in net position	<u><u>\$ 6,127,052</u></u>

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APPENDIX B

THE DISTRICT

Organization and Description

The District is a quasi-municipal corporation and a political subdivision of the State, formed under the Special District Act for the purposes of providing street and drainage, water and wastewater, park and recreation, traffic and safety protection, and mosquito control services. The District was formed pursuant to an order and decree issued by the District Court for El Paso County on May 13, 1985, which was subsequently recorded in the records of the El Paso County Clerk and Recorder on June 4, 1985. The District's formation was preceded by the County's approval of an original service plan on December 20, 1984, and the approval of the qualified electors of the proposed District received at an election held on May 10, 1985. On April 22, 2020, the District replaced its original service plan with the amended and restated Service Plan.

The District is located entirely within the Town, on both sides but generally to the east of I-25, between Higby Road to the north and Baptist Road to the south. The Town is approximately 15 miles north of the City of Colorado Springs, Colorado. The District currently encompasses approximately 2,587 acres, with approximately 1,957 acres designated for single-family residential and associated use, 334 acres designated for industrial/commercial use, 263 acres designated for commercial use, and 33 acres designated for mixed uses (which includes high density residential, commercial and office uses). More than half of the District is developed or currently under construction. Most of the developed property in the District is being used as or is planned for residential development. The District serves an estimated 2,483 single-family residential homes and 835 multi-family residential units as of April 30, 2026. The District also serves 108 commercial accounts and 67 irrigation accounts. Most of the current single-family residential developments within the District are being completed by Campbell Homes, Challenger Homes, Lokal Homes, Richmond Homes, Tralon Homes, Toll Brothers, Vantage Homes, and Saddle Tree Homes. At full build-out, the District is currently expected to be home to 3,032 single-family homes, 1,556 multi-family apartment units, 162 duplex units, 131 senior living apartments, and approximately 100 commercial businesses. The District currently anticipates the residential buildout to be completed in approximately five years, with commercial buildout to be completed in approximately ten years. See the preceding "REGIONAL MAP," and "DISTRICT MAP." Notwithstanding the foregoing, no assurance is given as to the timing or anticipated valuation of any future development within the District.

The District has a current estimated population of 9,290, which is based on the number of residential homes and units multiplied by an average of 2.8 residents per home (based on household estimates for the Town prepared by the US Census Bureau).

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly Title 32, Article 1, C.R.S. (as previously defined, the "Special District Act"). The powers of the District are, however, limited both by the provisions of its Service Plan and its electoral authorization.

Generally, the District has the power to have a perpetual existence; to have and use a corporate seal; to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business and affairs of the District and all construction, installation, operation, and

maintenance of improvements; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District; to furnish services and facilities within and without the boundaries of the District and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the District and to accept gifts and conveyances made to the District; to adopt, amend and enforce bylaws and rules and regulations not in conflict with the Constitution of the State for carrying on the business, objects, and affairs of the Board; to enter into contracts with public utilities, cooperative electric associations, and municipalities for the purpose of providing street lighting service; to erect and maintain, in providing safety protection services, traffic and safety controls and devices on streets and highways; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the District. The District also has the power, subject to constitutional and statutory limitations, to certify a levy for the collection of ad valorem taxes against all taxable property of the District. See “DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Constitutional Amendment Limiting Taxes and Spending” below.

Inclusions and Exclusions

Subject to compliance with statutory procedures, the Board may order the inclusion or exclusion of real property to or from the District, as the case may be, thereby modifying the boundaries of the District. Such included or excluded property is obligated to the same extent as all other property within the District for the payment of then-outstanding District indebtedness and subsequent refundings thereof, notwithstanding the exclusion. Boundary changes resulting from property included or excluded to or from the District prior to the first day of May of each year are reflected in the District’s assessed valuation and are subject to the ad valorem property tax levy of the District for that assessment year. Inclusions or exclusions, with certain exceptions, that occur after May 1 are considered in the following assessment year. The District has included and excluded property in the past. In April 2022, the District Court for El Paso County granted the District’s Petition for Inclusion pursuant to an Inclusion Agreement with the Town concerning the incorporation and inclusion within the District of 21.44 acres of Higby Road. In November 2023, the District Court for El Paso County granted an order to exclude from the District’s boundaries a portion of the Conexus Property. No inclusions or exclusions of property within or from the District are currently pending or expected.

Governing Board

The District is governed by a five-member Board. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. The District’s directors are subject to such limitations.

The Board holds regular meetings and special meetings as needed. Directors serving a term of office commencing on or after January 1, 2018 can receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, Board members may not receive compensation from the District as employees of the District. Members of the Board currently receive \$100 per Board meeting attended. Each director is entitled to one vote on all questions before the Board when a quorum is present.

The present directors, their positions on the Board, principal occupations and lengths of service to the District are as follows:

Name	Office	Principal Occupation	Years of Service	Term Expires (May)
Jason Gross	President	Military System Integration Specialist Community Volunteer/Leadership	2	2027
Ann-Marie Jojola	Vice President	Project Management	1	2029
Amanda Carlton	Secretary/Treasurer	Engineer	2	2027
Erik Demkowicz	Director	Airline Pilot/Airline Instructor	1	2029
John Gibbons	Director	Retired Military	1	2029

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. Additionally, no contract for work or material including a contract for services, regardless of the amount, is to be entered into between the District and a member of the Board, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such member of the Board or owner submits the lowest responsible and responsive bid. Board members have represented that they have no conflicts of interest with respect to the issuance of the Bonds. See “INVESTMENT CONSIDERATIONS—Directors’ Private Interests.”

Establishment of the Enterprise

The Enterprise was affirmed by the District pursuant to the Enterprise Resolution, as approved by the Board on October 25, 1995. The Board of the District serves as the officers and governing body of the Enterprise. Pursuant to the Enterprise Resolution, the District has the authority, powers, rights, obligations, and duties as may be provided or permitted by Water Activity Law, and as may be further prescribed by resolution of the District. Specifically, the District has the authority to manage, operate, use, maintain, and conduct all water and wastewater activities, services and facilities of the System. The District also has the authority to use, operate, improve, extend, enlarge, repair, replace, acquire, dispose of, encumber, contract with respect to and otherwise control and supervise the acquisition, diversion, storage, carriage, delivery, distribution, collection, treatment, use, reuse, augmentation, exchange or discharge of water, wastewater and all services and facilities of the System.

The performance of the obligations of the Enterprise under the Enterprise Resolution is not subject to the limitations of TABOR so long as the Enterprise continues to qualify as an “enterprise” under TABOR. If the System is disqualified as an enterprise under TABOR, (i) the District may continue to impose and increase fees, rates, and charges of the System without voter approval but subject, however, to the refund requirements of TABOR; (ii) all Net Pledged Revenues used to pay debt service on the Bonds will be excluded from the refund requirements of TABOR; and (iii) if the District is required to reduce spending in order to comply with its fiscal year spending limit under TABOR, the District will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Enterprise Resolution.

Administration

The Board is responsible for the governance of the affairs of the District. The District employs a total of 30 employees, including a District Manager, an Assistant Manager, a District Administrator, an administrative assistant, a Water Distribution System Maintenance Manager, Water Treatment and Water Collection System Manager, and a Wastewater Collection System Maintenance manager, and five water operators, along with four full-time employees and two temporary employees in the Street and Park and

Open Space Departments. Over the last three years, the number of employees has increased more than 15% due to new services provided to accommodate the buildout of the District.

Services Provided by District Manager and Other Employees. The District Manager and other District employees provide a wide range of services to the District and the Board, including implementing Board policies; preparing annual budgets; working with the District's attorney, accountant, and administrator; overseeing construction of public infrastructure; managing the day-to-day activities of the District; coordinating with property owners; responding to inquiries and complaints; interacting with local, state and federal agencies on regulatory matters as well as on issues of common concern; planning for future service demands; reviewing proposed development projects within the District; directing District consultants, engineers, public works inspector, construction managers, groundwater hydrologist, environmental specialists and financial advisors; and representing the District on requisite governmental committees and advisory groups.

The District has engaged Fromm and Company to provide routine financial, accounting and budgeting services to the District for a monthly fee. Special services, including election services and special projects are also provided as requested and are billed separately. The contract is expected to expire on December 31 of each year and to be automatically renewed unless written notice of termination is given by either party. The agreement is expected to be terminable by either party upon 30 days' written notice.

Employee Benefits. The District offers its employees a wide range of benefits, including medical, dental, vision, long-term disability and life insurance; sick leave; vacation and holiday benefits; medical, bereavement, military, and jury duty leave; and tuition reimbursement. Employees who work over 30-hours per week are eligible to participate in the Triview 457b retirement plan which includes a match up to 5% of an employee's annual salary. Employees may choose from various investment options through the plan to build their retirement savings. Currently, the retirement savings plan is managed by Corebridge Financial.

District Manager. The District Manager is employed by the Board to oversee the day-to-day operations of the District, including management of the following District departments: Administration, Park and Open Space, Street, and Storm Water along with the District's Utility Department, consisting of Water, Wastewater, and Storm Water. The District Manager is employed under a perpetual employment contract.

James C. McGrady, District Manager. James C. McGrady has been the District Manager since April of 2018, after having served as the interim manager since October 2017. He has worked as a Special District Manager, City Manager, and Utility Director within the State for the past 24 years. Mr. McGrady has managed Stonegate Metropolitan District, Forest View Acres Water District, Chatfield South Water District, Dancing Willows Metropolitan District, South Sheridan Water and Sanitary Sewer District, Castle Pines North Metropolitan District, and Cumberland Green Metropolitan District. He has also served as the City Manager for the City of Castle Pines and as the Utility Director for the City of Fountain. In addition to serving in these executive level positions, he spent over 20 years working for CSU and the City of Aurora in various positions primarily focused on water resources planning, acquisition of water supply and storage, water right administration and accounting, negotiations of stipulation/settlements, environmental impact studies, business customer management and economic development, customer service process improvements, and water distribution system planning and design. Mr. McGrady holds a Bachelor's Degree in Business Administration from the University of Notre Dame and a Masters of Business Administration Degree from Regis University. He has also taken numerous engineering courses at the University of Colorado at Colorado Springs and Idaho State University.

Steve Sheffield, Assistant Manager. Steve Sheffield has been the Assistant District Manager since March 2023. Mr. Sheffield has over 24 years of experience in municipal public works and utilities in the Northern El Paso County area. Prior to joining the District, Mr. Sheffield was the Assistant Public Works Director for the Town of Monument for 12 years. His experience includes public works capital improvement projects such as water treatment plant construction and expansion, radium removal and mitigation for water systems, reservoir construction and water diversion projects. Mr. Sheffield has a Bachelors Degree in Political Science from the University of Colorado and holds certifications in three Colorado Certified Water Operator disciplines.

Sara Lamb, District Administrator. Sara Lamb has been the District Administrator since March 2024. Ms. Lamb has over 27 years of experience in business management in the utility, oil and gas and real estate industries in Colorado, Washington and Montana. She is currently pursuing a Bachelor of Science degree in Business Administration, with a concentration in Public Administration, from Southern New Hampshire University. As District Administrator, Ms. Lamb plays a vital role in maintaining efficient administrative operations within the District. While supporting the District Manager, she also serves as a central point of contact for many administrative tasks in the District, including management of new water and sewer taps, accounts receivable, and utility billing management.

Material Agreements of the District

The Special District Act authorizes the District to enter into agreements and contracts affecting its affairs. To the actual knowledge of the District’s General Counsel, the District is not a party to any agreement which materially affects its financial status or operations, except as described below. Copies of these agreements are available from the District as provided in “INTRODUCTION—Delivery Information.”

Intergovernmental Agreement with the Town of Monument. The District and the Town entered into an Intergovernmental Agreement dated September 22, 1987, as amended on January 11, 1999 (the “Town IGA”). The Town IGA provides for the division of services between the Town and the District after the property within the District was annexed into the Town. The Town IGA provides that the District will charge user services charges for all facilities for which the District provides operation and maintenance. The District is also permitted to impose facilities development fees, service charge surcharges, availability of service or facilities charges, ad valorem taxes and other fees, rates, tolls or other charges as permitted by law and is required to impose a renewable water fee. The Town agreed that it would not charge any sewer, water, irrigation water system development fee, or park fee to any person within the District so long as the District is providing such services. The Town IGA also provides that the operation, repair, maintenance and ownership of certain water, sanitation, irrigation, park and recreation, storm drainage, traffic and safety, transportation and street facilities within the District be provided by the District until such time as the facilities are owned by the Town.

The Town IGA specifies the services to be provided by the Town and services to be provided by the District. Under the Town IGA, the District is required to provide water service, street maintenance (including, but not limited to, operation and maintenance of street lighting and traffic signalization) and snow removal; drainage system maintenance; park and open space maintenance; and sewer service. As compensation for performance by the District of services as provided in the Town IGA, the Town has covenanted to rebate to the District a portion of revenues generated through ad valorem property taxes, specific ownership taxes, and sales taxes and use taxes collected within the District. Under the current agreement, the District receives 50% of all such ad valorem taxes, specific ownership taxes, sales taxes and use taxes (collectively, and as defined herein, “Shared Sales Tax Revenues”). During the last five years, Shared Sales Tax Revenues were \$2,421,578 in 2021, \$2,580,399 in 2022, \$2,595,642 in 2023, \$2,600,760 in 2024 and \$2,761,887 in 2025 (unaudited). Shared Sales Tax Revenues are deposited into the District’s

General Fund and are available to pay the principal of and interest on the District's general obligation bonds, but are not specifically pledged for such purposes, however, approximately one-third of such revenues have been made available for payment of outstanding water revenue obligations of the District (although not specifically pledged). The District has specifically pledged a portion of the Shared Sales Tax Revenues to the Bonds and included in the Gross Pledged Revenues as a supplemental pledge the Monument Initiative 2A Sales Tax Share. See "THE BONDS—Security for the Bonds.

The Town IGA can be terminated at any time by mutual consent of the parties. The Town IGA was agreed to and amended without the prior approval of the Town's voters. No opinion of counsel has been received that the Town IGA constitutes a valid and binding obligation of the Town. The District can provide no assurances that the Town will continue to pay tax revenues to the District under the Town IGA; however, the District would consider nonpayment by the Town a default under the Town IGA.

Agreement with FLMD for Contract Operations Services. Pursuant to an "Agreement for Contract Operations Services" entered into between the District and FLMD on December 15, 2021 (as later amended, the "FLMD Agreement"), the District provides water and sanitary sewer operation, maintenance and administrative services on behalf of FLMD for FLMD's water and sanitary sewer systems and infrastructure, including but not limited to meter reading and billing, bill collections, payment accounting and customer support. The District also oversees the inspection of all new water main extensions, new sewer main line extensions, and appurtenances thereto, and manages the issuance of water meters, backflow prevention devices, and pressure regulating valves for customers of FLMD pursuant to the FLMD Rules and Regulations. Such services are provided within an established scope of services and pursuant to annual compensation schedules established between the districts on an annual basis. The FLMD Agreement was amended to include landscaping services by a First Amendment, signed August 1, 2022. The FLMD Agreement was further amended to change the rates for the services by a Second Amendment, effective August 1, 2023, and was amended regarding the monthly fee for water and wastewater services and the term and fee structure for landscaping and snow removal services by a Third Amendment, effective January 1, 2024. The FLMD Agreement was amended by a Fourth Amendment, effective January 1, 2025, and again by a Fifth Amendment, effective January 1, 2026, whereby the rates for the provided services were further updated. The current annual rate for water and wastewater services increased 5% over 2025, to \$19,629.23 per month (\$235,550.76 per year). The rates for landscaping and snow removal services are more fully established by laborer hour rates and specific equipment use and materials in the amended FLMD Agreement.

NMCI Construction Cost Sharing Agreement. The District, CSU, and FLMD entered into an Intergovernmental Agreement providing for construction cost sharing among the parties in connection with the NMCI Project, effective as of February 25, 2025 (the "NMCI IGA"). The NMCI IGA outlines the percentage of cost share responsibilities for the NMCI Project as follows: the District will be responsible for 28.4%; FLMD will be responsible for 7.5%; and CSU will be responsible for the balance of 64.1%. No amendment would alter the cost share percentages of the Participants. On March 6, 2026, the Parties entered into an Addendum to the NMCI IGA, memorializing their agreement that the terms of the guaranteed maximum price for the construction of the NMCI Project was reasonable to the Parties, whereby the Parties agreed to move forward with the NMCI Project. Construction of the NMCI Project is anticipated to begin in the summer of 2026 and the overall project is projected to cost approximately \$90.3 million. See "THE BONDS—Application of Bond Proceeds—*The Project.*"

CSU Wastewater Service Agreement. The District entered into a Wastewater Service Agreement ("Service Agreement") with CSU, effective as of April 15, 2026, for a term of 99 years. The Service Agreement sets forth the terms of wastewater treatment from CSU, through the NMCI Project, to meet the wastewater treatment services demands of District's customers. The agreement allows up to 1.0 MGD flow (90-day average), with expansions requiring new approvals. Rates, surcharges, and fees are billed monthly,

with flows apportioned pro rata with Forest Lakes Metropolitan District. Additional fees apply for flows above 1.0 MGD. Annual Water Quality Impact Fees are based on the District's share of total flows and watershed costs. CSU manages industrial pretreatment, and the District must submit quarterly industrial user inventories and adopt sewer regulations matching or exceeding CSU standards. Termination can occur for material breaches, with fair market value buyout of NMCI capacity and mandatory disconnection. Remedies include liquidated and consequential damages. Both parties can disconnect service for violations and must review the agreement annually. District obligations depend on annual Board appropriations; failure to appropriate voids future obligations.

Intergovernmental Agreement with Forest Lakes Metropolitan District, Donala Water and Sanitation District. The District, FLMD, and Donala (collectively, the "Districts") entered into an Intergovernmental Agreement, dated as of November 11, 1999, as amended on October 25, 2001 (the "WWTP Agreement"). The District and FLMD constructed the Upper Monument Creek Regional Wastewater Treatment Facility (as previously defined, the "WWTP"). The WWTP was not operational from the time of its completion in 1987 until 1994. The WWTP Agreement replaced the Lease and Financing Agreement dated October 30, 1993, made and entered into between the Districts and Mountain View Service Corporation, a subsidiary of Mountain View Electric Association, Inc. ("Mountain View"). Donala and Mountain View made the WWTP operational and added denitrification equipment (owned by Donala) in order to meet the then-current State standards promulgated for effluent discharge. Donala, at its own expense, also upgraded the WWTP to add 0.375 MGD of capacity. In consideration of Donala's expansion of the facilities, the District and FLMD conveyed part ownership of the WWTP to Donala, resulting in the District, FLMD and Donala owning the WWTP as tenants in common, with title to the facilities currently being divided as follows: 44% by the District, 17.1% by FLMD; and 38.90% by Donala. The WWTP Agreement, as amended, governs the operation, maintenance, ownership, and future expansion of the WWTP. See also "THE SYSTEM—Facilities—*Sewer Facilities.*"

Agreement to Convey, Treat and Deliver Regional Water Service. The District entered into a Convey, Treat and Deliver Regional Water Services Agreement with CSU to meet the water demands of the District (the "CSU Agreement"), dated April 12, 2023. The CSU Agreement originally limited the District's use of water delivered under the agreement to: (i) serve properties located in the District's existing service area (the "Service Area"), (ii) the current residential, commercial, industrial and contract customers of the District, and (ii) FLMD. The CSU Agreement was amended March 4, 2024 to allow the District to use water delivered under the Agreement to serve (i) properties that are added to the Service Area in the future, (ii) new residential, commercial, and industrial customers located within the Service Area, (iii) certain properties located outside of the Service Area, and (iv) the Town of Monument, in addition to FLMD.

Infrastructure Agreement. The District entered into an Infrastructure Agreement dated November 6, 2016, as amended and restated and effective May 5, 2020, and as further amended and restated effective July 17, 2025 (as amended, the "Infrastructure Agreement") with Vision Development Inc. ("Vision") and Creekside Developers, Inc. ("Creekside," together with Vision and the District, the "Parties"). The Infrastructure Agreement originally established the obligations of each of the Parties regarding funding for the future development of certain property (the "Prior Agreement"), including funds to be paid in an amount not to exceed \$1 million to the District for the construction of certain infrastructure. The Parties determined that the performance of certain terms of the Prior Agreement were not practicable and have therefore entered into the Infrastructure Agreement, as amended, replacing the Prior Agreement in its entirety.

Under the Infrastructure Agreement, the District is to establish and maintain a reimbursement account into which it will deposit funds collected from utility, and administrative fees (the "Reimbursement Account"). All interest accruing in the Reimbursement Account will be used to reimburse Creekside and Vision for certain infrastructure costs. Additionally, the District will reimburse Creekside and Vision from

available funds, if any, in the Reimbursement Account as more specifically identified in the Infrastructure Agreement.

Economic Development Incentive Agreement. The District entered into an Economic Development Incentive Agreement for Legacy Development Partners LLC Project at NEC I-25 and Baptist Road, effective April 17, 2025, as first amended on April 7, 2026 (the “EDI Agreement”), with Legacy Development Partners LLC and Target Corporation (the “Primary Occupant”). On April 14, 2026, Legacy Development Partners LLC entered into that certain Assignment and Assumption of Economic Development Incentive Agreement with Legacy at Jackson Landing Monument CO, LLC (the “Developer”), assigning to the Developer all of Legacy Development Partners LLC’s rights and obligations in, to, and under the EDI Agreement (the Primary Occupant, the District, and the Developer are collectively referred to herein as the “Parties”).

The Developer intends to construct a new mixed-use commercial development (the “Legacy Project”) on property generally located at the northeast corner of I-25 and Baptist Road in the Town (the “Property”). The Legacy Project is planned to include approximately 200,000 square feet of retail use, which includes approximately 130,000 square feet for Target, along with a Home Goods store and Marshalls as secondary occupants adjacent to the Target.

As an incentive for the Developer to develop the Legacy Project, and for the Primary Occupant to locate its retail business within the District, the District is required under the EDI Agreement to (i) reimburse the Developer for transportation and infrastructure improvement costs and expenses incurred in constructing planned off-site improvements to Jackson Creek Parkway, and Belvins Buckle, up to a maximum of \$3,500,000 (the “Infrastructure Improvements”), (ii) reimburse certain District fees that are paid by the Developer and the Primary Occupant, in association with the Legacy Project according to the schedule provided in the EDI Agreement (the “Waiver and Rebate of District Fees”), and (iii) reimburse sales and use tax generated by the Legacy Project (“Rebate of Sales and Use Tax”), all subject to certain limitations and performance requirements as further outlined in the EDI Agreement. Payments under the EDI Agreement are subordinate to payment on bonds issued by the District.

Infrastructure Improvements. As set forth in the EDI Agreement and as a condition to the collection of Customary Fees (defined below), within 30 days of payment of such fees for the Primary Occupant, and prior to the Developer commencing construction, the District will deposit \$3,500,000 into escrow to reimburse the Developer for costs and expense that the Developer incurs in constructing the offsite improvements and other necessary transportation and infrastructure improvements on the Property.

Waiver of Rebate and District Fees. As set forth in the EDI Agreement, the District will waive certain District fees related to the Legacy Project (“District Fee Waivers”), and levied by the District against the Developer and the Primary Occupant. The District will also rebate certain District fees related to the Legacy Project (“District Fee Rebates”), and levied by the District against the Developer, the Primary Occupant, and other tenants, buyers, or other merchants occupying the Property, to Developer, Primary Occupant, or other tenant, buyer, merchant or user as applicable. The District’s drainage impact fees will be waived since the storm drainage system for the Legacy Project is anticipated to be constructed and maintained privately. The District will however be permitted to charge Developer, Primary Occupant, tenants, buyers, or other merchants, monthly water and sewer usage fees and road and bridge fees (the “Customary Fees”), and such Customary Fees will not be available for rebate.

Rebate of Sales and Use Tax. The District currently receives 1.5% of the sales tax revenue collections (the “Sales Tax Collections”) and 1.0% of use tax revenue collections (the “Use Tax Collections”) and together with the Sales Tax Collections, the “Sales and Use Tax Revenue”) collected by the Town, which is generated annually from taxable retail sales (“Taxable Sales”) consumed in the District.

Under the EDI Agreement, the District will rebate (i) 35.05% of the Sales and Use Tax Revenue to the Developer, and (ii) 31.95% of the Sales and Use Tax Revenue to the Primary Occupant, each for a period of 25 years after the date by which the Taxable Sales are first generated on the Property. The remaining 33.00% of the Sales and Use Tax Revenue will be retained by the District. At the end of the 25-year period, 100% of the Sales and Use Tax Revenue will be kept by the District. To the extent the percentage amount of the Sales and Use Tax Revenue received by the District from the Town is modified during the term of the EDI Agreement, the rebate percentages to the Developer and the Primary Occupant will continue to apply as set forth in the EDI Agreement.

Regency Park Water Agreement. The District, the Town, Jackson Creek Land Company, LLC (“Jackson Creek”), Centre Development Company of Colorado Springs, LLC (“Centre”), and Vision Development, Inc. (“Vision,” collectively “Centre”), have entered into a Water Agreement dated April 8, 2014, amended and restated effective as of July 17, 2025 (as amended, the “Water Agreement”). The Water Agreement is a settlement agreement between the District and Centre regarding potential litigation surrounding prior contracts for the purchase and use of certain water rights. The Water Agreement required the District to pay \$1.5 million in cash to Centre for certain Denver Basin water and water rights within the Regency Park area of the Town, included within the District, including \$675,000 related to storage obligations described below (see “Town IGA Related to Regency Park Water Agreement”), and provide Jackson Creek with an additional \$1.5 million in cash credits against the District’s tap/impact fees. As such, in addition to tap fee offsets, Centre’s sale of such Denver Basin water and water rights resulted in water credits for a fixed amount of 1,325.9 acre-feet for purposes of Centre’s future development within the District’s boundaries). The District’s 2011 schedule of tap fees applied for 10 years from the date of the Water Agreement (i.e., through 2024) for purposes of applying cash credits against such tap fees, and were expressly amended effective as of July 17, 2025. Centre was able to utilize as many of the cash credits during the first five years of the agreement as desired (i.e., through 2019); however, from that point onward, the use of the Cash Credits was required to purchase another tap/impact fee at the District’s then-effective rates simultaneously with the use of the cash credit. The water rights conveyed to the District by Jackson Creek are not to be used to provide will serve letters to other parties. At present, Centre has utilized all Cash Credits, and has less than 1,000 acre feet of Water Credits remaining.

Town IGA Related to Regency Park Water Agreement. Pursuant to this agreement, entered into between the Town and the District simultaneously with the Water Agreement with Centre, described above, the Town agreed to divert specified Town-owned water rights to storage in Monument Lake for later release for replacement of any injurious post-pumping depletion that may result from the District’s use of the Denver Basin ground water conveyed under the Water Agreement pursuant to a court-approved augmentation plan. The District paid \$675,000 to the Town as consideration for the storage based on a successful augmentation plan, which payment was a portion of the cash payment due under the Water Agreement for the acquisition of the Denver Basin water rights. Water stored in the Monument Lake storage space is to be utilized as a source of “post-pumping depletion” replacement supply in +/- 100 years under the augmentation plan. The District remains obligated under this agreement to construct the Beaver Creek Pipeline at such time as the water rights/augmentation water is anticipated to be required, from a point on Beaver Creek where Monument’s water rights can be administered, to Monument’s own pipeline infrastructure, for subsequent delivery to storage in Monument Lake. The District has adjudicated the augmentation plan in Water Court Case 14CW3053 and will construct the pipeline discussed above only if/when it stops pumping water from its Denver Basin wells. The District does not anticipate that it will cease pumping water from its Denver Basin wells in the foreseeable future.

Higby Road Agreement. The District and Creekside Developers Inc. entered into the “2021 Higby Road Agreement” which described the respective funding obligations of the District and Creekside concerning the funding of the engineering, design, and construction of certain improvements and

expansions of Higby Road. The 2021 Higby Road Agreement was terminated by mutual agreement of the parties by addendum dated and effective as of July 17, 2025.

Other Agreements. The District is also a party to a variety of other intergovernmental agreements (each, an “IGA”) related to operation of the System. The District is party to: (a) an agreement with various local governments in El Paso County establishing the Pikes Peak Regional Water Authority to address localized water supply issues including interconnection of systems, reuse, and storage; (b) an IGA with FLMD providing for emergency water system interconnect and mutual aid, executed in February 2016; and (c) an IGA with Donala providing for emergency water system interconnect and mutual aid, executed in October 2016.

Services Available to Residents and Property Owners Within the District

The District is located within the Town and many facilities and services are readily available from the Town. Fire protection is provided by Monument Fire District; police protection is provided by the Town; schools are provided by Lewis Palmer School District No. 38; telephone service is provided by CenturyLink; cable is provided by Comcast Communications; gas is provided by Black Hills Energy; and electric is provided by Mountain View Electric Association. The District provides water, wastewater, and stormwater services, road maintenance repair and plowing, and park and recreation services to District residents.

Development Within the District

Although more than half of the District is currently developed or undergoing development, certain portions of the District are planned for development in the future. This Official Statement contains information relating to the anticipated future development within the District, which depends upon general local, regional and national economic conditions, market activity, governmental regulations, and other significant factors over which the District and the residential and commercial developers in the District have no control. The following information has been supplied by the District or gathered from publicly available sources; however, the District has no responsibility for and makes no assurances as to future development in the District. Further, the Underwriter makes no representation regarding the current or anticipated development in the District.

The District has been zoned for residential, commercial, and mixed-use purposes. According to the District, of the approximately 2,587 acres in the District, approximately 1,957 acres are designated for single-family residential and associated use, 334 acres are designated for industrial/commercial use, 263 acres are designated for commercial use, and 33 acres are designated for mixed uses (which includes high density residential, commercial and office uses).

Residential Development. The majority of the property in the District consists of property which is being used as or is planned for residential development. As of April 30, 2026, the District served an estimated 2,483 single family residential homes and 835 multi-family residential units. The majority of the current single-family residential development within the District is being completed by Campbell Homes, Challenger Homes, Lokal Homes, Richmond Homes, Tralon Homes, Toll Brothers, Vantage Homes, and Saddle Tree Homes. At full build-out, the District is currently expected be home to 3,032 single-family houses, 1,556 multi-family apartment units, 162 duplex units, and 131 senior living apartments. The District currently anticipates the residential buildout to be completed in approximately five years. Notwithstanding the foregoing, no assurance is given as to the timing or anticipated valuation of any future development within the District.

Commercial Development. Several commercial developments are located in the District. As of April 30, 2026, the District serves an estimated 108 commercial accounts and 67 irrigation accounts. The largest commercial development in the District is Monument Marketplace, consisting of approximately 660,000 square feet of commercial retail space located on approximately 93 acres. Major retailers in Monument Marketplace include Home Depot, Wal-Mart Super Center, Kohl's Department Store, Pet Smart, and Staples Office Supply. In addition, Monument Marketplace contains a Wells Fargo Bank and several buildings that have approximately 21,000 square feet of commercial/retail space currently occupied by small businesses and restaurants. According to District officials, an additional 11,000 square feet of commercial/retail space is planned for Monument Marketplace. Restaurants in Monument Marketplace include Chili's and a Texas Roadhouse, as well as a number of other local restaurants and national fast-food establishments.

Jackson Creek Crossing, a smaller retail strip containing approximately 86,000 square feet of commercial retail space, is also located in the District. Jackson Creek Crossing contains a King Soopers grocery store and several small businesses and restaurants. A 7-Eleven, gas station and a First Bank are located on pads within the shopping center with a Chinese restaurant and Starbucks located adjacent to Jackson Creek Crossing.

Jackson Creek Commerce Center is another commercial development located within the District that is marketed to medical/healthcare service providers and local businesses. Jackson Creek Commerce Center houses the Colorado Springs Health Partners Health Center. Other businesses located in Jackson Creek Commerce Center include Brakes Plus, Advanced Auto Parts, Goodwill Retail Store, Tractor Supply Co., and Ent Federal Credit Union. A Murphy Express gas station and a Qdoba restaurant were recently completed in Jackson Creek Commerce Center. According to the District, an additional 46,000 square feet of commercial space planned for Jackson Creek Commerce Center.

The Monument Ridge commercial development is also located within the District, to the south of Baptist Road and east of Jackson Creek Parkway. Monument Ridge contains a Fairfield Inn, Walgreens, Chase Bank, Auto Zone, McDonald's restaurant, and a Natural Foods grocery store. A retail storage facility was recently completed and a 300-unit apartment complex is under construction. Additionally a large retail development is being built within the District boundaries, which includes 130,000 square foot Target, along with a Home Goods store, and Marshalls.

Legacy at Jackson Landing is also located in the District and envisioned as a regionally significant project anchored by a 130,000 square foot national retailer (Target Corporation), with the remainder of the project including a mix of retail, restaurants, hospitality uses and open space. The approximately 30-acre development will introduce new shopping, dining, and service options to residents of the Town and the surrounding communities. See "Material Agreements of the District—*Economic Development Incentive Agreement*" above. Legacy at Jackson Landing is currently in the permitting process, with an estimated construction start in spring 2026. It is currently anticipated that construction will take approximately 14 months to complete.

Schuck Development has recently commenced the planning of a commercial area located west of I-25 and North of Baptist Road. Schuck is also planning the development of an approximately 146-acre property east of Old Denver Road, to be known as the Conexus Business Center. The Conexus Business Center was approved by the Monument Planning Commission in February 2022. The approved plan allows for mixed-use development which will include limited light industrial, commercial, civic, office, residential, park, and open space uses. Currently there are two projects under construction, the Lost Island Recreation Center and the 158-unit Meritage Single Family home community.

The Baja Terrazzo Commercial development is a subdivision in which the District has built its 8,000 square-foot Administrative/Utility Operations building at the southeast corner of Baja Drive and Old Denver Road. The final planned unit development for this project was approved by the Town on May 5, 2025. To date, there have been 4 lots sold, including the lot designated for the District’s new building. Construction of the District’s new facility has been completed, occupancy occurred on March 13, 2026. See also “APPENDIX C—DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE—Revenue and Other Financial Obligations—*Lease Purchase Financing*.”

District officials currently anticipate the buildout of the commercial developments within the District to be completed within approximately ten years. Notwithstanding the foregoing, no assurance is given as to the timing or anticipated valuation of any future development within the District.

Cybersecurity

The District is aware of the threat of a cyberattack. A substantial breach of the District’s computer networks and other technologies could have a material, adverse impact on the District’s finances, operations or equipment. To defend against these threats, the District has acquired software and hardware meant to protect its computer systems and has engaged Stepping Forward Technology, Colorado Springs, to provide IT support and services. Cybersecurity services provided to the District through Stepping Forward Technology include but are not limited to security awareness trainings for District staff, regular phishing simulations, agent-based ransomware protection measures, antivirus solutions, Endpoint Detection and Response, 24/7/365 Security Operations Center monitoring, cloud activity monitoring, and monthly security standards alignment reviews. The District currently carries cybersecurity insurance with the CSDPLP. District officials believe such insurance coverage is sufficient. Notwithstanding these efforts, the District cannot guarantee that its systems are not susceptible to a breach, nor can the District anticipate the impact a breach might have on its operations, finances or security.

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APPENDIX C

DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE

Accounting Policies

The accounting policies of the District conform to generally accepted accounting principles (“GAAP”) as applicable to governmental units accounted for as a proprietary enterprise fund (the “Enterprise Fund”). In accordance with State law, an annual audit is required to be made of the District’s financial statements at the end of each fiscal year. 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 seven months after the end of the fiscal year.

The District’s audit for the year ended December 31, 2024 was performed by Haynie & Company, Certified Public Accountants & Management Consultants, Littleton, Colorado, and was filed with the State Auditor. The financial statements are appended hereto and are the most current available for the District.

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Historical Financial Information

Set forth hereafter is a comparative statement of revenues, expenses, and changes in fund balance for the District’s General Fund. Such information should be read together with the financial statements and accompanying notes appended hereto. Preceding years’ financial statements may be obtained from the sources noted in “MISCELLANEOUS—Additional Information.”

TABLE C-1
Statement of Revenues, Expenditures and Changes in Fund Balance – General Fund

	2021	2022	2023	2024	2025 (unaudited) ⁴
Revenues:					
Taxes ¹	\$ 6,680,074	\$6,641,415	\$7,003,581	\$7,567,333	\$8,124,274
Fees	1,918,960	378,950	1,721,947	973,339	2,230,153
Conservation Trust Funds	28,141	37,908	42,471	37,558	37,425
Interest Income	5,194	176,336	501,925	386,357	328,291
Sale of Asset	3,000	--	--	--	1,000
Developer Contributions	2,370,272 ¹	--	--	--	--
Miscellaneous Revenue	<u>22,807</u>	<u>31,777</u>	<u>54,786</u>	<u>19,206</u>	<u>27,604</u>
Total Revenues	<u>11,028,448</u>	<u>7,266,386</u>	<u>9,324,710</u>	<u>8,983,794</u>	<u>10,748,747</u>
Expenditures:					
General Government	633,732	683,089	820,760	1,009,028	5,586,795
Streets	1,415,285	1,189,769	1,601,769	2,900,616	2,710,833
Lighting	37,631	14,360	24,391	32,298	22,618
Signage	2,817	14,482	15,423	12,764	6,880
Traffic Control	26,539	65,385	80,884	78,867	158,854
Drainage	94,777	72,156	12,554	51,483	27,200
Parks, Landscape and Open Space	1,419,392	1,168,184	2,015,992	2,814,261	1,737,924
Conservation Trust Fund	28,141	37,908	42,471	37,558	37,425
Debt Service					
Interest and Fiscal Charges	<u>2,531,912</u>	<u>2,584,137</u>	<u>2,583,646</u>	<u>2,634,037</u>	<u>2,813,166</u>
Total Expenditures	<u>6,190,226</u>	<u>5,829,470</u>	<u>7,197,890</u>	<u>9,570,912</u>	<u>13,101,695</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>4,838,222</u>	<u>1,436,916</u>	<u>2,126,820</u>	<u>(587,118)</u>	<u>(2,352,948)</u>
Other Financing Sources (Uses)					
Bond Proceeds ²	--	--	--	--	12,376,727
Loan Proceeds	--	--	--	--	4,000,000
Developer Contribution-Higby Road	--	285,000	362,358	1,012,799	559,797
Transfers Out	<u>(600,000)</u>	<u>(750,000)</u>	<u>(900,000)</u>	<u>(800,000)</u>	<u>(800,000)</u>
Total Other Financing Sources	<u>(600,000)</u>	<u>(465,000)</u>	<u>(537,642)</u>	<u>212,799</u>	<u>16,136,524</u>
Net Change in Fund Balance	4,238,222	971,916	1,589,178	(374,319)	13,783,576
Beginning Fund Balance	<u>1,623,502</u>	<u>3,711,770</u> ³	<u>4,683,686</u>	<u>6,272,864</u>	<u>5,898,545</u>
Ending Fund Balance	<u>\$ 5,861,724</u> ²	<u>\$4,683,686</u>	<u>\$6,272,864</u>	<u>\$5,898,545</u>	<u>\$19,682,121</u>

¹ Includes revenues collected from ad valorem property taxes, specific ownership taxes, and sales and use taxes.

² The amount indicated includes bond premium, net of bond discount, and costs of issuance.

³ The District has restated the ending fund balance at December 31, 2021 in the amount of \$2,149,954, to correctly reflect the funds held in escrow that were contributed by a developer for the construction of road reported improvements as a liability as opposed to a restricted fund balance amount, as originally stated at December 31, 2021.

⁴ Unaudited figures as of December 31, 2025 which are subject to change prior to finalization of the Audit.

Sources: District Audited Financial Statements 2020-2024

Budget and Appropriation. The District’s budget is prepared on a calendar year basis as required by Section 29-1-101, et seq., C.R.S. The budget must present a complete financial plan for the District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

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

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

The Board timely adopted the District’s 2026 budget and appropriation resolution pursuant to the above-described procedure and filed such budget with the State Department of Local Affairs.

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

Budgeted Financial Information. The following tables set forth a comparison and a summary of the 2025 and 2026 budgets as adopted, the 2025 actual year-end unaudited figures and the 2026 actual year to date unaudited figures for the District’s General Fund.

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**TABLE C-2
General Fund Budget Summary and Comparison ¹**

	2025 Budget	2026 Budget (as amended)	2026 Actual Year-to-Date (unaudited) ³
Revenue:			
Property Taxes – Debt Service	\$2,528,284	\$2,716,590	\$1,269,821
Property Tax – Operations	1,173,846	1,408,602	658,426
Sales Tax – Town	2,700,000	2,770,500	572,864
Specific Ownership Tax	326,000	354,000	88,558
Property Tax/IGA/Town	450,047	500,000	--
Park and Open Space Collection Fees	252,975	286,705	87,698
Auto Tax/IGA/Town	215,000	276,000	68,639
Interest	220,000	160,000	33,817
Drainage Impact Fees	103,125	116,875	35,750
Road and Bridge Fees	300,000	340,000	104,000
Forest Lakes-Streets/Park Maintenance Revenue	150,000	126,000	7,300
Use Tax-Construction Material	300,000	250,000	67,450
Use Tax-Town	25,000	25,000	7,656
Conservation Trust Fund	41,000	33,000	11,856
Miscellaneous - Includes Safety Grant	40,000	40,000	656
Programming Fees-Sanctuary Park	6,000	30,000	11,150
Interest-GO Bond	75,000	85,000	22,994
Higby – GO Bond Interest	<u>--</u>	<u>350,000</u>	<u>143,522</u>
Total	<u>8,906,277</u>	<u>9,868,272</u>	<u>3,192,157</u>
Expenditures:			
Legislative	11,390	7,080	1,567
General and Administrative	889,866	940,679	382,800
Operations	<u>2,344,810</u>	<u>3,065,790</u>	<u>607,814</u>
Total	<u>3,246,066</u>	<u>4,013,549</u>	<u>992,181</u>
Debt Service:			
Bond Interest Payment	1,738,913	1,694,663	--
Bond Principal Payment	885,000	980,000	--
Higby Interest Payment	--	634,444	--
Higby Principal Payment	--	190,000	--
Loan Interest Payment	--	--	--
Admin Building Payments	--	548,394	460,201
Paying Agent Fees	<u>8,000</u>	<u>13,000</u>	<u>3,994</u>
Total Debt Service	<u>2,631,913</u>	<u>4,060,501</u>	<u>464,195</u>
Total Expenditures	<u>5,877,979</u>	<u>8,074,050</u>	<u>1,456,376</u>
Other Financing Uses:			
Transfer to Enterprise (1/3 of Sales Tax)	800,000	800,000	200,000
Transfer to Capital Projects-Equipment / Improvements	<u>1,177,627</u>	<u>1,443,500</u>	<u>600,976</u>
Total Other Financing Uses	<u>1,977,627</u>	<u>2,243,500</u>	<u>800,976</u>
Total Expenditures and Other Financing Uses	<u>7,855,606</u>	<u>10,317,550</u>	<u>2,257,352</u>
Excess of Revenue Over (Under) Expenditures	1,050,672	(449,278)	934,805
Beginning Fund Balance ³	<u>4,563,659</u>	<u>8,980,009</u>	<u>6,954,861</u>
Ending Fund Balance ³	<u>\$5,614,331</u>	<u>\$8,530,731</u>	<u>\$7,889,666</u>

¹ Numbers may not total due to rounding.

² Actual unaudited fiscal year-end figures through December 31, 2025.

³ Actual unaudited year-to-date figures through March 31, 2026.

Source: District's 2025 and 2026 Budget documents and the District

Management Discussion of Material Trends

See the District’s audited financial statements appended hereto for the Management’s Discussion and Analysis which provides a narrative overview and analysis of the financial activities of the District for the year ended December 31, 2024.

Risk Management

The Board acts to protect the District against loss and liability by maintaining certain insurance coverage. Currently, the District maintains insurance through the Colorado Special Districts Property and Liability Pool (“CSDPLP”) which provide special districts with general liability, auto/property liability, public officials’ liability and workers’ compensation insurance coverage. The District’s current policy expires on December 31, 2026, and provides \$2,000,000 of coverage (per occurrence) for public entity liability insurance, which includes general liability, employee benefits administration liability, public officials liability, employment practices liability and no-fault sewer backup. The District’s current policy also includes automobile liability coverage. The District also maintains workers’ compensation insurance coverage with CSDPLP which policy expires on December 31, 2026.

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of District funds in eligible depositories and for the collateralization of such deposited funds. See Note 4 to the District’s audited financial statements for the year-ended December 31, 2024 appended hereto. The District also may invest available funds in accordance with applicable state statutes. The investment of the proceeds of this issue also is subject to the provisions of the Tax Code. See “TAX MATTERS.”

Constitutional Amendment Limiting Taxes and Spending

In 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer’s Bill of Rights, or TABOR, and constitutes Section 20 of Article X of the Colorado Constitution. TABOR imposes various limits and requirements on the State and all State 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, requires 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 (i) for the State, the percentage change in State population; (ii) for a school district, the percentage change in student enrollment; and (iii) for any other local government, the net percentage change in actual value of all real property from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property; (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 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.

De-Brucing. At an Election held on November 8, 2016, the District’s electors authorized the District, for the period commencing January 1, 2018 through December 31, 2028, to collect, retain, and spend (i) all revenues accounted for in the District’s General Fund, and (ii) in any year in which the District’s Water Activity Enterprise does not qualify as an “enterprise” for TABOR purposes, all revenues accounted for in the District’s Enterprise Fund. Such revenues may be collected and spent by the District as a voter-approved revenue change, without regard to any spending, revenue-raising, or other limitation contained within TABOR (this authorization is generally referred to as a “de-brucing” of District funds), and without limiting the amount of other revenues that may be collected and spent by the District. In accordance with the ballot measures for the District’s outstanding General Obligation Refunding Bonds, Series 2016 and Limited Tax General Obligation Bonds, Series 2025, revenues collected in connection with the District’s debt service mill levy and legally available revenues used in the payment of debt service for such debt are also de-bruced through the final maturity dates for such debt.

DEBT STRUCTURE

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

Required Elections

Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the District; however, as described in the preceding subsection, the “water activity enterprise” of the District is excluded from the provisions of TABOR. In connection with any activities otherwise outside of the “water activity enterprise,” TABOR requires that, with certain exceptions, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect District debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years.

General Obligation Debt

Statutory Debt Limit. The District is subject to a statutory debt limitation established pursuant to Section 32-1-1101(6), C.R.S., which provides that with certain exceptions listed below, the total principal amount of general obligation debt issued by a special district after 1991 shall not at the time of issuance exceed the greater of \$2,000,000 or 50% of the special district’s assessed valuation. Based upon the District’s 2025 certified assessed valuation of \$201,228,920, the District’s debt limitation is \$100,614,460. Exceptions from the debt limitation statute include obligations which are: rated in certain rating categories; determined by the board of the special district to be necessary to construct improvements ordered by a federal or state regulatory agency for public health or environmental reasons; secured by a letter of credit issued by certain qualified financial institutions; or issued to financial institutions or institutional investors. Special districts are also permitted to issue general obligation debt payable from a limited mill levy not exceeding 50 mills.

Outstanding General Obligation Debt. As of the date of the Official Statement, the District's General Obligation Refunding Bonds, Series 2016, remain outstanding in the principal amount of \$40,035,000. The Series 2016 Bonds are general obligations of the District and are secured by the District's full faith and credit. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay the principal of, and interest on the Series 2016 Bonds when due.

Outstanding Limited Tax General Obligation Debt. As of the date of the Official Statement, the District's Limited General Obligation Bonds, Series 2025, remain outstanding in the principal amount of \$12,600,000. The Series 2025 Bonds are limited tax general obligations of the District and are secured by (i) an ad valorem property tax limited to 7 mills, subject to certain adjustments, (ii) related specific ownership taxes, and (iii) other legally available revenues, all as more specifically set forth in the documents relating to the Series 2025 Bonds.

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

The following table sets forth the estimated overlapping general obligation debt chargeable to properties within the District as of the date of this Official Statement. The District is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the District, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

**TABLE C-3
Estimated Overlapping General Obligation Debt**

Overlapping Entity	Outstanding General Obligation Debt	Percentage Applicable to District	Amount Applicable to District
Academy School District No. 20	\$215,355,000	6.39%	\$137,611,845
Conexus Metro District No. 1	16,440,000	100.00	16,440,000
Lewis-Palmer School District No. 38	17,935,000	19.41	3,481,183
Triview Metro District No. 2	1,430,000	100.00	1,430,000
Triview Metro District No. 4	5,000,000	100.00	<u>5,000,000</u>
Total			<u>\$163,963,028</u>

Source: El Paso County Assessor's Office and individual entities

Revenue and Other Financial Obligations

The District has the authority to issue revenue obligations payable from the Net Pledged Revenues of District facilities, to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. The following table sets forth the outstanding First Lien Obligations as of the date of this Official Statement and the Second Lien Bonds when issued.

TABLE C-4
Outstanding Revenue Obligations

Issue	Outstanding Obligation ¹
Series 2018 Bonds	\$ 9,730,000
Series 2020 Bonds	14,640,000
Series 2020B Bonds	10,250,000
CWCB 2022 Loan	5,075,016
The Bonds	<u>32,015,000</u> *
Total	<u>\$71,710,016</u> *

* Preliminary; subject to change.

¹ As of the date of this Official Statement

Lease Purchase Financing. On July 8, 2025, the District entered into a lease purchase financing with Zions Bancorporation, N.A. (the “Lender”) to finance the construction of the District’s new administrative and operational facility and other capital improvements. See “APPENDIX B—THE DISTRICT—Development Within the District—*Commercial Development.*” Under the lease financing, the District leased certain District-owned property located in the Baja Terrazzo Commercial development to the Lender pursuant to a Site Lease Agreement, and the Lender immediately leased the property back to the District pursuant to a Lease Purchase Agreement. The Lender’s rental payment to the District under the Site Lease Agreement (representing the aggregate principal amount of the loan made by the Lender to the District) is \$4,000,000. The District has agreed to pay to the Lender semi-annual rental payments under the Lease Purchase Agreement each February 1 and August 1, at an interest rate of 4.85% per annum, through February 1, 2034. Notwithstanding the foregoing, the District’s obligation to make its rental payments under the Lease Purchase Agreement is subject to the Board’s right, in its sole discretion, to annually review and appropriate such rental amounts for the coming fiscal year.

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APPENDIX D

INFORMATION RELATED TO FOREST LAKES METROPOLITAN DISTRICT

Forest Lakes Metropolitan District (“FLMD”) is a political subdivision of the State of Colorado. The El Paso County Board of County Commissioners approved the Service Plan for FLMD on September 6, 1984, and FLMD was organized pursuant to an Order and Decree of the El Paso County District Court dated September 13, 1985. The El Paso County Board of County Commissioners approved the Amended and Restated Service Plan for FLMD on July 24, 2003. FLMD provides water and sewer services to the Forest Lakes development. FLMD’s service area includes the properties located within the boundaries of Pinon Pines Metropolitan District Nos. 1, 2, and 3 (collectively, the “Pinon Districts”).

FLMD provides water, sewer, and landscaping services, including stormwater management, to the Piñon Districts. Additionally, FLMD owns and maintains Waterfront Park and the recreational trails within the Forest Lakes area. Operations and maintenance of the FLMD water and sewer systems, as well as other infrastructure, are managed through an Agreement for Contract Operations Services with Triview Metropolitan District (as previously defined, the “District”), dated December 15, 2021 and as amended from time to time.

Water services are provided via three operating wells, a well-head treatment plant, and a surface water treatment facility utilizing water stored in Bristlecone Reservoir. Wastewater treatment is conducted at the Upper Monument Creek Regional Wastewater Treatment Facility (“Monument WWTF”), which FLMD co-owns with Donala Water & Sanitation District and the District. The Monument WWTF is subject to rigorous oversight by the Colorado Department of Public Health & Environment and the U.S. Environmental Protection Agency, ensuring compliance with all regulatory standards. The governing body of FLMD has determined it would be beneficial to consolidated the treatment of its wastewater at the J.D. Phillips Water Resource Recovery Facility that is owned and operated by Colorado Springs Utilities.

FLMD operates with no direct employees, relying on contracted consultants for monthly operational services. Park and trail management is further supported by a homeowners association (“HOA”), which oversees reservation and permit activities, as well as covenant and architectural controls in accordance with the HOA’s governing documents.

For additional information on FLMD’s operations, governance, and financial performance please visit FLMD’s website at <https://forestlakesmetrodistrict.com/>. The Intergovernmental Agreement to Finance the NMCI, by and between the District and FLMD, is attached in “APPENDIX D-1” hereafter, and FLMD’s audited financial statements for the fiscal year ended December 31, 2024, are attached in “APPENDIX D-2” hereafter.

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APPENDIX D-1

Intergovernmental Agreement to Finance the NMCI, dated April 23, 2026 Between Triview Metropolitan District and Forest Lakes Metropolitan District

INTERGOVERNMENTAL AGREEMENT TO FINANCE THE NMCI

THIS INTERGOVERNMENTAL AGREEMENT TO FINANCE THE NMCI (“**Agreement**”), dated and as of April 23, 2026, which shall become effective as of the date of issuance of the NMCI Bonds (defined below), is by and between the Triview Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Triview**”), and Forest Lakes Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Forest Lakes**”). Triview and Forest Lakes may be referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, the Parties are each quasi-municipal corporations and political subdivisions of the State of Colorado operating pursuant to Title 32, Colorado Revised Statutes (“**C.R.S.**”); and

WHEREAS, the Parties were each organized to provide public improvements, facilities and services to and for the use and benefit of their respective projects, residents, taxpayers, users, property owners and the public; and

WHEREAS, pursuant to § 32-1-1001(1)(d), C.R.S., the Board of Directors of each Party is authorized to enter into contracts and agreements affecting the affairs of the respective Party and may contract with each other in the provision of services and facilities pursuant to § 29-1-203, C.R.S.; and

WHEREAS, the Parties along with Donala Water and Sanitation District jointly own and operate the Upper Monument Creek Regional Wastewater Treatment Facility; and

WHEREAS, Triview operates Forest Lakes’ water and wastewater infrastructure, parks and landscaping, and provides snow removal to Forest Lakes pursuant to an intergovernmental agreement, which agreement includes customer billing services; and

WHEREAS, the Parties believe they will mutually benefit from consolidating the treatment of wastewater at Colorado Springs Utilities’ J.D. Phillips Water Resource Recovery Facility by extending the existing wastewater collection system to allow the Parties to deliver wastewater flows to the Northern Monument Creek Intercept (the “**NMCI**”) for treatment by Colorado Springs Utilities (“**CSU**”); and

WHEREAS, the Parties are parties to the Intergovernmental Agreement Among City of Colorado Springs, Colorado Acting by and Through its Enterprise, Colorado Springs Utilities, Forest Lakes Metropolitan District, and Triview Metropolitan District for Construction Cost Sharing for the Northern Monument Creek Interceptor dated on or about February 25, 2025, as amended by an Addendum which was approved by CSU on February 19, 2026 pursuant to Resolution 2026-04 and effective March 6, 2026 (the “**NMCI Agreement**”) which sets forth the parties’ understanding with respect to how the NMCI will be constructed and how the costs of the NMCI will be shared; and

WHEREAS, each of the Parties have entered into separate Wastewater Service Agreements with CSU, which CSU approved on February 19, 2026 pursuant to Resolution 2026-04; and

WHEREAS, the Parties have determined that the public improvements making up the NMCI are generally contemplated by their respective Service Plans, are necessary and desirable and, due to the nature of the NMCI and proximity and interrelatedness of the development anticipated to occur within the boundaries of the Parties, the NMCI will benefit the residents, property owners and taxpayers of the Parties; and

WHEREAS, CSU has completed 90% design for the NMCI, the currently anticipated costs are set forth in Exhibit B; and

WHEREAS, the Parties desire to cooperate and share capacity in the NMCI to the extent feasible for each Party, have determined that it is in the best interests of their residents and taxpayers, to pay the costs of acquiring, constructing, and installing the NMCI, and have agreed to share such costs as set forth in the NMCI Agreement; and

WHEREAS, the engineering, installation, construction and completion of the NMCI capital costs will require the Parties to borrow funds for payment of the respective costs for which each Party is individually responsible; and

WHEREAS, Forest Lakes has no outstanding general obligation debt or revenue bonds, notes, loans or similar obligations for which its creditworthiness has been assessed by a nationally recognized statistical rating organization, and outstanding revenue obligations of Triview carry an underlying investment grade rating which enables Triview to borrow at competitively lower market interest rates; and

WHEREAS, the Parties have determined that it is in the best interests of their residents and taxpayers that the NMCI be financed by the issuance of bonds by Triview, and that for such purpose Triview, through the Triview Utility Enterprise, shall proceed to issue its Water and Wastewater Enterprise Revenue Bonds in one or more series in the aggregate principal amount not to exceed \$34,000,000 (the “**NMCI Bonds**”); and

WHEREAS, at an election of the eligible electors of Forest Lakes, duly called and held on November 4, 2003 (the “**Forest Lakes Election**”), in accordance with law and pursuant to due notice, a majority of those eligible to vote and voting at the Forest Lakes Election voted in favor of, *inter alia*, entering into of one or more intergovernmental agreements with one or more other political subdivisions of the State to jointly finance the costs of public improvements which intergovernmental agreement may constitute a multiple fiscal year financial obligation of Forest Lakes; for the purpose of providing certain improvements and facilities, the question relating thereto being as set forth in Exhibit A attached hereto. In addition to ballot issue 5J, Forest Lakes may also need to depend upon ballot issue 5D, debt for sanitary sewage collection and transmission, which reflects debt authorization for up to \$11,160,000, as necessary, and the question relating thereto also being set forth in Exhibit A attached hereto; and

WHEREAS, the NMCI Bonds are anticipated to be issued pursuant to an authorizing resolution of the Triview Board of Directors (the “**NMCI Bond Resolution**”) setting forth terms and provisions established in connection with outstanding water and wastewater revenue

obligations of Triview, with debt service on the NMCI Bonds to be paid semiannually from substantially equal semi-annual deposits made to a designated custodial agent or the paying agent for the NMCI Bonds by each Party for their allocable, proportionate share of the annual debt service on the NMCI Bonds; and

WHEREAS, it is the intent of the Parties that the NMCI Bonds be secured by revenues pledged by Triview; and

WHEREAS, the obligation of Forest Lakes for its proportionate share of the annual debt service on the NMCI Bonds issued by Triview on its behalf will be evidenced by this Agreement and a Note (the “**Forest Lakes Note**”) to be issued and delivered by Forest Lakes to Triview to evidence Forest Lakes’ payment obligation, the revenues from which are to be solely applied to pay that portion of the NMCI Bonds issued for the benefit of Forest Lakes; and

WHEREAS, it has been determined by Forest Lakes and it is hereby determined that it shall be liable for the pledge to Triview of the Pledged Revenue (as defined below) for payment of the Forest Lakes Note, subject to its electoral authorization and limitations provided by Forest Lakes’ Service Plan, and that the allocation set forth below is fair and is reasonably related to the relative benefit that the residents, property owners, and taxpayers of the respective Parties receive from the NMCI; and

WHEREAS, the Parties believe that this Agreement is in the best interest of their respective districts, taxpayers, residents, property owners and users.

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

TERMS AND CONDITIONS

Revenue Pledge. Triview and Forest Lakes are Parties to the NMCI Agreement. Although the total costs are not known at this time, the design for the NMCI is at 90% and the estimated costs for the NMCI are set forth in Exhibit B. Pursuant to the NMCI Agreement, Forest Lakes is responsible for 7.5% of the total project costs of the NMCI and Triview is responsible for 28.42% of the total NMCI project costs. Final project costs will be determined once a guaranteed maximum price (“**GMP**”) has been received from the contractor manager general contractor, as set forth in the NMCI Agreement.

In the event the GMP is exceeded, Triview and Forest Lakes agree to share the additional costs in proportion to respective shares in the NMCI as outlined in the NMCI Agreement. Assuming both CSU and the Parties agree to the GMP, Triview agrees to issue the NMCI Bonds and, as the issuer, will be contractually and financially responsible to the owners of the NMCI Bonds for the scheduled payment in full of the principal of, premium if any, and interest on the NMCI Bonds when due. However, responsibility for the generation of revenues anticipated for the scheduled payment of debt service on the NMCI Bonds is expected to be allocated between the Parties based on their relative share of the NMCI project costs, which as of the date of this Agreement is 79.12% for Triview (the “**Triview Finance Allocation**”) and 20.88% for Forest Lakes (the “**Forest Lakes Finance Allocation**”). The NMCI Bonds will be issued in an amount

sufficient to pay the Parties' collective share of the NMCI, but not in excess of \$34,000,000 unless otherwise agreed in writing by the Parties. The NMCI Bonds will be issued with such terms as Triview shall determine in its sole discretion at an interest rate not to exceed the interest rate established by Triview's parameter's resolution, which is anticipated to be approved on April 23, 2026. The costs of issuance of the NMCI Bonds will be paid from the proceeds of the NMCI Bonds. The Parties agree to separately pay their respective legal fees related to this Agreement and the NMCI Bonds with the exception of bond counsel fees, which shall be included in the costs of issuance of the NMCI Bonds. Interest payments, redemption premiums (if any), and other debt service components shall be allocated on the same proportionate basis. This Agreement shall be supplemented with each Party's respective payment schedule in conjunction with the issuance of the NMCI Bonds at the time of issuance of the NMCI Bonds. If the NMCI Bonds are refinanced in the future, resulting in a reduction in the aggregate debt service on the NMCI Bonds, the amount of revenue for which Forest Lakes is responsible, as evidenced by the Forest Lakes Note, shall be adjusted to reflect the Forest Lakes Finance Allocation for the scheduled principal of and interest on the refunding bonds, loan or similar obligation issued for the refunding by Triview.

In exchange for Triview issuing the NMCI Bonds, Forest Lakes hereby agrees to pledge to Triview, when and if the NMCI Bonds are issued, sufficient revenues on a semi-annual basis to satisfy the Forest Lakes Finance Allocation for the scheduled payment of its share of the NMCI Bonds issued by Triview. Not less than thirty (30) days prior to any semi-annual debt service payment on the NMCI Bonds, Forest Lakes will make a payment to Triview for its proportionate share of the semi-annual payment coming due ("**Forest Lakes Payment Obligation**"). In addition, Forest Lakes will provide Triview with monthly financial statements or equivalent summary financial reports. Forest Lakes hereby pledges to Triview the Pledged Revenue as set forth in Exhibit C attached hereto (the "**Pledged Revenue**") to satisfy the Forest Lakes Payment Obligation. If the money produced by the Pledged Revenue is insufficient to pay the Forest Lakes Payment Obligation, Forest Lakes hereby agrees to increase the rates, fees, and charges constituting the Pledged Revenue within thirty (30) days of receiving notice from Triview, so that the amount of revenue produced by the Pledged Revenue is sufficient to pay the Forest Lakes Payment Obligation. Such increases will be included in subsequent budgets adopted by Forest Lakes for so long as is necessary for Forest Lakes to be able to pay the Forest Lakes Payment Obligation. Notwithstanding the foregoing, Forest Lakes may in its sole discretion issue or incur bonds, notes, certificates, or other financial obligations (including a repayment obligation under a loan agreement or similar agreement) as secured by a lien on a parity with or subordinate to the lien to the Forest Lakes Note on the Pledged Revenue. Forest Lakes will provide Triview with written notice at least sixty (60) days prior to issuing parity debt.

Investment Earnings. All interest earnings, investment income, or other returns derived from the investment of the NMCI Bond proceeds prior to their expenditure for the NMCI project ("**Investment Earnings**") shall be applied solely in the manner permitted under the Internal Revenue Code of 1986, as amended, and the NMCI Bond Resolution. To the extent permitted under such requirements, Investment Earnings shall be applied to costs of the NMCI or reduce debt service on, or the outstanding principal of, the NMCI Bonds, as mutually determined by the Parties. The economic benefit of application to the costs of the NMCI or any such reduction in debt service shall be shared between the Parties in the same proportion as the Triview Finance Allocation and the Forest Lakes Finance Allocation, being 79.12% to Triview and 20.88% to Forest Lakes. No Investment Earnings shall be paid directly to Forest Lakes and nothing herein

shall be construed to permit the use of Investment Earnings in a manner that would affect the tax-exempt status of the NMCI Bonds.

Optional Prepayment. Forest Lakes shall have the right, at any time and from time to time, to prepay in whole, but not in part, the Forest Lakes Payment Obligation as evidenced by the Forest Lakes Note, which payment obligation generally represents the Forest Lakes Finance Allocation with respect to the NMCI Bonds (the “**Prepayment Amount**”), without premium or penalty, with the exception of any redemption premiums required pursuant to the NMCI Bond Resolution. Any such prepayment which occurs prior to the date on which the NMCI Bonds are subject to optional redemption shall be in an amount sufficient to legally defease, fully pay, and discharge the equivalent of the outstanding Forest Lakes Finance Allocation as of the earliest optional redemption date for the NMCI Bonds following such prepayment. Upon receipt of a Prepayment Amount, Triview shall credit such payment to the Forest Lakes Payment Obligation and Triview shall have no further claim against Forest Lakes with respect to the Forest Lakes Note and Forest Lakes shall be deemed fully satisfied and discharged from any further liability relating to the Forest Lakes Note. Notwithstanding the foregoing, any prepayment shall be made in a manner that does not cause Triview to violate the NMCI Bond Resolution. The Parties shall have the right to prepay the NMCI Bonds in part following the date on which the NMCI Bonds are subject to optional redemption, upon the mutual agreement of both Parties.

Donala Participation in NMCI. The Parties acknowledge that Donala Water and Sanitation District (“**Donala**”) may hereafter agree to participate in the NMCI project and to finance its proportionate share of the NMCI. In the event Donala agrees to participate in the NMCI and to pay its share of the NMCI costs, the Parties shall work together in good faith to equitably reallocate each party’s proportionate share of the cost of the NMCI as generally outlined in Exhibit E.

Shared Capacity. The Parties acknowledge that the mutual benefit of the NMCI infrastructure investment is best served by cooperative use of underutilized capacity. Accordingly, each Party covenants to negotiate in good faith any capacity-sharing arrangement proposed under this Section and to not unreasonably withhold agreement to share capacity that is genuinely available and not needed for the Party's own service obligations. For purposes of this Section, "Available Capacity" means any portion of a Party's allocated capacity in the NMCI that the allocating Party, acting in good faith, determines is not needed to serve its current or reasonably anticipated operational requirements, taking into account projected growth, regulatory requirements, and reserve obligations.

No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, multiple fiscal year obligations, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved by Forest Lakes at the Forest Lakes Election in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval by either Party.

Electoral Limitations. In no event shall the total or annual obligations of Forest Lakes hereunder exceed the maximum amounts permitted under Forest Lakes’ electoral authority, the limitations provided by Forest Lakes’ Service Plan, and any other applicable law. The obligation of Forest Lakes hereunder will be deemed defeased and no longer outstanding upon the earlier of

(i) payment in full of the Forest Lakes Note pursuant to Section 3 above or (ii) the discharge date set forth in the NMCI Bond Resolution.

Payment and Application of Revenues. Forest Lakes makes the following representations, acknowledgements, and/or covenants:

Once Triview issues and delivers the NMCI Bonds, Forest Lakes agrees to semi-annually remit to a designated custodial agent or the paying agent for the NMCI Bonds, from the Pledged Revenue the payments indicated in the Forest Lakes Note, to be applied solely to the payment of the principal of, premium if any, and interest on the NMCI Bonds due in accordance with the terms of the NMCI Bond Resolution.

All amounts payable by Forests Lakes hereunder shall be paid in lawful money of the United States of America.

Forest Lakes Note. As a condition of the issuance and delivery of the NMCI Bonds by Triview, there shall be issued and delivered the Forest Lakes Note, which shall be in substantially the form set forth Exhibit D hereto, with changes to such form not inconsistent herewith, as may be necessary or desirable and approved by the officials of Forest Lakes executing the same (whose manual signatures thereon shall constitute conclusive evidence of such approval).

Appropriation; No Impairment of Obligations. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Forest Lakes Board of Directors in each year while the Forest Lakes Payment Obligation is outstanding under this Agreement. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of Forest Lakes to collect and remit the Pledged Revenue, or as limiting or impairing the obligation of Forest Lakes to impose, administer, enforce and collect the Pledged Revenue as provided herein for the payment of its obligations hereunder.

[RESERVED]

No Future Senior Pledge of the Pledged Revenue. Notwithstanding any provision in this Agreement to the contrary, on and after the issuance and delivery of the Forest Lakes Note, Forest Lakes shall not establish a lien on all or any portion of the Pledged Revenue which is senior to the lien on the Pledged Revenue as evidenced by the Forest Lakes Note without sixty (60) days prior written notice to Triview. The obligations of Forest Lakes hereunder shall be and remain in effect until the earlier of (i) Forest Lakes' payment of the Forest Lakes Payment Obligation pursuant to Section 3 above or (ii) the discharge date set forth in the NMCI Bond Resolution, if any.

Representations and Warranties of Forest Lakes. Forest Lakes hereby makes the representations and warranties set forth below:

Forest Lakes is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Colorado.

Forest Lakes has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement and to issue and deliver the Forest Lakes Note. The execution, delivery, and performance of this Agreement by Forest Lakes has been duly authorized by all necessary action.

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

Forest Lakes has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by Forest Lakes of this Agreement.

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

This Agreement constitutes a multiple fiscal year financial obligation of Forest Lakes within the meaning of Article X Section 20 of the Colorado Constitution.

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

Representations and Warranties of Triview. Triview hereby makes the representations and warranties set forth below.

Triview is a quasi-municipal corporation and political subdivision duly organized and validly existing as a separate legal entity under the laws of the State of Colorado.

Triview has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. Triview's execution, delivery, and performance of this Agreement have been duly authorized by all necessary action.

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

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

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

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

Other Covenants of Forest Lakes. Forest Lakes hereby makes the representations and covenants set forth below:

Forest Lakes will maintain its existence and shall not alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the NMCI

Bonds, and will continue to operate and manage Forest Lakes and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

Forest Lakes will carry general liability coverage, public liability, and such other forms of insurance on insurable property of Forest Lakes upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of Forest Lakes, would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect Forest Lakes and its operations.

In the event any fees, rates, or charges constituting Pledged Revenue are not paid when due, Forest Lakes shall diligently seek to enforce and collect said fees, rates and charges.

Forest Lakes covenants that it will not take any action or omit to take any action with respect to any funds of Forest Lakes or any facilities financed or refinanced with the proceeds of the NMCI Bonds, if such action or omission (i) would cause the interest on any one or more of the NMCI Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on any one or more of the NMCI Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Code, or (iii) would cause interest on any one or more of the NMCI Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law.

In the event that at any time Forest Lakes is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held by Forest Lakes, Forest Lakes shall so restrict or limit the yield on such investment.

Forest Lakes shall pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

Forest Lakes shall keep or cause to be kept adequate and proper records and books of account in which complete and correct entries shall be made with respect to Forest Lakes, the Pledged Revenue, and its governmental funds and accounts.

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

Forest Lakes acknowledges that Triview, as issuer of the NMCI Bonds, may enter into a Continuing Disclosure Agreement (the “**Disclosure Agreement**”) pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “**Rule**”). Forest Lakes covenants

and agrees to comply with all reasonable requests for information within fifteen (15) business days to allow Triview to comply with the Rule and its obligations under the Disclosure Agreement. .

Forest Lakes will provide Triview with prompt written notice of any Material Event in accordance with the notice requirements in Section 27. For purposes of this Agreement, "Material Event" means any of the following:

(i) the commencement of any litigation, arbitration, administrative proceeding, or regulatory enforcement action against Forest Lakes that, individually or in the aggregate, could reasonably be expected to result in a judgment, liability, or adverse order in excess of \$1,000,000, or that names Forest Lakes as a defendant or respondent in a matter that could affect its authority to collect or pledge the Pledged Revenue;

(ii) the receipt by Forest Lakes of any notice of violation, cease-and-desist order, compliance order, or similar enforcement directive issued by the Colorado Department of Public Health and Environment, the Colorado Division of Water Resources, the Environmental Protection Agency, or any other governmental authority having jurisdiction over Forest Lakes' operations, where such action could reasonably be expected to impair Forest Lakes' operating revenues or its ability to collect rates, fees, and charges constituting Pledged Revenue;

(iii) the adoption by Forest Lakes' Board of Directors of any resolution, order, or action that reduces, freezes, or otherwise restricts Forest Lakes' ability to increase rates, fees, or charges constituting Pledged Revenue;

(iv) any event or circumstance that Forest Lakes reasonably believes will cause it to be unable to make a scheduled payment of the Forest Lakes Payment Obligation when due; or

(v) any other event, action, or condition that Forest Lakes reasonably believes could materially and adversely affect its financial condition or its ability to perform its obligations under this Agreement.

Written notice of a Material Event shall be provided to Triview no later than five (5) business days after Forest Lakes first becomes aware of the occurrence of such event. Such notice shall describe the nature of the Material Event, the anticipated impact on Forest Lakes' operations or finances, and any corrective measures Forest Lakes has taken or intends to take. Failure to provide timely notice of the Material Event as required by this paragraph shall constitute an Event of Default; provided, however, that Forest Lakes shall not be in default under this paragraph if it provides notice within ten (10) business days after becoming aware of the event and demonstrates that the delay was not the result of Forest Lakes' willful failure or gross negligence.

EVENTS OF DEFAULT AND REMEDIES

Events of Forest Lakes Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder:

Forest Lakes fails to promptly remit its Pledged Revenue as required by the terms of this Agreement;

Forest Lakes fails to observe or perform any covenants, agreements, duties or conditions on the part of Forest Lakes in this Agreement and such failure is not remedied to the satisfaction of Triview within 30 days after Forest Lakes receives written notice from Triview of the occurrence of such failure;

Any representation or warranty made by Forest Lakes in this Agreement proves to have been untrue or incomplete in any material respect when made or deemed made; or

Forest Lakes files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by this Agreement.

Forest Lakes grants a lien on Pledged Revenue senior to Triview's lien without Triview's written consent.

Forest Lakes uses, applies, transfers, encumbers, diverts, or pledges any Pledged Revenue in a manner that materially impairs Forest Lakes' ability to timely satisfy the Forest Lakes Payment Obligation, including without limitation:

(i) applying Pledged Revenue to operating, capital, or administrative expenses of Forest Lakes in a manner inconsistent with Forest Lakes' adopted budget or outside the ordinary course of operations, where such application reduces funds available for the Forest Lakes Payment Obligation below the amount required for the next scheduled semi-annual payment;

(ii) transferring Pledged Revenue to any reserve fund, debt service fund, or other account other than as authorized by the Forest Lakes Note or this Agreement, without prior written consent of Triview; or

(iii) applying Pledged Revenue to satisfy any judgment, settlement, or claim arising from litigation against Forest Lakes prior to satisfying the next scheduled Forest Lakes Payment Obligation.

For purposes of this paragraph, an impairment shall be deemed "material" if the unauthorized use or application of Pledged Revenue results in a deficiency in funds available to satisfy the next scheduled Forest Lakes Payment Obligation. An Event of Default under this paragraph shall not be subject to a cure period; provided, however, that if Forest Lakes cures the impairment (by depositing equivalent funds into the designated payment account) within five (5) business days of receiving written notice from Triview identifying the specific impairment, no Event of Default shall be deemed to have occurred.

Events of Triview Default. The occurrence or existence of any one or more of the following events shall be an "Event of Default" hereunder:

Triview fails to promptly remit its pledged revenue as required by the terms of the NMCI Bond Resolution;

Triview fails to observe or perform any covenants, agreements, duties or conditions on the part of Triview in this Agreement and the NMCI Bond Resolution and such failure is not remedied to the satisfaction of Forest Lakes;

Any representation or warranty made by Triview in this Agreement or the NMCI Bond Resolution proves to have been untrue or incomplete in any material respect when made or deemed made; or

Triview files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by this Agreement or the NMCI Bond Resolution.

Remedies for Events of Default. Upon the occurrence and continuance of an Event of Default, Forest Lakes or Triview may proceed to protect and enforce its rights against the Party causing the Event of Default by mandamus or such other suit or action available in equity or at law. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs. Nothing herein shall be construed as requiring the other Party's consent or participation in any such enforcement action, the intent being that each Party can enforce this Agreement independently from any such consent or participation of the other Party. Any Party in default under this Agreement shall pay the reasonable costs and attorneys fees of the other Party incurred in order to enforce its rights under this Agreement. Notwithstanding anything herein to the contrary, acceleration of the Forest Lakes Payment Obligation shall not be an available remedy for an Event of Default hereunder. Forest Lakes acknowledges and agrees that its covenant to increase the rates, fees, and charges constituting the Pledged Revenue, and to include such increases in subsequent budgets set forth in Section 1 above, is a material inducement to Triview's issuance of the NMCI Bonds, that any failure by Forest Lakes to timely implement such increases will cause immediate and irreparable harm to Triview and the owners of the NMCI Bonds for which monetary damages would be an inadequate remedy, and that Triview shall therefore be entitled to seek, in addition to any other remedies available at law or in equity, specific performance and preliminary and permanent injunctive relief (including a writ of mandamus) compelling Forest Lakes to adopt and implement such rate, fee, and charge increases and to include the same in its budget. Forest Lakes hereby waives any requirement that Triview post a bond or other security as a condition to obtaining such injunctive relief. The remedies provided in this paragraph are cumulative and not exclusive.

If Forest Lakes fails to make any payment when due, Forest Lakes will pay: the overdue amount; interest on the overdue amount at the NMCI Bonds' true interest cost (or the default rate paid by Triview as the result of a Forest Lakes default, which will not exceed 18%) from the due date until paid; and Triview's reasonable costs to enforce, including attorneys' fees, paying agent fees, trustee/custodial fees, and collection costs.

Limited Defenses; Specific Performance. It is understood and agreed by Forest Lakes that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of Forest Lakes hereunder remains unfulfilled, Forest Lakes agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to the Forest Lakes Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, Triview or the bondholders, or impair the ability of Triview to receive payments due hereunder, and Triview will have the authority to enforce its rights hereunder by specific performance. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of

Forest Lakes, in the event that Forest Lakes believes that it has valid defenses, setoffs, counterclaims, or other claims, it shall, nevertheless, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

MISCELLANEOUS

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

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

Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to either Party, their respective officials, employees, contractors, or agents, or any other person acting on behalf of either Party and, in particular, governmental immunity afforded or available to the Parties pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq.*, C.R.S.

Mutual Indemnification. The Parties, to the extent permitted by law, shall each indemnify, defend and hold harmless the other, and their respective members, officers, directors, managers, agents, and employees against and from any and all claims, damages, actions, loss, cost and expense (including but not limited to attorneys' fees) resulting directly or indirectly from their own respective negligent and/or willful acts or omissions or the negligent or willful acts or omissions of their respective contractors, employees or agents (acting within the scope of their engagement, employment or agency) with respect to all activities performed under this Agreement.

Good Faith and Fair Dealing. The Parties agree that they each have a duty to each other in the performance of this Agreement, which duty is accepted and shall include, but not be limited to, the highest duties of good faith and fair dealing in carrying out the goals and objectives of this Agreement.

Insurance. The Parties shall insure themselves separately against liability, loss, and damages arising out of the operation of and performance under this Agreement.

Assignment. Neither Party shall have the right or power to assign this Agreement or parts thereof, or its respective duties, without the express written consent of the other Party. Any attempt to assign this Agreement in the absence of such written consent shall be null and void.

Notice. Any notice, demand or other communication required or permitted to be given hereunder, except as otherwise provided herein, shall be in writing and delivered personally or sent by overnight national courier service or by overnight or registered mail, postage prepaid, return receipt requested, addressed to the Party at the address that follows or as either Party may subsequently designate from time to time in writing. Notice shall be considered given when delivered or, if mailed by registered mail, on the third day after such notice is postmarked by the United States Postal Service.

Triview: Triview Metropolitan District
Attn: District Manager
1641 Baja Drive
Monument, CO 80132

With a copy to: Triview Metropolitan District
c/o WBA, PC
Attn: George M. Rowley, Esq.
2154 E. Commons Ave., Suite 2000
Centennial, Colorado 80122

Forest Lakes: Forest Lakes Metropolitan District
Attn: District Manager
2 North Cascade, Suite 1280
Colorado Springs, CO 80903

With a copy to: Spencer Fane LLP
Attn: Nicole Peykov
1700 Lincoln Street, Suite 2000
Denver, CO 80203

Miscellaneous. The Parties do not intend and nothing contained in this Agreement shall be deemed to create a partnership, co-tenancy, joint venture, or agency of any kind between the Parties.

Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Colorado. In the event of any dispute between the Parties, the exclusive venue for dispute resolution shall be the District Court for and in El Paso County, Colorado.

No Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is solely between and for the benefit of the Parties, and no consultant, contractor, any subcontractor nor any other person or entity is a third-party beneficiary to or under this Agreement.

Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to its subject matter. Any amendments or modifications to this Agreement must be in writing executed by the Parties in order to be valid and binding.

Waiver. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

Counterparts. This Agreement may be executed in one or more counterparts, which shall be deemed an original and together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

Revision. If any covenant, term, condition or provision of this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained in the Agreement, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

Mutual Preparation. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

[The signature blocks of the respective Parties have been omitted.]

Exhibit A to the Intergovernmental Agreement provides as follows:

Election Question(s)

FOREST LAKES METROPOLITAN DISTRICT BALLOT ISSUE 5D:

SHALL FOREST LAKES METROPOLITAN DISTRICT DEBT BE INCREASED \$11,160,000, WITH A REPAYMENT COST OF \$91,512,000, SUCH DEBT TO CONSIST OF BONDS OR OTHER OBLIGATIONS, INCLUDING CONTRACTS, ISSUED OR INCURRED FOR THE PURPOSE OF PAYING, REIMBURSING, OR FINANCING ALL OR ANY PART OF THE COSTS OF ACQUIRING, CONSTRUCTING, RELOCATING, INSTALLING, COMPLETING, AND OTHERWISE PROVIDING, WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT, A COMPLETE LOCAL SANITARY SEWAGE COLLECTION AND TRANSMISSION SYSTEM INCLUDING BUT NOT LIMITED TO TREATMENT PLANTS, COLLECTION MAINS AND LATERALS, LIFT STATIONS, REUSE TRANSMISSION LINES, SLUDGE HANDLING AND DISPOSAL FACILITIES, AND/OR STORM SEWER, FLOOD AND SURFACE DRAINAGE FACILITIES AND SYSTEMS, INCLUDING DETENTION/RETENTION PONDS AND ASSOCIATED IRRIGATION FACILITIES, TOGETHER WITH ALL NECESSARY, INCIDENTAL, AND APPURTENANT FACILITIES, EQUIPMENT, LAND, AND EASEMENTS, AND EXTENSIONS OF AND IMPROVEMENTS TO SAID FACILITIES, SUCH DEBT TO BEAR INTEREST AT AN EFFECTIVE INTEREST RATE NOT IN EXCESS OF 18% PER ANNUM, SUCH INTEREST TO BE PAYABLE AT SUCH TIME OR TIMES AND WHICH MAY COMPOUND ANNUALLY OR SEMIANNUALLY AS MAY BE DETERMINED BY THE DISTRICT, SUCH DEBT TO BE ISSUED OR INCURRED AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE MONEYS OF THE DISTRICT, INCLUDING THE REVENUES DERIVED FROM THE OPERATION OF ANY OF THE DISTRICT'S FACILITIES OR PROPERTIES; AND SHALL THE PROCEEDS OF ANY SUCH DEBT AND ALL REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT INCOME THEREON, BE COLLECTED AND SPENT BY THE DISTRICT AS A VOTER-APPROVED REVENUE CHANGE WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, AND WITHOUT LIMITING IN ANY YEAR THE AMOUNT OF OTHER REVENUES THAT MAY BE COLLECTED AND SPENT BY THE DISTRICT?

FOREST LAKES METROPOLITAN DISTRICT BALLOT ISSUE 5J:

SHALL FOREST LAKES METROPOLITAN DISTRICT BE AUTHORIZED TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR THE PURPOSE OF JOINTLY FINANCING THE COSTS OF ANY PUBLIC

IMPROVEMENTS, FACILITIES, SYSTEMS, PROGRAMS, OR PROJECTS WHICH THE DISTRICT MAY LAWFULLY PROVIDE, OR FOR THE PURPOSE OF PROVIDING FOR THE OPERATIONS AND MAINTENANCE OF THE DISTRICT AND ITS FACILITIES AND PROPERTIES, WHICH AGREEMENT MAY CONSTITUTE A DEBT OR INDEBTEDNESS AND A MULTIPLE-FISCAL YEAR OBLIGATION OF THE DISTRICT TO THE EXTENT PROVIDED THEREIN AND OTHERWISE AUTHORIZED BYLAW, AND IN CONNECTION THEREWITH SHALL THE DISTRICT BE AUTHORIZED TO MAKE COVENANTS REGARDING THE ESTABLISHMENT AND USE OF AD VALOREM TAXES, RATES, FEES, TOLLS, PENALTIES, AND OTHER CHARGES OR REVENUES OF THE DISTRICT, AND COVENANTS, REPRESENTATIONS, AND WARRANTIES AS TO OTHER MATTERS ARISING UNDER THE AGREEMENTS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF THE DISTRICT?

Exhibit B to the Intergovernmental Agreement provides as follows:

Cost Estimates

Entity	Upper/Lower Split --> Build Out Flow (mgd)	TOTAL SHARE	Construction	ESDC	ERO	Easement	
			Contractor		Permitting		
			\$86.00	\$4.10	\$0.10	\$0.10	\$90.30
TriView	1.000	28.42%	\$24.44	\$1.17	\$0.03	\$0.03	\$25.66
Forest Lakes	0.264	7.50%	\$ 6.45	\$0.31	\$0.01	\$0.01	\$ 6.78
Utilities	2.460	64.08%	\$55.11	\$2.63	\$0.06	\$0.06	\$57.86
		100.00%	\$86.00	\$4.10	\$0.10	\$0.10	\$90.30
Upper Section BO Flow (mgd)	1.264						
Lower Section BO Flow (mgd)	3.724						

Exhibit C to the Intergovernmental Agreement provides as follows:

Pledged Revenue

As used in this Agreement, the “Pledged Revenue” shall consist of Net Revenue generated from the operation of the System, as well as any other legally available revenues of Forest Lakes as determined in Forest Lakes’ sole discretion, as said terms are defined below:

"System" shall mean, (i) any facility, plant, works, system, building, structure, improvement, machinery, equipment, fixture or other real or personal property, relating to the collection, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater that is owned, operated or controlled by Forest Lakes, including, without limitation its allocable share of the NMCI project, (ii) any renewal, replacement, addition, modification or improvement to (i) above, and (iii) all real or personal property and rights therein and appurtenances thereto necessary or useful or convenient for the effectiveness of the purposes of Forest Lakes in the transmission, treatment, storage and distribution of water or the collection, treatment, transmission and disposal of wastewater.

"Net Revenue" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"Gross Revenue" means all income and revenues directly or indirectly derived by Forest Lakes from the operation and use of the System, or any part thereof, including without limitation, any rates, fees (including without limitation plant investment fees and availability fees), and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights, or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, and including investment income accruing from such moneys; provided however, that there shall be excluded from Gross Revenue: any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account, pledged to the payment of any bonds or other obligations; and any moneys received as grants or appropriations from the United States, the State of Colorado or other sources, the use of which is limited or restricted by the grantor or donor to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"Capital Improvements" means the acquisition of land, easements, facilities and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by, or in connection with, the System.

"Operation and Maintenance Expenses" means all reasonable and necessary current expenses of Forest Lakes, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and overhead expenses of Forest Lakes directly related to the administration of the System, insurance premiums, audits, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operation; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, payments in lieu of taxes or franchise fees, expenses incurred in connection with Capital Improvements and payments due in connection with any bonds or other obligations.

Exhibit D to the Intergovernmental Agreement provides as follows:

Form of Forest Lakes Metropolitan District Note

FOR VALUE RECEIVED, the undersigned **FOREST LAKES METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado** (“**Forest Lakes**”), hereby promises to pay to the order of **TRIVIEW METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado** (“**Triview**”) the principal amount of _____ and 00/100 Dollars (\$_____), plus interest accruing on the unpaid principal amount thereof, pursuant to the Intergovernmental Agreement to Finance the NMCI (the “**NMCI Financing IGA**”), dated as of _____, 2026, by and between Triview and Forest Lakes for the agreement by Triview to issue the NMCI Bonds (as defined in the NMCI Financing IGA) for the funding of both Triview’s and Forest Lakes’ collective share of the Northern Monument Creek Interceptor, with such payments to occur at the times and in the amounts determined as provided in the NMCI Financing IGA and set forth in the schedule attached hereto. All capitalized terms used herein and not defined herein shall have the meaning provided in the NMCI Financing IGA.

This Forest Lakes Note is issued pursuant to the NMCI Financing IGA to evidence the obligations of Forest Lakes set forth in the NMCI Financing IGA and may not be assigned or transferred by either party without the prior written consent of the other party. All of the definitions, terms, conditions, and provisions of the NMCI Financing IGA are, by this reference thereto, incorporated herein as a part of this Forest Lakes Note.

This Forest Lakes Note is entitled to the benefits, and is subject to the conditions, of the NMCI Financing IGA. The obligations of Forest Lakes to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim, or recoupment by reason of any default by Triview under the NMCI Financing IGA, or under any other agreement between Forest Lakes and Triview, or out of any indebtedness or liability at any time owing to Forest Lakes by Triview, or for any other reason, except as provided in the NMCI Financing IGA.

This Forest Lakes Note is subject to optional prepayment under the terms and conditions, and in the amounts, provided in the NMCI Financing IGA. The obligation of Forest Lakes to make payments under the NMCI Financing IGA and this Forest Lakes Note is payable solely from the Pledged Revenue, except as otherwise paid from other legally available funds of Forest Lakes applied in its sole discretion.

For the payment of this Forest Lakes Note, Forest Lakes shall diligently seek to enforce and collect fees, rates and charges constituting Pledged Revenue.

If an “Event of Default” as defined in the NMCI Financing IGA occurs, the remedies on default set forth in the NMCI Financing IGA shall be available to enforce the obligations of Forest Lakes that are evidenced by this Forest Lakes Note.

NOTWITHSTANDING ANY PROVISION THEREIN TO THE CONTRARY, FOREST LAKES’ LIABILITY FOR PAYMENT OF THIS FOREST LAKES NOTE AND THE

PERFORMANCE OF THE OBLIGATIONS UNDER THIS FOREST LAKES NOTE IS LIMITED IN THE SAME MANNER AND TO THE SAME EXTENT AS EXPRESSLY PROVIDED IN THE NMCI FINANCING IGA.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF FOREST LAKES AND SHALL BE PAYABLE SOLELY FROM CERTAIN FUNDS AS SET FORTH IN THE NMCI FINANCING IGA. NEITHER THIS FOREST LAKES NOTE, THE INTEREST THEREON, NOR COSTS INCIDENT THERETO SHALL CONSTITUTE A DEBT OR FINANCIAL OBLIGATION OF THE STATE OF COLORADO OR THE COUNTY OF EL PASO, COLORADO, NOR GIVE RISE TO ANY PECUNIARY LIABILITY OF THE STATE OF COLORADO, THE COUNTY OF EL PASO, OR ANY POLITICAL SUBDIVISION OF THE STATE (OTHER THAN FOREST LAKES).

BY ITS ACCEPTANCE HEREOF, TRIVIEW ACKNOWLEDGES THAT FOREST LAKES AND ITS OFFICERS, ATTORNEYS, EMPLOYEES, OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE, AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

No recourse shall be had for the payment of the principal or interest on this Forest Lakes Note or for any claim based hereon against any member, officer, or employee, past, present, or future of Forest Lakes or of any successor body, as such, either directly or through Forest Lakes or any such successor body, under any constitutional provision, statute, or rule of law or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

This Forest Lakes Note is issued under the authority of and in full conformity with the Constitution and laws of the State of Colorado, including without limitation, Article X, Section 20 of the Constitution, Title 32 C.R.S., Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1; certain provisions of Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"), and pursuant to the NMCI Financing IGA. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, this recital is conclusive evidence of the validity and regularity of the issuance of the Forest Lakes Note after its delivery for value. Pursuant to Section 31-35-413, C.R.S., this recital conclusively imparts full compliance with all the provisions of said statutes, and this Forest Lakes Note issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

[Exhibit E to the Intergovernmental Agreement to Finance the NMCI has been omitted.]

APPENDIX D-2

**Audited Basic Financial Statements of Forest Lakes Metropolitan District
as of and for the Year-Ended December 31, 2024**

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**FOREST LAKES METROPOLITAN
DISTRICT**

FINANCIAL STATEMENTS
With Independent Auditors' Report

Years Ended December 31, 2024 and 2023

**FOREST LAKES METROPOLITAN DISTRICT
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DECEMBER 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

To Board of Directors
Forest Lakes Metropolitan District

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forest Lakes Metropolitan District, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Forest Lakes Metropolitan District's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Forest Lakes Metropolitan District, as of December 31, 2024 and 2023 and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the

responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Hoelting & Company Inc.

Colorado Springs, Colorado
May 30, 2025

FOREST LAKES METROPOLITAN DISTRICT Management's Discussion and Analysis

This discussion and analysis (MD&A) of the Forest Lakes Metropolitan District's (District) financial performance provides an overview of the District's financial activities for the years ended December 31, 2024 and 2023. The MD&A should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

- Residential development was generally complete by the end of 2024 in Forest Lakes – with 2024 activity mostly in the Phase Two area. Forest Lakes Phase Two – the West Valley - is comprised of Filings #5, #6 and #7. At year-end 2024 the District was providing water and sewer service to 435 residential customers and 4 commercial customers and was providing sewer only service to 2 outside district customers and water only service to the Santa Fe Trailhead restrooms.
- Falcon Commerce Center (FCC) is the commercial area being served by the District. A commercial truck stop operation was constructed in 2018 and has been in operation since that time. A UPS distribution center has been in operation since late 2022. A QuikTrip travel center began taking service from the District at year-end 2023 and a distribution center for a national liquor distributor started service in July 2024. Two spec warehouses are permitted and under construction as of May 2025. A car dealership is working its way through the Town's permitting process.
- District operation of the water and wastewater systems and all landscape maintenance activities are now being provided by contract by Triview Metropolitan District. Donala Water and Sanitation District exercised its right to terminate its contract operations agreement effective December 31, 2021.
- The District continues to operate both the Surface-Water Treatment Plant and the Well-head Treatment Plant to provide water service to the residents and commercial customers. The District decided in 2020 to begin assessment of the cost and timing for equipping the A1 well which had been drilled in 2008. Work began in late 2020 and the A1 Well was put into service mid year 2022. The District Engineer submitted a Basis of Design report to the Colorado Department of Public Health and Environment (CDPHE) and obtained approval for introducing groundwater from the Dillon, A1 and Denver wells for treatment in the Surface-Water Treatment Plant. The District obtained a well permit for a Denver aquifer well adjacent to the Dillon Well and bid out drilling and completion of the Denver aquifer well. The Denver Well drilling was completed in the spring of 2022 and the equipping of the Denver Well was completed at the end of June 2023 and it is currently in service. The final cost of the Denver Well was just under \$1.2 million. The addition of two more groundwater sources to the District's water portfolio will enhance the long term water supply reliability.
- During 2024, the District provided delivery of augmentation water to twelve customers on the Rampart Range, Hay Creek and Monument Creek from April through November.
- As a "community water system" FLMD must meet Colorado Department of Public Health and Environment standards for drinking water – including a mandated schedule for water testing and other water system activities and including an annual report to its customers on drinking water quality outcomes. The most recent Water Quality Reports are posted to the District website – forestlakesmetrodistrict.com.
- During 2019, the District and five other water and wastewater providers in northern El Paso County conducted discussions with Colorado Springs Utilities on the possibility of jointly funding a major wastewater interceptor into northern El Paso County that would convey wastewater now treated in two northern El Paso County wastewater treatment plants to Colorado Springs Utilities for treatment in its JD Phillips Water Resource Recovery Facility. The Northern Monument Creek Interceptor (NMCI) has completed the required National

Environmental Policy Act (NEPA) permitting phase and a contractor is currently under contract for the design of the interceptor. The agreement for participation and cost sharing in the design phase was only signed by two of the northern entities – Triview Metropolitan District and Forest Lakes Metropolitan District. In September 2024, the design was at 30% and the general contractor’s estimate of cost was \$92.7 million. The three parties took a pause at that point to re-evaluate the feasibility of this project. In February 2025 the parties agreed to execute an IGA defining the cost sharing for the project, agreeing to continue design and agreeing to make a final decision on construction at 90% design when a Guaranteed Maximum Price would be known. In 2020, as an adjunct to the NMCI project, the Pikes Peak Regional Water Authority approved a project to evaluate the opportunities and costs of recapturing the reusable effluent from the NMCI project and other reusable waters of the northern entities and returning those reusable waters to the northern entities for use in their water systems. This Regional Return Flow Project was completed in April 2022 and has identified a preferred option that will be subject to further refinement in a study to be conducted by Colorado Springs Utilities. The District was one of 8 entities who participated in this project.

- In addition to the Regional Return Flow Project, Colorado Springs Utilities was concurrently assessing an Indirect Potable Reuse Project which has the same general goals. They ultimately expanded it to a regional project which is now termed the Regional Water Optimization Project. That project has been awarded a grant from the Colorado Water Conservation Board and 8 regional entities, including Colorado Springs Utilities, have executed a Project Participation Agreement to proceed with a feasibility assessment of the Regional Water Optimization Project. Forsgren has been hired to perform the feasibility study. FLMD is one of the 8 participants in this feasibility study.
- Triview Metropolitan District has constructed the Northern Delivery System (NDS) which connects to the Colorado Springs Utilities treated water infrastructure at Highway 83 and allows Triview to delivery treated reusable return flows (when available) and other waters to Triview and other northern El Paso County entities. FLMD signed a participation agreement with Triview in late 2023 to gain access to a small portion of the capacity of the NDS. The agreement provides for payment for that capacity in 5 quarterly payments of \$199,506 per quarter – the last payment was made in December 2024.
- Triview, FLMD and Donala jointly own a 1.75 mgd wastewater treatment plant (UMCRWWTF) adjacent to the Falcon Commerce Center, In order to appropriately evaluate the comparable costs of continuing to operate that wastewater treatment plant versus opting into the NMCI system and paying Colorado Springs to treat their wastewater, Triview and FLMD contracted with Carollo to develop a net present values analysis of the total costs required over a twenty year timeframe to operate the UMCRWWTF in compliance with expected regulatory requirements over that timeframe. The preliminary expected costs of the NMCI alternative and the costs developed by Carollo for continuing operation of the UMCRWWTF have been analyzed and the analysis suggests that the net present value costs of the NMCI approach could be substantially lower. As design of the NMCI continues and more certain construction cost estimates are developed, the relative costs of the two scenarios will continue to be evaluated.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net

Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The *Statements of Net Position* present information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information which reflects how the District's net position changed during the past year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

The *Statements of Cash Flows* report the District's cash flows from operating, noncapital financing, and capital and related financing activities.

FINANCIAL SUMMARY AND ANALYSIS

NET POSITION

District assets decreased by approximately \$151 thousand during 2024 while District liabilities increased by approximately \$4.93 million. Thus, the total net position deficit increased by approximately \$5.09 million.

	<u>2024</u>	<u>2023</u>
ASSETS		
Current and other Assets	\$ 1,268,093	\$ 1,134,697
Capital Assets	<u>55,576,504</u>	<u>55,860,934</u>
Total Assets	<u>56,844,597</u>	<u>56,995,631</u>
LIABILITIES		
Long Term Liabilities outstanding	93,322,403	88,297,251
Other liabilities	<u>301,857</u>	<u>387,128</u>
Total Liabilities	<u>93,624,260</u>	<u>88,684,379</u>
NET POSITION		
Net investment in capital assets	5,815,990	7,269,986
Unrestricted	<u>(42,595,653)</u>	<u>(38,958,734)</u>
Total net position	<u>\$ (36,779,663)</u>	<u>\$ (31,688,748)</u>

The District's assets consist largely of capital assets, which include the dams and reservoir sites acquired during 2004, utility tracts in Forest Lakes Filing #1, significant water rights, the District's ownership interest in a jointly owned wastewater treatment plant and the 2010 expansion of that plant, public roads, Dillon well, stormwater drainage systems, water transmission, distribution and treatment systems, wastewater collection systems, both a ground water and a Surface Water Treatment Plant (SWTP) and an ownership share in the recently completed Norther Delivery System. There was little change in total assets for the year. The District's long-term liabilities increased by \$4.93 million in 2024 due to the growing accrued interest on the Water Acquisition Agreement and on developer advances to the District.

The District's net position is comprised of a significant positive level of capital assets, less related debt used to acquire those assets. There was a \$1.45 million decrease in net investment in capital assets in 2024. Unrestricted net position has shown a large negative balance due to the significant amount of accumulated interest on the various obligations to the developer that were incurred in the early years of the District before the initial developer went into bankruptcy and the lending financial institutions failed. There was a \$5.00 million increase in the negative net position at year-end 2024.

CHANGES IN NET POSITION

	<u>2024</u>	<u>2023</u>
OPERATING REVENUE		
Water services	\$ 406,085	\$ 288,068
Wastewater services	289,865	249,060
Augmentation services	16,989	18,099
Landscape Maint. services	77,293	63,094
Other Contract services	1,262,040	895,938
Miscellaneous Income	<u>167</u>	<u>-</u>
Total Operating Revenue	<u>2,052,439</u>	<u>1,514,159</u>
OPERATING EXPENSES		
Facility Maintenance & Operations	1,162,980	945,730
General and Administrative	167,913	173,193
Depreciation	<u>1,438,451</u>	<u>1,068,103</u>
Total Operating Expenses	<u>2,769,344</u>	<u>2,187,026</u>
Operating Income(Loss)	(716,905)	(672,867)
NONOPERATING REVENUE (EXPENSES)		
Interest expense	(5,192,507)	(3,178,838)
Contributions to other governments	<u>-</u>	<u>(9,381,068)</u>
Total non-operating rev(exp)	<u>(5,192,507)</u>	<u>(12,559,906)</u>
(LOSS) BEFORE CONTRIBUTIONS	(5,909,412)	(13,232,773)
Capital Contributions		
Development Fees	<u>818,497</u>	<u>1,259,748</u>
Total Capital Contributions	<u>818,497</u>	<u>1,259,748</u>
CHANGE IN NET POSITION	(5,090,915)	(11,973,025)
NET POSITION (DEFICIT) - BEGINNING OF YEAR	<u>(31,688,748)</u>	<u>(19,715,723)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ (36,779,663)</u>	<u>\$ (31,688,748)</u>

2023

As noted in the financials highlights discussion, lot sales and payment of development fees are brisk for Filing #7. Served residences increased from 326 at year-end 2022 to 372 at year-end 2023. The main sources of operating revenue for 2023 include monthly billing to connected homes for water, wastewater and landscaping services. The moderate increases in operating revenue for water, wastewater and landscaping services reflect the steady growth in homes being served and the approximate 7% increase in rates for all services implemented 1/1/2023. The dollar amounts Forest Lakes Metropolitan District continues to collect for water augmentation services it provides to twelve lakes on the Rampart Range are relatively stable year to year. The category “other contract services” includes revenues collected at the time development fees are paid for the “new tap kit/inspections” fee and administrative charges to the three Pinon Districts for a portion of the costs of the administrative and management services furnished by FLMD to those three taxing Districts and occasionally to help fund capital outlays. Fees from the “new tap kit/inspections” for 2023 increased moderately over 2022 due to the significant home building activity in Filing #7. For 2023, administrative charges for Pinon Pines Metropolitan District #3 were increased by \$300,000 to help fund capital needs.

Facilities Maintenance and Operations expenses increased modestly and Administrative and General Expenses for 2023 were very similar to 2022 levels. Depreciation expense increased moderately over 2022. Interest expense on the developer advances increased materially during 2023 due to the significant increase in developer advance liabilities which occurred at year-end 2022. The loss before capital contributions increased significantly for 2023 due to the large “contribution to other governments” as a result of the roads dedication.

During 2023, the District recorded cash contributions from development fee payments of \$1,259,748 from the home building in Filings #6 and #7 and the commercial development in the FCC.. Due to the effect of the annual operating and non-operating losses and the significant “contribution to other governments” for the roads, the deficit in net position has increased from a deficit of \$19.716 million at the end of 2021 to a deficit of \$31.689 million by year end 2023.

2024

Lot sales and payment of development fees for the West Valley were somewhat above budgeted amounts for 2024 but substantially below the levels for 2023.. Served residences increased from 372 at year-end 2023 to 435 at year-end 2024. The main sources of operating revenue for 2024 include monthly billing to connected homes for water, wastewater and landscaping services. The moderate increases in operating revenue for water, wastewater and landscaping services reflect the steady growth in homes being served and the approximate 7% increase in rates for all services implemented 1/1/2024. Water revenues also reflect significantly higher revenues for outdoor irrigation due to the summer weather conditions. The dollar amounts Forest Lakes Metropolitan District continues to collect for water augmentation services it provides to twelve lakes on the Rampart Range are relatively stable year to year. The category “other contract services” includes revenues collected at the time development fees are paid for the “new tap kit/inspections” fee and administrative charges to the three Pinon Districts for a portion of the costs of the administrative and management services furnished by FLMD to those three taxing Districts and occasionally to help fund capital outlays. For 2024, administrative charges for Pinon Pines Metropolitan District #3 were increased by \$300,000 to help fund capital needs.

Facilities Maintenance and Operations expenses increased moderately and Administrative and General Expenses for 2024 were very similar to 2023 levels. Depreciation expense increased moderately over 2023. Interest expense on the developer advances increased materially during

2024 due to the significant increase in developer advance liabilities which occurred at year-end 2023. The loss before capital contributions decreased significantly for 2024 due to the absence of any “contribution to other governments” as a result of no roads dedication for 2024.

During 2024, the District recorded cash contributions from development fee payments of \$818,497 from the home building in mainly Filing #7. Due to the effect of the annual operating and non-operating losses, the deficit in net position has increased from a deficit of \$31.689 million at the end of 2023 to a deficit of \$36.780 million by year end 2024.

State legislation enacted late in 2024 was directed at restricting the growth in property tax revenues. HB24B-1001 modified the annual property tax revenue limit for local governments (excluding school districts) from 5.5% to 5.25% multiplied by the number of property tax years in the reassessment cycle (two years x 5.25% - 10.5%). The property tax revenue limit takes effect starting in Property Tax Year 2025.

The law authorizes a local government entity’s governing body to submit to the local government entity’s electors the question of whether the entity may waive the property tax limit established by the law for a single year, period of years, or all future years. Forest Lakes Metropolitan District held an election on May 6, 2025 at which the eligible electors of the Forest Lakes Metropolitan District voted to waive the property tax limit set forth in HB24B-1001 for all future years.

BUDGETARY HIGHLIGHTS

The 2024 District budget appropriated \$7.89 million in expenditures which included over \$5.19 million in interest expense on developer advances and \$1.24 million in capital outlays and \$1.33 million in O&M expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets at December 31, 2024 and 2023 amounted to \$55,576,504 and \$55,860,934 (net of accumulated depreciation), respectively. This investment in capital assets includes both the original and expanded wastewater plant, dams, the water flow measuring device, water rights, land, stormwater drainage systems, Dillon, Arapahoe and Denver wells, water transmission, distribution and treatment systems, wastewater collection systems, parks & trails, roadway landscaping, water meters and the Well-Head and Surface water treatment plants and construction in progress. Analysis of changes in capital assets is as follows:

	<u>2024</u>	<u>2023</u>
Wastewater Plant	\$ 4,554,395	\$ 4,554,395
Parks & Trails	2,412,788	2,246,553
Landscaping	3,462,577	3,462,577
Water Meters	288,206	277,339
Wastewater collection system	6,245,089	6,282,151
Dams	3,024,560	3,024,560
Stormwater drainage systems	13,208,744	13,208,744
Water transmission – NDS	1,026,253	-

Wells	2,648,135	1,465,953
Water Flow Measuring Device	9,037	9,037
Water tank	2,365,329	2,365,329
Well-head treatment plant	912,914	912,914
Water transmission & distribution lines	6,932,797	6,895,735
Irrigation System	57,559	57,559
Water rights	8,107,598	8,107,598
Land	383,280	383,280
Surface Water Treatment Plant	9,783,029	9,783,029
Construction in Progress	126,862	1,358,378
Accumulated Depreciation	<u>(9,972,648)</u>	<u>(8,534,197)</u>
Total Capital assets	<u>\$ 55,576,504</u>	<u>\$ 55,860,934</u>

Additional information on the District's capital assets can be found in the notes to financial statements on pages 9 and 10.

Outstanding Long Term Liabilities

At December 31, 2024 and 2023, the District had \$93,222,403 and \$88,297,251 in long term liabilities outstanding. The detail of outstanding long term liabilities is as follows:

	<u>2024</u>	<u>2023</u>
Funding Agreements	\$ 58,939,570	\$ 58,939,570
Water rights liability	5,840,250	5,840,250
Pre-paid tap fee liability	540,710	708,065
Accrued Interest	<u>28,001,873</u>	<u>22,809,366</u>
Total Outstanding Liabilities	<u>\$ 93,222,403</u>	<u>\$ 88,297,251</u>

Additional information on the District's long-term liabilities can be found in the notes to financial statements on pages 11 through 12.

In 2008, the First Amendment to the Water Acquisition Agreement of 2006 reduced the District's obligation under that agreement by \$1.785 million as a result of the transfer of 713.9 acre feet of District owned groundwater rights to the developer. In 2021, the Second Amendment to the Water Acquisition Agreement of 2006 increased the District's obligation under that Agreement by \$685,000 as a result of the transfer of 274 acre feet of water rights from the developer to the District. Through 2022, the District continued to accrue interest annually on the outstanding Developer Advance obligations. In 2017, 2018 and 2019, the level of the prepaid tap fee liability was reduced based on a payment to Forest Lakes LLC pursuant to its Reconciliation Agreement with Forest Lakes LLC. Due to the very minimal home building in 2020, no payment was triggered to the Developer to further reduce that liability. In 2021, a payment of \$185,950 to the developer reduced the prepaid tap liability to \$1,154,345. In 2022, a payment of \$204,546 to the developer reduced the prepaid tap liability to \$949,800. In 2023, a payment of \$ 241,735 to the developer reduced the liability to \$708,065. In 2024, a payment of \$167,355 to the developer reduced the liability to \$540,710.

REQUESTS FOR INFORMATION

This financial report is designed to give its readers a general overview of the District's finances. Questions regarding any information contained in this report or request for additional financial

information should be addressed to: Ann Nichols, District Manager, 2 North Cascade Avenue, Suite 1280, Colorado Springs, CO 80903.

BASIC FINANCIAL STATEMENTS

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FOREST LAKES METROPOLITAN DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and investments	\$ 1,079,745	\$ 929,971
Receivables	77,885	85,311
Inventory	70,580	81,447
Prepaid items	39,883	37,968
Total current assets	1,268,093	1,134,697
Capital assets		
Capital assets not being depreciated	8,617,740	9,849,256
Capital assets being depreciated, net	46,958,764	46,011,678
Total capital assets	55,576,504	55,860,934
Total assets	56,844,597	56,995,631
LIABILITIES		
Current liabilities		
Accounts payable	301,857	387,128
Long-term liabilities		
Accrued interest	28,001,873	22,809,366
Funding agreements	58,939,570	58,939,570
Water rights liability	5,840,250	5,840,250
Prepaid tap fee liability	540,710	708,065
Total long-term liabilities	93,322,403	88,297,251
Total liabilities	93,624,260	88,684,379
NET POSITION		
Net investment in capital assets	5,815,990	7,269,986
Unrestricted	(42,595,653)	(38,958,734)
Total net position	\$ (36,779,663)	\$ (31,688,748)

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

FOREST LAKES METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Charges for services:		
Water service	\$ 406,085	\$ 288,068
Wastewater service	289,865	249,060
Augmentation service	16,989	18,099
Landscaping maintenance service	77,293	63,094
Other contract services	1,262,040	895,838
Miscellaneous	<u>167</u>	<u>-</u>
Total operating revenues	<u>2,052,439</u>	<u>1,514,159</u>
Operating expenses:		
Facility maintenance and operations	1,162,980	945,730
Administration	167,913	173,193
Depreciation	<u>1,438,451</u>	<u>1,068,103</u>
Total operating expenses	<u>2,769,344</u>	<u>2,187,026</u>
Operating loss	<u>(716,905)</u>	<u>(672,867)</u>
Nonoperating revenues (expenses):		
Interest expense	(5,192,507)	(3,178,838)
Contributions to other government	<u>-</u>	<u>(9,381,068)</u>
Total non-operating revenue (expenses)	<u>(5,192,507)</u>	<u>(12,559,906)</u>
Income before capital contributions	<u>(5,909,412)</u>	<u>(13,232,773)</u>
Capital contributions		
Development fees	<u>818,497</u>	<u>1,259,748</u>
Total capital contributions	<u>818,497</u>	<u>1,259,748</u>
Change in net position	(5,090,915)	(11,973,025)
Net position (deficit) - beginning	<u>(31,688,748)</u>	<u>(19,715,723)</u>
Net position (deficit) - ending	<u><u>\$ (36,779,663)</u></u>	<u><u>\$ (31,688,748)</u></u>

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

**FOREST LAKES METROPOLITAN DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,059,698	\$ 1,740,853
Other receipts	167	-
Payments to suppliers and service providers	(1,391,666)	(1,059,777)
Net cash provided by operating activities	668,199	681,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from development fees	651,142	1,018,013
Proceeds from funding agreement	-	24,993,519
Payment to other government	-	(9,381,068)
Acquisition and construction of capital assets	(1,169,567)	(16,701,542)
Net cash used by capital and related financing activities	(518,425)	(71,078)
Increase in cash and cash equivalents	149,774	609,998
Cash and cash equivalents, beginning of year	929,971	319,973
Cash and cash equivalents, end of year	\$ 1,079,745	\$ 929,971

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

**FOREST LAKES METROPOLITAN DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (716,905)	\$ (672,867)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,438,451	1,068,103
Change in assets and liabilities:		
Decrease (increase) in assets:		
Receivables	7,426	226,693
Inventory	10,867	17,654
Prepaid expense	(1,915)	(4,809)
(Decrease) increase in liabilities:		
Accounts payable related to operations	(69,725)	46,302
Total adjustments	1,385,104	1,353,943
Net cash provided by operating activities	\$ 668,199	\$ 681,076

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

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NOTES TO FINANCIAL STATEMENTS

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**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles as applied to local governments and promulgated by the Governmental Accounting Standards Board (GASB). A summary of the significant accounting policies used in the preparation of these financial statements follows.

A. REPORTING ENTITY

Forest Lakes Metropolitan District (the District) is a quasi-municipal corporation, governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado. A portion of the District has been annexed into the Town of Monument. The District was established to provide water and sanitary sewer service, park and recreational facilities, safety protection, street improvements, transportation, and mosquito control services to the properties within the District boundaries.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The District has no component units for which either discrete or blended presentation is required.

B. BASIS OF PRESENTATION—FINANCIAL STATEMENTS

The basic financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) report information on all of the non-fiduciary activities of the District.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District accounts for all of its activities in a single proprietary – enterprise fund for its activities which are similar to those found in the private sector, where the determination of changes in net position is necessary or useful to sound financial administration. The business type activities of the District rely significantly upon service charges.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION

Cash and cash equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Accounts receivable

The accounts receivable are due from customers for the purchase of water. An allowance for doubtful accounts is not required as the District considers all receivables to be collectible.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Prepaid expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2024 and 2023, are recorded as prepaid items.

Capital assets

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

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

Depreciation of the wastewater plant, dams, equipment, and wells is computed using the straight-line method over the estimated useful lives as follows:

Wastewater plant	40 years
Dams	30 - 100 years
Water flow measuring device and water tank	33 1/3 years
Storm-water drainage system and wells	50 years
Wastewater collection system	25 – 100 years
Water distribution system	100 years
Well-head treatment plant	25 years
Surface-water treatment plant	20-40 years

When depreciable property is acquired, depreciation is included in expense for the year of acquisition for the number of months during the year the asset was in service. When depreciable property is retired or otherwise disposed of, depreciation is included in expense for the number of months in service during the year of retirement and the related costs and accumulated depreciation are removed from the accounts with any gain or loss reflected in the statement of revenue, expenses and changes in fund net position.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of water rights includes acquisition, legal and engineering costs related to the development and augmentation of these rights. Since the rights have a perpetual life, they are not amortized. All other costs, including costs incurred for the protection of these rights, are expensed.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

E. REVENUES AND EXPENSES

Operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the fund are water and other contract services. Operating expenses include all expenses incurred to provide contract services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

F. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

In accordance with the State Budget Law, the District’s Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District’s Board of Directors can modify the budget by line item within the total appropriation with notification. The appropriation can only be modified upon completion of notification and publication requirements.

NOTE 3 - DEPOSITS AND INVESTMENTS

DEPOSITS

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

As of December 31, 2024 and 2023, the carrying amounts of the District’s deposits were \$1,079,745 and \$929,971, respectively, and the bank balances were \$1,187,371 and \$1,210,919, respectively. \$250,000 and \$250,000 of bank balances were covered by FDIC insurance at December 31, 2024 and 2023, respectively.

INVESTMENTS

The District is authorized by Colorado Statutes to invest in the following:

- Bonds and other interest-bearing obligations of the United States government.
- Bonds and other interest-bearing obligations which are guaranteed by the United States government.
- Bonds which are a direct obligation of the State of Colorado, or of any city, county or school district therein.
- Notes or bonds issued to the “National Housing Act”.
- Repurchase agreements.
- Local government investment pools.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Water rights	\$ 8,107,598	\$ -	\$ -	\$ 8,107,598
Land	383,280	-	-	383,280
Construction in progress	1,358,378	976,921	(2,208,437)	126,862
Total capital assets, not being depreciated	9,849,256	976,921	(2,208,437)	8,617,740
Capital assets, being depreciated				
Wastewater plant	4,554,395	-	-	4,554,395
Parks & trails	2,246,553	166,235	-	2,412,788
Landscaping	3,462,577	-	-	3,462,577
Service water meters	277,339	10,867	-	288,206
Dams	3,024,560	-	-	3,024,560
Stormwater drainage system	13,208,744	-	-	13,208,744
Water transmission - NDS	-	1,026,253	-	1,026,253
Wells	1,465,953	1,182,182	-	2,648,135
Water flow measuring device	9,037	-	-	9,037
Wastewater collection system	6,282,151	-	(37,062)	6,245,089
Water distribution system	6,895,735	37,062	-	6,932,797
Water tank	2,365,329	-	-	2,365,329
Well-head treatment plant	912,914	-	-	912,914
Irrigation system	57,559	-	-	57,559
Surface water treatment plant	9,783,029	-	-	9,783,029
Total capital assets, being depreciated	54,545,875	2,422,599	(37,062)	56,931,412
Less accumulated depreciation	(8,534,197)	(1,438,451)	-	(9,972,648)
Total capital assets, being depreciated, net	46,011,678	984,148	(37,062)	46,958,764
Total capital assets, net	\$55,860,934	\$ 1,961,069	\$ (2,245,499)	\$55,576,504

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Water rights	\$ 8,107,598	\$ -	\$ -	\$ 8,107,598
Land	383,280	-	-	383,280
Construction in progress	552,368	806,010	-	1,358,378
Total capital assets, not being depreciated	9,043,246	806,010	-	9,849,256
Capital assets, being depreciated				
Wastewater plant	4,554,395	-	-	4,554,395
Parks & trails	2,226,595	19,958	-	2,246,553
Landscaping	2,128,038	1,334,539	-	3,462,577
Service water meters	221,940	55,399	-	277,339
Dams	3,024,560	-	-	3,024,560
Stormwater drainage system	5,585,584	7,623,160	-	13,208,744
Wells	1,434,953	31,000	-	1,465,953
Water flow measuring device	9,037	-	-	9,037
Wastewater collection system	3,343,493	2,938,658	-	6,282,151
Water distribution system	4,518,306	2,377,429	-	6,895,735
Water tank	898,287	1,467,042	-	2,365,329
Well-head treatment plant	912,914	-	-	912,914
Irrigation system	57,559	-	-	57,559
Surface water treatment plant	9,783,029	-	-	9,783,029
Total capital assets, being depreciated	38,698,690	15,847,185	-	54,545,875
Less accumulated depreciation	(7,466,094)	(1,068,103)	-	(8,534,197)
Total capital assets, being depreciated, net	31,232,596	14,779,082	-	46,011,678
Total capital assets, net	\$40,275,842	\$15,585,092	\$ -	\$55,860,934

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 – LONG TERM OBLIGATIONS

Funding agreements

The District has entered into Funding Agreements with the Developer (see Note 8) to advance funds to the District for capital and operations and maintenance expenses to enable the District to provide services. The District will repay the Developer to the extent that the funds are available or, at the discretion of the District, from available bond proceeds. Simple interest accrues from the date each developer advance is received at 8% per annum.

Prepaid taps

In the Funding Reconciliation Agreement dated September 4, 2003 and effective December 31, 2002, the District confirmed an obligation to entitle the Developer (see Note 8) to ownership of combined water and sewer taps worth \$2,816,640. By acceptance of the tap fee obligation, the Developer has agreed that the prepaid taps will be the only obligations carried over from the previous funding agreements (as more fully described in the Fund Reconciliation Agreement dated September 4, 2003) and that the Developer shall not seek any reimbursement or credit from the District with respect to the funding agreements other than for prepaid tap fees. The prepaid tap fee liability represents the accumulated developer advances and the acquisition of water rights at the actual or estimated values as of the date of the transactions. During 2024, building activity allowed for the liquidation of \$167,355 in tap fee liability.

Water rights

Under an Assignment and Assumption Agreement dated October 28, 2003, the Developer assigned certain water rights to the District. Subsequently, it was determined that it was in the best interest of the District to reimburse the Developer for that portion of the water rights already assigned to the District by the Developer. Accordingly, on August 1, 2006, the District entered into a Water Acquisition Agreement with the Developer totaling \$6,940,000 for reimbursement of these water rights and for the transfer of water rights not previously assigned to the District. Simple interest accrues from the date of the agreement at 8% per annum

Under the First Amendment to Water Acquisition Agreement dated December 31, 2008, the District transferred certain water rights originally acquired by the District in the 1980's, back to the Developer. The water rights transferred reduced the amount owed for the reimbursement of the original agreement by \$1,784,750, based on the appraised value of the water rights at the time of transfer. Simple interest will continue to accrue on the new principal balance of \$5,840,250 at 8% per annum.

Under the Second Amendment to the Water Acquisition Agreement dated May 3, 2021, the Developer agreed to transfer an additional 274 acre-feet of water rights to the District.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 5 – LONG TERM OBLIGATIONS (CONTINUED)

Changes in Long-term Obligations

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Funding agreements	\$58,939,570	\$ -	\$ -	\$58,939,570	\$ -
Prepaid tap fee liability	708,065	-	(167,355)	540,710	-
Water rights liability	5,840,250	-	-	5,840,250	-
Accrued interest	22,809,366	5,192,507	-	28,001,873	-
 Total loans and accrued interest payable	 <u>\$88,297,251</u>	 <u>\$ 5,192,507</u>	 <u>\$ (167,355)</u>	 <u>\$93,322,403</u>	 <u>\$ -</u>

NOTE 6 – NET POSITION

Net position is reported in three separate categories—net investment in capital assets, net position-restricted, and net position-unrestricted.

Net investment in capital assets consists of capital assets net of accumulated depreciation and capital-related deferred outflows of resources; reduced by borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2024 and 2023, net investment in capital assets was as follows:

	2024	2023
Net investment in capital assets:		
Capital assets, net of accumulated depreciation	\$ 55,576,504	\$ 55,860,934
Estimated principal portion of long-term obligations	(49,760,514)	(48,590,948)
 Total net investment in capital assets	 <u>\$ 5,815,990</u>	 <u>\$ 7,269,986</u>

Net position-restricted is the difference between non-capital assets whose use is restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation, and related liabilities and deferred inflows of resources (excluding capital-related borrowings).

Any portion of net position not already classified as either net investment in capital assets or net position-restricted, is automatically classified as net position-unrestricted.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool) as of December 31, 2024. The Pool is an organization created by an intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and worker's compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 8 - RELATED PARTIES

In 2015, the developer entities (Developers) associated with the District were modified to add an additional entity called Forest Lakes Residential Development LLC. In 2017, the Developers created FLRD #2 LLC to develop the Phase 2 land. All current board members are employees of one of the partners of these LLCs.

Under Funding Agreements the District had received advances from the Developers as of December 31, 2024 and 2023 totaling \$58,939,570 and \$58,939,570, respectively. Accrued interest on the Funding Agreements as of December 31, 2024 and 2023 totaled \$19,873,390 and \$15,149,383, respectively (see Note 5).

In the Funding Reconciliation Agreement dated September 4, 2003 and effective December 31, 2002, the District confirmed an obligation to entitle the Developers to ownership of 216 combined water and sewer taps (see Note 5).

Under the August 1, 2006 Water Acquisition Agreement, the District agreed to reimburse the Developers for water rights valued at \$6,940,000. The reimbursement was reduced by \$1,099,750 under amendments to the original agreement. Accrued interest on this obligation as of December 31, 2024 and 2023 totaled \$8,128,483 and \$7,659,983, respectively (See Note 5).

The developer has helped finance public improvements benefitting the District and the Pinon Pines Districts. All developer funding agreements are subject to annual appropriation and do not constitute a multiple fiscal year obligation, and the District is not required to reimburse the Developer thereunder unless and until funds are available. In the event the District is unable to reimburse the Developer for developer advances or the acquisition of project improvements within thirty or forty years of the date of the advancement in accordance with the respective agreement, any amount of principal and accrued interest outstanding at such time shall be deemed to be forever discharged and satisfied in full.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 – INTERGOVERNMENTAL AGREEMENTS

Intergovernmental agreement with Triview Metropolitan District

On March 28, 2002, the District entered into an agreement with Triview Metropolitan District (Triview) to jointly design, construct, operate and own the Monument Creek Interceptor (Interceptor). The costs of design and construction of the project are paid equally by Triview and the District. In accordance with the agreements, the District has 37% ownership and Triview has 63% ownership in the Interceptor. Initially, Triview will operate and manage the Interceptor via a management contract with Donala Water & Sanitation District (Donala). The costs of such management and operation of the interceptor will be paid on a quarterly basis in direct proportion to the use of the wastewater or re-use lines, based on actual flows.

Effective January 1, 2022, the District entered into an agreement with Triview Metropolitan District to receive water and wastewater operating services, as well as related administration services.

Intergovernmental agreement with Triview Metropolitan District and Donala Water and Sanitation District

The District entered into an agreement dated November 11, 1999, subsequently amended on October 25, 2001, with Triview and Donala to define ownership rights in the wastewater treatment plant. Prior to these agreements, the District owned approximately 60% and Triview owned approximately 40% of the treatment facility under an agreement dated August 19, 1986. Under the amended agreement the District and Triview transferred part ownership to Donala.

In 2009 the Districts completed an expansion of the plant to 1.75 MGD. Under the terms of the above agreements, the three Districts reallocated ownership. The current ownership is 44.0% owned by Triview, 17.1% by Forest Lakes, and 38.9% by Donala. The plant is currently being operated by Donala and all parties are responsible for their respective share of operations and maintenance costs, based on the relative share of actual flows.

In addition, in accordance with the November 11, 1999 agreement, an ownership interest in a 24" interceptor was transferred to the District. As a result of the transfer, the interceptor is owned 25% by the District, 50% by Triview, and 25% by Donala.

Town of Monument Intergovernmental Agreements

On January 9, 1989, the District and the Town of Monument agreed to certain responsibilities regarding the ownership and operations of facilities the District is empowered to construct and operate within the Town of Monument and the allocation of certain sales tax revenues to the District. On July 18, 2005, the District and the Town of Monument amended the original agreement to allow for the assessment of a Public Improvement Fee, which Pinon Pines Metropolitan District No. 3 collects, and will replace the sales tax revenues allocated to the District.

On August 15, 2007, the District and the Town entered into an easement agreement, for the construction and use of a water tank storage unit. This agreement allows for the construction of a 1.5MG water tank, with 1MG capacity funded by the District and .5MG capacity funded by the Town. The Town's share of the construction costs is in exchange for use of the additional capacity, and the District retains ownership of the entire water tank. In accordance with the agreement, the Town shall pay its share of the construction costs to the District periodically as the District receives invoices for costs associated with the water tank.

**FOREST LAKES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 9 – INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

Intergovernmental Agreement with Pinon Pines Metropolitan District Nos. 1, 2 and 3

In order to fulfill the requirements of the service plan, the District entered into a Facilities Funding, Construction, and Operations Agreements with the Pinon Pines Metropolitan District Nos. 1, 2, and 3 (the Pinon District), effective July 19, 2004. This agreement shall remain in full force and effect until all of the terms and conditions of the agreement have been performed in their entirety and as long as any bonds or other obligations are outstanding. On October 6, 2016, the District entered into an intergovernmental agreement with the Pinon District pertaining to the issuance of Series 2016 Bonds by Pinon Pines Metropolitan District No. 1. On September 30, 2020, the District entered into an intergovernmental agreement with the Pinon District pertaining to the issuance of Series 2020 Bonds by Pinon Pines Metropolitan District No. 2 (Pinon Pines 2). Under the terms of this agreement, Pinon Pines 2 contributed \$6,148,884 to the District to pay down accrued interest on developer funding agreements.

The District will own, operate, maintain, finance, and construct facilities benefiting all of the districts, and the Pinon Districts will contribute to the costs of construction, operation, and maintenance of such facilities.

The District will have little or no assessed valuation within its boundaries from which general obligations could be paid, and therefore may issue revenue bonds. The Pinon Districts will either issue general obligation bonds at various points in time and use such proceeds to pay their obligations to the District, refinance previously issued revenue bonds of the District, or pledge their ad valorem tax revenues to the repayment of revenue bonds issued by the District.

The service plans approve and voters within the Pinon Districts have authorized \$354,900,000 of debt. \$8,330,000 in General Obligation Limited Tax Bonds were issued in October 2016 by Pinon Pines Metropolitan District No. 1. The bonds were used to repay 1987B Bond Anticipation Notes. Pinon Pines Metropolitan District No. 2 issued \$7,560,000 in General obligation Limited Tax bonds in September 2020. The bonds were used to pay down the accrued interest on the Funding Agreement between the District and it's developers.

NOTE 10 - AMENDMENT TO COLORADO CONSTITUTION

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

Fiscal year spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

On November 4, 2003, a majority of the District's electors authorized the District to collect, retain, and spend all fees, grants and other revenues, other than ad valorem taxes, without any limitations imposed under TABOR.

The Amendment is complex and subject to judicial interpretation. The entity believes it is in compliance with the requirements of the amendment. However, the entity has made certain interpretations of the amendment's language in order to determine its compliance.

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SUPPLEMENTARY INFORMATION

FOREST LAKES METROPOLITAN DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	Actual	Budget	Variance Favorable (Unfavorable)
REVENUES			
Beginning fund balance	\$ 747,569	\$ 445,592	\$ 301,977
Water service	406,085	356,702	49,383
Wastewater service	289,865	273,620	16,245
Augmentation service	16,989	13,000	3,989
Landscaping maintenance service	77,293	74,688	2,605
Other contract services	1,262,040	1,259,350	2,690
Advance interest	-	5,192,507	(5,192,507)
Capital contributions	818,497	650,825	167,672
Miscellaneous	167	-	167
	3,618,505	8,266,284	(4,647,779)
EXPENDITURES			
Facility maintenance and operations	1,162,980	1,061,070	(101,910)
Administration	167,913	265,267	97,354
Capital outlay	1,154,021	1,240,000	85,979
Payment of prepaid tap liability	167,355	130,165	(37,190)
Interest expense	-	5,192,507	5,192,507
Reserves	-	1,614	1,614
	2,652,269	7,890,623	5,238,354
EXCESS OF EXPENDITURES OVER			
REVENUES	966,236	\$ 375,661	\$ 590,575
Less:			
Depreciation	(1,438,451)		
Accrued interest	(5,192,507)		
Beginning fund balance	(747,569)		
Add:			
Capital outlay	1,154,021		
Payment of prepaid tap liability	167,355		
CHANGE IN NET POSITION	\$ (5,090,915)		
Ending fund balance is calculated as follows:			
Current assets	\$ 1,268,093		
Current liabilities	(301,857)		
	\$ 966,236		

See the accompanying independent auditors' report.

APPENDIX E

TRIVIEW METROPOLITAN DISTRICT FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this “Undertaking”) is executed and delivered, as of July __, 2026, by Triview Metropolitan District (the “District”), in the Town of Monument, El Paso County, Colorado, in connection with the issuance of the District’s \$32,015,000* Water and Wastewater Enterprise Revenue Bonds, Second Lien Series 2026 (the “Bonds”), dated as of the date of delivery. The Bonds are being issued pursuant to a Resolution adopted by the District’s Board of Directors (the “Resolution”) prior to the issuance of the Bonds. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution.

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the owners thereof, the District hereby covenants and agrees as follows:

Section 1. Purpose of this Undertaking. This Undertaking is executed and delivered by the District as of the date set forth below, for the benefit of the holders and owners (the “Bondholders”) of the Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

Section 2. Definitions. The terms set forth below shall have the following meanings in this Undertaking, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the District, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the District and any successor agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Material Event*” means the occurrence of any of the events with respect to the Bonds set forth in Exhibit II.

* Preliminary; subject to change.

“*Material Events Disclosure*” means dissemination of a notice of a Material Event as set forth in Section 5.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Bonds.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2 12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The base CUSIP[®] of the Bonds is 89686A.¹ The final Official Statement relating to the Bonds is dated July __, 2026 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 10 of this Undertaking, the District hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the District’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB on or before September 30 after the completion date of the District’s fiscal year, beginning with fiscal year ending December 31, 2025.

The District is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Undertaking, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 10 of this Undertaking, the District hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Undertaking any earlier than the notice, if any, of such redemption or defeasance is

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

given to the owners of the Bonds pursuant to the Resolution. From and after the Effective Date, the District is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Undertaking.

Section 6. Duty To Update EMMA/MSRB. The District shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the District to Provide Information. The District shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Undertaking, the Bondholder of any Bond may seek specific performance by court order to cause the District to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an Event of Default under the Resolution or any other agreement, and the sole remedy under this Undertaking in the event of any failure of the District to comply with this Undertaking shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Undertaking, the District may amend this Undertaking, and any provision of this Undertaking may be waived, if:

- (a) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District or type of business conducted;
- (b) this Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the amendment or waiver does not materially impair the interests of the Bondholders of the Bonds, as determined either by parties unaffiliated with the District or the District (such as the Paying Agent) or by an approving vote of the Bondholder Representative or of the Bondholders of the Bonds holding a majority of the aggregate principal amount of the Bonds (excluding Bonds held by or on behalf of the District or its affiliates) at the time of the amendment, pursuant to the terms of the Resolution; or
- (d) the amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the District shall be terminated hereunder when the District shall no longer have any legal liability under the terms of the Resolution pursuant to the terms of the Resolution for any obligation on or relating to the repayment of the Bonds. The District shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Dissemination Agent shall transmit all information delivered to it by the District hereunder to the MSRB as provided in this Undertaking. The District may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Undertaking, the District shall not have any obligation under this Undertaking to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Undertaking has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, if any, the District, the Bondholder Representative and the Bondholders of the Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The District shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Assignment. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Undertaking or to execute a continuing disclosure agreement under the Rule.

Section 15. Governing Law. This Undertaking shall be governed by the laws of the State.

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EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data, exclusive of Audited Financial Statements, of the type appearing or incorporated by reference in the tables set forth below.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The District shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB on or before September 30 following the last day of the District’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the District.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Undertaking, including for this purpose a change made to the fiscal year-end of the District, the District will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

TABLES TO BE UPDATED

**History of Net Pledged Revenue and
Pro-forma Debt Service Coverage**

Gross Pledged Revenues	20[]
Water Sales ¹	\$
Tap Fees ²	
Payment In Lieu of Fees	
Sewer Charges ³	
Interest, Miscellaneous and Other Fees ⁴	
Total Gross Pledged Revenues	
Operation & Maintenance Expenses	
Water System	
Sewer System	
General and Administrative	
Total Operation and Maintenance Expense	
Net Pledged Revenue	
First Lien Obligations Maximum Annual Debt Service Requirement ⁵	\$
First Lien Coverage Ratio	x
Balance of Net Pledge Revenue after First Lien Allocation	\$
Second Lien Bonds Supplemental Net Pledged Revenue ⁶	\$
Net Pledged Revenue for the Second Lien Bonds	\$
Second Lien Bonds Maximum Annual Debt Service Requirement ⁷	\$
Bonds Coverage Ratio	x

¹ In addition to water sales, includes revenue from water base rates and charges (i.e. charged monthly for service) as well as bulk water and lease revenues.

² Net of amounts required to be reimbursed to developers. Additionally, investors should be aware that tap fees are one-time fees directly tied to new development, which may or may not continue to occur in future years. Tap Fees are excluded from the rate maintenance covenant provided for in the First Lien Resolutions for the First Lien Obligations.

³ Includes revenues from sewer rates and charges (i.e. charges for service).

⁴ Includes penalties, review and comment fees, etc. Also includes fees paid to the District by Forest Lakes pursuant to an intergovernmental agreement for contract operations services. Does not include developer contributions for specific projects.

⁵ Represents maximum annual debt service requirements of the Series 2018 Bonds, the Series 2020 Bonds, the Series 2020B Bonds, and the CWCB 2022 Loan. See “THE BONDS—Debt Service Requirements.”

⁶ Represents the actual Monument Initiative 2A Sales Tax Share revenues received by the District in the respective calendar years. The Monument Initiative 2A Sales Tax Share revenues supplement, and comprise part of, the Net Pledged Revenues securing the Second Lien Bonds commencing in calendar year 2026. Revenues from the Forest Lakes IGA Note also will comprises supplemental security for the Second Lien Bonds but have not been represented in this Debt Service Coverage Table.

⁷ Represents the estimated maximum annual debt service requirements of the Bonds. See “THE BONDS—Debt Service Requirements.”

⁸ Unaudited figures as of December 31, 2025.

Sources: Derived from the District’s audited financial statements for fiscal years 2020-2024; and the District

History of District Customer Accounts

Year	Water Customers		Wastewater Customers	
	Residential	Commercial ¹	Residential	Commercial
20[]				

History of Revenues for Water and Sewer Service

Year	Water Sales	Sewer Charges
20[]	\$	\$

Largest System Customers ¹

Customer	Consumption (000 gallons)	Total Service Charges Paid	Percent of Total Charges
[]			
[]			
[]			
[]			
[]			
[]			
[]			
[]			
[]			
Total		\$	%

¹ Based on total water and wastewater service charge revenue of [] for 20[].

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies.
2. Nonpayment-related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the District.*
13. The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
14. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material.
15. Incurrence of a Financial Obligation² of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District, any of which reflect financial difficulties.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

² “Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into, in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities (as defined in the Securities Exchange Act of 1934) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

Population

The following tables set forth population statistics for the Town of Monument (the “Town”), El Paso County (the “County”), and the State of Colorado (the “State”).

Population						
Year	Town	Percent Change	County	Percent Change	State	Percent Change
1980	690	--	309,424	--	2,889,964	--
1990	1,020	47.83%	397,014	28.31%	3,294,394	13.99%
2000	1,971	93.24	516,929	30.20	4,301,261	30.56
2010	5,530	180.57	622,263	20.38	5,029,196	16.92
2020	10,399	88.05	733,804	17.93	5,787,129	15.07
2024 ¹	13,408	28.94	752,772	2.58	5,957,493	2.94

¹ Estimate, and the most recent information available as of the date of this Official Statement.
Sources: U.S. Department of Commerce, Bureau of the Census

Housing Stock

The following table sets forth a comparison of households within the Town, County and the State.

Housing Units				
	2010	2020	Percent Change	2024 ¹
Town	1,884	3,785	100.90%	4,930
County	252,852	287,461	13.69	316,964
State	2,212,898	2,491,404	12.59	2,676,415

¹ Figures are estimates and the most-current information available as of the date of this Official Statement.
Source: U.S. Department of Commerce, Bureau of the Census, and Colorado Department of Local Affairs, State Demography Office

Income

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

Per Capita Personal Income ¹

	2020	2021	2022	2023	2024
County	\$54,293	\$59,550	\$61,728	\$65,598	\$68,934
State	64,704	71,928	76,685	80,169	83,055
United States	59,151	64,692	66,298	70,002	73,204

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

School Enrollment

The following table presents a five-year history of school enrollment for Lewis-Palmer School District No. 38, the school district serving that portion of the Town containing the property within the boundaries of the District.

Lewis-Palmer School District No. 38 Historical District Enrollment

School Year	Enrollment	Percent Change
2021/2022	6,637	--
2022/2023	6,648	0.17%
2023/2024	6,545	(1.55)
2024/2025	6,534	(0.17)
2025/2026	6,318	(3.31)

Source: Colorado Department of Education

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Building Permit Activity

Set forth hereafter is a five-year history of building activity for the Town and County.

History of Estimated Building Activity in the Town

Year	Single-Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2021	269	\$117,162,112	17	\$25,924,000	91	\$36,742,406
2022	208	103,409,565	7	508,000	44	3,166,173
2023	278	125,137,318	40	36,667,435	66	59,441,957
2024	193	117,757,183	--	--	70	26,672,223
2025	140	95,966,291	9	51,171,154	9	92,380,043
2026 ¹	109	76,050,766	35	16,132,473	51	12,877,783

¹ Permits filed through May 31, 2026.

Source: Pikes Peak Regional Building Department

History of Estimated Building Activity in the County

Year	Single-Family		Multi-Family		Commercial/Industrial	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2021	4,356	\$1,730,568,441	830	\$844,745,369	300	\$293,154,866
2022	3,070	1,264,603,164	666	882,689,538	258	399,880,653
2023	2,259	1,087,320,980	470	557,198,239	191	405,894,426
2024	2,463	1,468,252,565	416	341,154,307	178	266,448,630
2025	2,347	1,338,937,754	533	726,711,939	198	321,983,511
2026 ¹	1,193	616,315,291	246	151,870,183	78	317,593,902

¹ New building permits issued through May 31, 2026.

Source: Pikes Peak Regional Building Department

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Foreclosure Activity

Foreclosure actions are commenced when a default on a deed of trust has occurred, usually when buyers fail to make timely payments in accordance with a promissory note. Set forth below is a history of the number of foreclosure actions filed by the County Public Trustee’s Office over the past five years.

History of Foreclosures—El Paso County

Year	Foreclosures Filed	Percent Change
2021	144	--
2022 ¹	773	436.81%
2023	737	(4.66)
2024	614	(16.69)
2025	990	61.24
2026 ²	480	--

¹ The increase in the number of foreclosures filed in 2022 was the result of the State imposed restrictions in place regarding foreclosures in 2021 due to the COVID-19 pandemic.

² Foreclosures filed through June 16, 2026.

Sources: El Paso 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 retail sales figures for the Town, the County and the State as reported by the State.

Retail Sales

Year	Town	Percent Change	County	Percent Change	State
2021	\$718,767	--	\$27,495,740	--	268,328,759
2022	775,961	7.96%	29,842,758	8.54%	299,923,777
2023	871,690	12.34	29,878,596	0.12	302,570,432
2024	888,407	1.92	30,623,504	2.49	309,121,263
2025	848,923	(4.44)	31,226,324	1.97	316,183,730
2026 ¹	310,590	--	7,212,359,508	--	74,284,241

¹ Retail sales through March 31, 2026.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics, 2021-2026

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Employment

The following tables set forth employment statistics by industry for the County and the most recent historical labor force estimates for the County and the State.

Total Business Establishments and Employment—El Paso

Industry ¹	Fourth Quarter 2024		Fourth Quarter 2025		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	47	391	50	507	3	116
Mining	18	59	15	42	(3)	(17)
Utilities	35	2,674	32	2,758	(3)	84
Construction	2,018	17,749	2,078	17,294	60	(455)
Wholesale Trade	995	6,698	1,079	6,687	84	(11)
Information	453	5,196	513	5,182	60	(14)
Finance and Insurance	1,350	13,152	1,408	13,099	58	(53)
Real Estate, Rental and Leasing	1,550	5,212	1,615	5,092	65	(120)
Professional and Technical Services	5,320	34,019	5,687	34,099	367	80
Management of Companies and Enterprises	287	2,482	309	2,515	22	33
Administrative and Waste Services	1,356	15,929	1,413	16,369	57	440
Educational Services	552	29,806	570	28,356	18	(1,450)
Health Care and Social Assistance	3,281	53,486	3,502	53,828	221	342
Arts, Entertainment and Recreation	428	6,346	446	7,010	18	664
Accommodation and Food Services	1,565	33,119	1,591	33,662	26	543
Other Services, Ex. Public Administration	1,887	12,223	1,995	12,174	108	(49)
Public Administration	96	15,723	97	15,417	1	(306)
Unclassified	116	38	115	73	(1)	35
Total ²	24,094	311,396	25,299	308,411	1,205	(2,985)
Government ³						
Federal	136	13,728	138	13,095	2	(633)
Local	95	30,468	97	29,622	2	(846)
State	154	13,056	81	10,254	(73)	(2,802)

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

² Totals may not add due to rounding.

³ Government figures are included within the industry categories listed above.

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

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Labor Force Estimates

Year	County		State	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2021	354,982	5.8%	3,190,760	5.6%
2022 ¹	357,879	3.6	3,235,022	3.4
2023	366,234	3.3	3,244,096	2.9
2024	369,937	4.2	3,241,864	4.1
2025	351,589	4.3	3,269,147	4.3
2026 ²	370,645	4.2	3,191,373	4.0

¹ As a result of the COVID-19 pandemic and the federal government induced quarantine during 2020 and 2021, unemployment numbers decreased exponentially in 2022.

² Labor force estimates through April 30, 2026.

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

Selected major employers in the County 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.

2024 Selected Major Employers in the County ¹

Firm	Product or Service	Estimated Number of Employees
Fort Carson Army Base	Military Installation	29,500
Peterson Space Force Base	Military Installation	16,400
United States Air Force Academy	Military Installation	9,200
UCHealth Memorial Health System	Healthcare Supplier	7,050
School District #11 Colorado Springs	Education	3,600
University of Colorado-Colorado Springs	Education	3,300
School District #20 Air Academy	Education	3,050
El Paso County	County Government	3,050
Colorado Springs (City of)	City Government	2,950
Colorado Springs Utilities	Utilities Company	2,050

¹ As of December 31, 2024, the most recent information available.

Source: El Paso County Annual Comprehensive Financial Report for the year ended December 31, 2024

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APPENDIX G

FORM OF OPINION OF BOND COUNSEL

Triview Metropolitan District
Town of Monument, El Paso County, Colorado

Piper Sandler & Co.
Denver, Colorado

Build America Mutual Assurance Company
New York, New York

\$32,015,000*
TRIVIEW METROPOLITAN DISTRICT
(in the Town of Monument, County of El Paso, Colorado)
WATER AND WASTEWATER ENTERPRISE REVENUE BONDS
SECOND LIEN SERIES 2026

Ladies and Gentlemen:

We have been engaged by Triview Metropolitan District, located in the Town of Monument, El Paso County, Colorado (the “District”), to act as bond counsel for the issuance of its Water and Wastewater Enterprise Revenue Bonds, Second Lien Series 2026, in the aggregate principal amount of \$32,015,000* (the “Bonds”), dated July __, 2026. Capitalized terms used but not defined in this opinion have the meanings assigned to them in the resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Directors of the District on May 21, 2026.

We have examined the constitution and the laws of the State of Colorado (the “State”); the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations, rulings and judicial decisions relevant to the opinions set forth in paragraph 3 below; the provisions of the Securities Act of 1933, as amended, and the regulations, rulings and judicial decisions relevant to the opinion set forth in paragraph 5 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, including the status and qualification of the Water and Wastewater Activity Enterprise, we have relied upon the representations of the District contained in the Bond Resolution, the opinion of General Counsel to the District and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. The Bonds are valid and binding special revenue obligations of the District, legally enforceable in accordance with their terms, and the Bond Resolution has been duly authorized, is in full force and effect, and is valid and enforceable in accordance with its terms.

2. The District irrevocably pledges for payment of the Bonds, and grants an irrevocable second lien (but not necessarily an exclusive such lien) upon the Net Pledged Revenues which is subordinate and junior to the lien thereon of the First Lien Obligations as provided in the Bond Resolution.

* Preliminary; subject to change.

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

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

5. The Bonds are exempt from registration under the Securities Act of 1933, as amended.

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

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

Respectfully submitted,

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s book-entry-only system has been obtained from DTC, and the District and 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 an 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 and www.dtc.org.

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 effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

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

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Trustee, 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 Trustee or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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APPENDIX I

CERTAIN BOND RESOLUTION DEFINED TERMS AND PROVISIONS

Certain Bond Resolution defined terms and provisions are described hereafter. For a description of certain protective covenants and security provisions related to, among other things, the maintenance of rate and charges, additional obligations, and events of default and remedies, see “THE BONDS—Security for the Bonds.”

DEFINITIONS

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

“*Bond Account*” means the special and separate account created pursuant to the Resolution for the purpose of paying, when due, the principal of and interest on the Bonds, and to be known as the “Second Lien Series 2026 Bond Account.”

“*Bond Requirements*” means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, as the context otherwise indicates.

“*Bonds*” means the Water and Wastewater Enterprise Revenue Bonds, Second Lien Series 2026, issued by the District pursuant to the Resolution.

“*Capital Improvements*” means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and those property improvements or any combination of property improvements which will constitute enlargements, extensions or betterments to the System and will be incorporated into the System.

“*Code*” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

“*Combined Maximum Annual Principal and Interest Requirements*” means the largest sum of the principal of and interest on the First Lien Obligations, the Bonds and any Outstanding Parity Bonds, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided). The word “principal,” as used in the preceding sentence, means for all purposes of this paragraph, the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise.

“*Commercial Bank*” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal Reserve System, which has a capital and surplus of \$10,000,000 or more, and which is located within the United States of America.

“*County*” means El Paso County, Colorado.

“*CWCB 2022 Loan*” means the loan, identified by Loan Contract Number CT2022-3328, by and between the District and the Department of Natural Resources, Colorado Water Conservation Board, an agency of the State.

“*District*” means the Triview Metropolitan District, located in El Paso County, Colorado, a quasi municipal corporation and political subdivision of the State.

“*District Manager*” means the district manager of the District, or his or her successor in functions, if any.

“*Events of Default*” means the events generally described in “THE BONDS—Security for the Bonds” hereof.

“*Federal Government*” means the United States of America and any agency, instrumentality or corporation thereof.

“*Federal Securities*” means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

“*First Lien Obligations*” means the CWCB 2022 Loan, the Series 2018 Bonds, the Series 2020 Bonds and the Series 2020B Bonds or securities or other obligations issued for the sole purpose of refunding the same.

“*First Lien Resolutions*” means the resolutions or agreements entered into by the District with respect to the First Lien Obligations or securities or other obligations issued for the purpose of refunding the First Lien Obligations.

“*Fiscal Year*” means the calendar year or any other 12-month period hereafter selected by the District as its fiscal year.

“*Forest Lakes IGA Note*” means the Note delivered by Forest Lakes MD to the District evidencing the financial obligation of Forest Lakes MD to the District under the Intergovernmental Agreement to Finance the NMCI, effective on the date of issuance of the Bonds, by and between the District and Forest Lakes Metropolitan District.

“*Forest Lakes MD*” means the Forest Lakes Metropolitan District, located in El Paso County, Colorado, a quasi-municipal corporation and political subdivision of the State.

“*Gross Pledged Revenues*” means all income, rents, receipts, charges and revenues derived directly or indirectly by the District from the operation and use of and otherwise pertaining to the System, or any part thereof, whether resulting from Capital Improvements or otherwise, and includes all income, rents, receipts, charges and revenues received by the District from the System, including without limitation: (a) all fees, rates and other charges for the use of the System, or for any service rendered by the District in the operation thereof, directly or indirectly, the availability of any such service, or the sale or other disposal of any commodities derived therefrom, including, without

limitation, connection charges, but excluding (i) any moneys borrowed and used for the acquisition of Capital Improvements or for the refunding of securities, and all income or other gain from any investment of such borrowed moneys and (ii) any moneys received as grants, appropriations or gifts from the Federal Government, the State, or other sources, the use of which is limited by the grantor or donor to the construction of Capital Improvements, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom; (b) all income or other gain from any investment of Gross Pledged Revenues (including without limitation the income or gain from any investment of all Net Pledged Revenues, but excluding borrowed moneys and all income or other gain thereon in any acquisition or construction fund, reserve fund, or any escrow fund for any Parity Bonds payable from Net Pledged Revenues heretofore or hereafter issued and excluding any unrealized gains or losses on any investment of Gross Pledged Revenues); (c) all income and revenues derived from the operation of any other utility or other income-producing facilities added to the System and to which the pledge and lien provided by the Resolution are lawfully extended by the Board or by the qualified electors of the District; and (d) all income and revenues derived from the Forest Lakes IGA Note and the Monument IGA Sales Tax Share.

“*improve*” or “*improvement*” means the extension, reconstruction, alteration, betterment or other improvement by the construction, purchase or other acquisition of facilities, including, without limitation, appurtenant machinery, apparatus, fixtures, structures and buildings.

“*Income Fund*” means the proprietary enterprise fund previously established by the District and identified in accounting records of the District as the Water and Wastewater Fund, or any successor fund or accounts within which the District records and accounts for the financial activity of the System, including but not limited to the recording of Gross Pledged Revenues and Operation and Maintenance Expenses.

“*Independent Accountant*” means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State who is, in fact, independent and not under the domination of the District; who does not have any substantial interest, direct or indirect, with the District, and who is not connected with the District as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the District.

“*Insurance Policy*” means the municipal bond new issue insurance policy, if any, issued by the Insurer that guarantees payment of principal of and interest on the Bonds when due.

“*Insurer*” means Build America Mutual Assurance Company, the issuer of the Insurance Policy.

“*Monument IGA Sales Tax Share*” means that portion of annual tax revenues rebated by the Town to the District pursuant to the Intergovernmental Agreement, dated September 22, 1987, as amended, between the Town and the District, which (i) are attributable to one-half of a one percent Town sales tax authorized in 1990 by voter approved Ballot Initiative 2A and remitted to the District in recognition of services, facilities and improvements it provides and (ii) are in an aggregate amount up to but not exceeding ten percent of the aggregate amount of Gross Pledged Revenues for the respective calendar years in which the rebates are received.

“*Net Pledged Revenues*” means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

“*NMCI Account*” means the special account designated as the “Second Lien Series 2026 NMCI Account” created pursuant to the Resolution.

“*NMCI Cost Sharing Agreement*” means the Intergovernmental Agreement Among City of Colorado Springs, Colorado Acting by and Through its Enterprise, Colorado Springs Utilities, Forest Lakes Metropolitan District, and the District for Construction Cost Sharing for the Northern Monument Creek Interceptor dated on or about February 25, 2025, as amended by an Addendum which was approved by CSU on February 19, 2026 pursuant to Resolution 2026-04 and effective March 6, 2026.

“*Operation and Maintenance Expenses*” means all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the System or any component division or other part thereof, or any other designated facilities in connection with which such term is used including, without limitation, all salaries, labor, materials and repairs necessary to render efficient service; and the term includes, at the option of the District, acting by and through the Board, except as limited by law, without limitation: (a) engineering, auditing, reporting, legal and other overhead expenses of the various departments of the District directly related and reasonably allocable to the administration, operation and maintenance of the System; (b) fidelity bond premiums and property and liability insurance premiums pertaining to the System, or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the System; (c) payments to pension, retirement, health and hospitalization funds, other insurance, and to any self-insurance fund; (d) any general (ad valorem) taxes, assessments, excise taxes or other charges which may be lawfully imposed on the District, the System, revenues therefrom, or the District’s income from or operations of any properties under its control and pertaining to the System, or any privilege in connection with the System or its operation (but no payments made in lieu of taxes); (e) the reasonable charges of the Paying Agent, any alternate Paying Agent, any paying agents or escrow agent for any securities payable from the Net Pledged Revenues which have been or will be refunded, and any other depositary bank pertaining to the Bonds and any other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, and the premium for any reserve fund insurance policy issued other than concurrently with the issuance of the Bonds; (f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the System or to the issuance of the Bonds or any other securities relating to the System, including, without limitation, the expenses and compensation of any trustee, receiver or other fiduciary; (g) the costs incurred by the District in the collection and any refunds of all or any part of the Gross Pledged Revenues; (h) any costs of utility services furnished to the System by the District or otherwise, including, without limitation, the contracting by the District for sanitary sewer, electricity, or gas, or any combination thereof, from any Person, for distribution through the System or for the transmission or treatment of wastewater, electricity, or gas for use by the District and its customers and the obligations due under any contract pertaining thereto on a take-and-pay basis or take-or-pay basis or otherwise; and (i) all other administrative, general and commercial expenses pertaining to the System and all other current expenses pertaining to the System which are properly classified as operation and maintenance expenses under generally accepted accounting principles; but excluding any allowance for depreciation; any franchise fees; any costs of Capital Improvements (or any

combination thereof); any reserves for major capital replacements (other than normal repairs); any reserves for operation, maintenance or repair of the System; any allowance for the redemption of any Bond or other security evidencing a loan or other obligation, or the payment of any interest thereon, or any prior redemption premium due in connection therewith, or any reserve therefor; excluding any liabilities incurred in the acquisition or improvement of any properties comprising any project or any existing facilities (or any combination thereof) incorporated into the System, or otherwise; excluding any liabilities incurred by the District as the result of its negligence in the operation of the System or any other ground of legal liability not based on contract; and any such operation and maintenance expense as described above which are paid by District revenues which do not constitute Gross Pledged Revenues.

“*Outstanding*” when used with reference to the First Lien Obligations, the Bonds, Parity Bonds, if any, or any other designated securities and as of any particular date, means all First Lien Obligations, the Bonds, Parity Bonds, if any, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered except any First Lien Obligations, Bonds, Parity Bonds, if any, or other security (a) canceled by the District, by any paying agent, or otherwise on the District’s behalf, at or before such date; (b) deemed to be paid as provided in the resolution authorizing the issuance of such security; and (c) in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to provisions of the resolution authorizing the issuance of such security.

“*Owner*” means the registered owner of any designated Bond, Parity Bond, or other designated security.

“*Parity Bonds*” means any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

“*Paying Agent*” means BOKF, NA, being an agent of the District for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds, and includes any successor Commercial Bank as paying agent.

“*Person*” means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the District), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

“*Project*” means the acquisition, construction and installation of public improvements relating to the Northern Monument Creek Interceptor Project and covered by the NMCI Cost Sharing Agreement.

“*Rebate Account*” means the special fund designated as the “Second Lien Series 2026 Rebate Account” created pursuant to the Resolution for the purpose of making payments to the United States Treasury, to the extent such amounts are required to be paid, as provided in the Tax Compliance Certificate.

“*Redemption Date*” means the date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the District.

“*Resolution*” means the Resolution of the District, which provides for the issuance and delivery of the Bonds.

“*Series 2018 Bonds*” means the District’s Water and Wastewater Enterprise Revenue Refunding and Improvement Bonds, Series 2018, dated as of November 29, 2018, originally issued in the aggregate principal amount of \$11,165,000.

“*Series 2020 Bonds*” means the District’s Water and Wastewater Enterprise Revenue Bonds, Series 2020, dated as of May 27, 2020, originally issued in the aggregate principal amount of \$16,140,000.

“*Series 2020B Bonds*” means the District’s Water and Wastewater Enterprise Revenue Bonds, Series 2020, dated as of November 5, 2020, originally issued in the aggregate principal amount of \$10,940,000.

“*State*” means the State of Colorado.

“*Subordinate Securities*” means securities payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds and any Parity Bonds.

“*System*” means the property and facilities comprising the water and wastewater system of the District, now owned or hereafter acquired, including real and personal property and any easements, and also any and all additions and betterments thereto and improvements and extensions hereafter constructed or acquired by the District and used in connection with the water and wastewater facilities of the District.

“*Tap Fees*” means one time tap and impact fees imposed by the District upon new users which include water tap fees, sewer tap fees, renewable water fees, reuse tap fees, park and recreation and landscape fees, road and bridge fees, review and comment fees, water meter fees, sewer impact fees and water impact fees.

“*Tax Compliance Certificate*” means the Tax Compliance and No Arbitrage Certificate executed by the District in connection with the initial issuance and delivery of the Bonds.

ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Pledge Securing Bonds. Subject only to the right of the District to cause amounts to be withdrawn and paid on account of Operation and Maintenance Expenses of the System, the Gross Pledged Revenues and, subject to the right of the District to cause amounts to be withdrawn to pay the costs of the Project as provided in the Resolution and other than moneys and securities held in the Rebate Account established pursuant to the Resolution to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any account under the Resolution are pledged to secure the payment of the Bond Requirements of the Outstanding Bonds. The pledge of the Net Pledged Revenues to secure the payment of the Bond

Requirements of the Bonds is subordinate and junior to the First Lien Obligations and on a parity with the pledge of the Net Pledged Revenues for any Parity Bonds hereafter issued in compliance with the provisions of the Resolution.

Income Fund Deposits. So long as any of the Bonds shall be Outstanding, as to any Bond Requirements related to the Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the District, shall be set aside and credited immediately to the Income Fund as previously established by the District in connection with the First Lien Obligations and reaffirmed by the Resolution.

Administration of Income Fund. So long as any of the Bonds shall be Outstanding, and following the prior application of Gross Pledged Revenues (with the exception of income and revenues derived from the Forest Lakes IGA Note and the Monument IGA Sales Tax Share) from the Income Fund for payments connection with the First Lien Obligations as provided in the First Lien Resolutions, the following payments shall be made from the Income Fund as to any Bond Requirements as provided in the Resolution. First, to the extent not otherwise provided for in the First Lien Resolutions, as a first charge on the Income Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall be promptly paid. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with amounts required to meet the Bond Requirements with respect to the Bonds, to the special and separate account hereby created and to be known as the "Second Lien Series 2026 Bond Account" the following amounts: (a) *Interest Payments* - monthly to the Bond Account, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Bonds on the next succeeding interest payment date and (b) *Principal Payments* - monthly to the Bond Account, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds on the next succeeding principal payment date. If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Account the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in the preceding sentences may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

PROTECTIVE COVENANTS

Pursuant to the Resolution, the District covenants and agrees with the Owners of the Bonds and makes provisions which shall be a part of its contract with such Owners to the effect and with the purpose set forth in the following protective covenants.

Performance of Duties. The District, acting by and through the Board or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross

Pledged Revenues and the System required by the Constitution and laws of the State and the various resolutions of the District, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the System, as provided in the Resolution, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Efficient Operation and Maintenance. The District shall at all times operate the System properly and in a sound and economical manner; and the District shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the District in connection with the maintenance, repair and operation of the System shall be reasonable and proper.

Rules, Regulations and Other Details. The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System. The District shall observe and perform all of the terms and conditions contained in the Resolution, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the District, except for any period during which the same are being contested in good faith by proper legal proceedings.

Payment of Governmental Charges. The District shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The District shall not create or suffer to be created any lien upon the System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by the Resolution for the payment of the Bond Requirements of the Bonds and except as herein otherwise permitted. The District shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Gross Pledged Revenues; but nothing herein requires the District to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Protection of Security. The District, the officers, agents and employees of the District, and the Board shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds and any other securities payable from the Net Pledged Revenues. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues might be prejudicially and materially impaired or diminished.

Prompt Payment of Bonds. The District shall promptly pay the Bond Requirements of the Bonds at the places, on the dates and in the manner specified in the Resolution and in the Bonds according to the true intent and meaning thereof.

Other Liens. Other than as provided in the Resolution with respect to the First Lien Obligations, there are no liens or encumbrances of any nature whatsoever on or against the System, or any part thereof, or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Corporate Existence. The District shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the District and is obligated by law to operate and maintain the System and to fix and collect the Gross Pledged Revenues as provided in the Resolution without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Disposal of System Prohibited. Except for the use of the System and services pertaining thereto in the normal course of business, or as provided in the following paragraph, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as authorized by the Resolution; and the District shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the sites of the System.

Disposal of Unnecessary Property. The District at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal operating value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the District in the Income Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the Board may determine, provided that any proceeds of any such lease received shall be deposited by the District as Gross Pledged Revenues in the Income Fund.

Loss From Condemnation. If any part of the System is taken by the exercise of the power of eminent domain, the amount of any award received by the District as a result of such taking shall be paid into the Income Fund or into a capital improvement account pertaining to the System for the purposes thereof, or, applied to the redemption of the First Lien Obligations or Outstanding Bonds, all as the District may determine.

Employment of Management Engineers. If the District defaults in paying the Bond Requirements of the Bonds, and any other securities payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements

of the Outstanding Bonds, Parity Bonds, and any other securities (including all reserves therefor specified in the authorizing proceedings, including, without limitation, the Resolution) payable from the Net Pledged Revenues in that Fiscal Year, the District shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the System so long as such default continues or so long as the Net Pledged Revenues are less than the amount otherwise required pursuant to the Resolution.

Reasonable and Adequate Charges. While the Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the District for the use of or otherwise pertaining to and services rendered by the System to the District, to its inhabitants and to all other users within and without the boundaries of the District shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all First Lien Obligations, the Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Limitations Upon Free Service. No free service or facilities shall be furnished by the System, except as hereinafter provided. Upon the occurrence and continuation of an Event of Default, if the District elects to use for District purposes any water and wastewater facilities, or other services and facilities provided by the System or otherwise to use the System or any part thereof, any such use will be paid for from the District's general fund or from other available revenues other than Gross Pledged Revenues at the reasonable value of the use so made; provided that the District need not pay for any such use by the District of any facilities of the System for fire protection purposes. All the income so derived from the District shall be deemed to be income derived from the operation of the System, to be used and to be accounted for in the same manner as any other income derived from the operation of the System.

Collection of Charges. The District shall use commercially reasonable best efforts to cause all fees, rates and other charges pertaining to the System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of the Resolution and any other resolution supplemental thereto.

Maintenance of Records. So long as any of the Bonds remain Outstanding, proper books of record and account shall be kept by the District, separate and apart from all other records and accounts.

Audits Required. In accordance with State law, the District shall order an audit for the Fiscal Year of such books and accounts to be made forthwith by an Independent Accountant, and order an audit report showing the receipts and disbursements for each account pertaining to the System and the Gross Pledged Revenues.

Insurance and Reconstruction. Except to the extent of any self-insurance, the District shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to the System and

against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the District and of each Owner of a Bond. If any useful part of the System shall be damaged or destroyed, the District shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the District and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Income Fund by the District as revenues derived from the operation of the System.

Federal Income Tax. The District covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed or refinanced with the proceeds of the Bonds if such action or omission (a) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code; (b) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code; or (c) would cause interest on the Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law. In furtherance of this covenant, the District agrees to comply with the procedures set forth in the Tax Compliance Certificate. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Code and Colorado law have been met.

AMENDMENT OF THE RESOLUTION

Privilege of Amendments. The Resolution may be amended or supplemented by resolutions adopted by the Board in accordance with law, without receipt by the District of any additional consideration, but with the written consent of the Insurer and the Owners of not less than a majority of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental resolution excluding, any Bonds which may then be held or owned for the account of the District. Notwithstanding the foregoing, no such resolution shall permit: (i) a change in the maturity, terms of redemption or interest payment of any Outstanding Bond; (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; (iii) other than refunding securities issued to refunding any Outstanding First Lien Securities as permitted by the Resolution, the creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by the Resolution; (iv) a reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; (v) the establishment of priorities as between Bonds issued and Outstanding; or (vi) the modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

Notwithstanding the foregoing paragraph, the Resolution and the rights and obligations of the District and of the Owners of the Bonds may also be modified or amended at any time, with the written consent of the Insurer but without the consent of any Owners of the Bonds, but only to the extent permitted by law and only for any or all of the following purposes: (i) to add to the covenants and agreements of the District in the Resolution to thereafter to be observed; (ii) to subject to the

covenants and agreements of the District in the Resolution additional System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the Bonds and any Parity Bonds; (iii) in connection with the provision of a reserve fund subsequent to the issuance of the Bonds; (iv) to provide for the appointment of a new Paying Agent; (v) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in the Resolution, or in regard to questions arising under the Resolution, as the District may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the Bonds; or (vi) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest allocable to the Bonds.

MISCELLANEOUS

Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then the Resolution and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in the Resolution if (a) in case said Bond is to be redeemed on any date prior to its maturity, the District shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the Resolution, notice of redemption of such Bond on said Redemption Date; (b) there shall have been deposited with the Paying Agent or a Commercial Bank with trust powers either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Commercial Bank with trust powers at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be; and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the District shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (b) above has been made with the Paying Agent or Commercial Bank with trust powers and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of the Resolution, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Commercial Bank with trust powers.

APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND
INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

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