REUNION METROPOLITAN DISTRICT ("DISTRICT")
REUNION METROPOLITAN DISTRICT WATER ACTIVITY ENTERPRISE

8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Phone: 303-779-5710
www.reunionco.com

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: June 10, 2021

TIME: 5:00 p.m.

LOCATION 17910 East Parkside Drive North
Commerce City, CO

And Via Microsoft Teams

DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, PERSONS MAY ATTEND THE MEETING VIA VIDEO/TELEPHONIC MEANS

ACCESS: https://teams.microsoft.com/l/meetup-join/19%3ameeting_YTI5YTY2ZGYtNWYzYy00YWZmLTk1NmYtMzZiODkxNjRkYTUw%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d

Or call in (audio only)
+1 720-547-5281,,506037547# United States, Denver
Phone Conference ID: 506 037 547#

Board of Directors	Office	Term Expires
Kelly Leid	President	May, 2023
Brett Price	Vice-President.	May, 2022
Bruce Rau	Treasurer	May, 2022
Teresa Kershisnik	Asst. Secretary	May, 2023
Tim E. Roberts	Asst. Secretary	May, 2023

I. ADMINISTRATIVE MATTERS

A. Call to order and approval of agenda.

B. Present disclosures of potential conflicts of interest.

C. Confirm quorum, location of meeting and posting of meeting notice.

D. Public Comment.

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

II. BOND MATTERS

A. Call to order of the meeting of the Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise

B. General Discussion of the Bond Transaction [District Underwriter/District Municipal Advisor]

C. Consider Approval of Bond-Related Documents and Agreements:

a. Consent and Agreement Regarding Reunion ERUs among Clayton Properties Group II, Inc., DIBC Buffalo Hills Ranch, LLC, FFP-DIA, LLC, DIBC 96th and Potomac, LLC, Shea Homes Limited Partnership, and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise (to be distributed)

b. ERU Purchase Agreement between Clayton Properties Group II, Inc. and Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise (**enclosure**)

c. Declaration of ERU Covenants and Restrictions (to be distributed)

d. Memorandum of Understanding amount Clayton Properties Group II, Inc., Reunion Metropolitan District, acting by and through its Reunion Metropolitan District Water Activity Enterprise, and South Adams County Water and Sanitation District (**enclosure**)

e. Resolution Concerning the Imposition of ERU Water Credit Fees (**enclosure**)

f. ERU Water Credit Fee Transfer Procedures, dated as of June 10, 2021 (**enclosure**)

D. Consider adoption of a resolution authorizing the issuance of Special Revenue Bonds, Series 2021A (the "**Senior Bonds**") and Subordinate Special Revenue Bonds, Series 2021B (the "**Subordinate Bonds**" and, together with the Senior Bonds, the "**Bonds**"), in the combined aggregate principal amount of $56,000,000, which amount is subject to increase or decrease as determined by the Board, for the purposes of funding the acquisition of certain ERU water rights credits; and

approving, ratifying and confirming the execution of certain other documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions.

E. Consider Adoption of Funding and Reimbursement Agreement (Irrigation ERUs) between Clayton Properties Group II, Inc. and Reunion Metropolitan District (**enclosure**)

F. Consider Adoption of Funding and Reimbursement Agreement (Costs of Issuance) between Clayton Properties Group II, Inc. and Reunion Metropolitan District (**enclosure**)

III. OTHER BUSINESS

A. Other

IV. ADJOURNMENT

The next regular meeting is scheduled for August 3, 2021 at 6:00 p.m. at the Recreation Center (location subject to change due to COVID-19).

ERU PURCHASE AGREEMENT

THIS ERU PURCHASE AGREEMENT (this ***Agreement***), dated [DATE], 2021, is between CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation doing business as Oakwood Homes (***Clayton***), and REUNION METROPOLITAN DISTRICT, Commerce City, Colorado (***Reunion Metropolitan District***), a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado and acting by and through its Water Activity Enterprise (Reunion Metropolitan District, in such capacity, is referred to in this Agreement as ***RMD***). ***Parties*** means Clayton and RMD, and ***Party*** means one of the Parties. All other initially capitalized phrases, terms, and words in this Agreement have the meanings set forth in Section 1 below.

RECITALS:

A. Clayton is the master developer of Reunion, a master planned community located in the City (***Reunion***). Clayton, as master developer, and other Persons have developed portions of Reunion, but Clayton has not fully developed the portion of Reunion depicted in Attachment 1 and described in Attachment 2 to this Agreement (the ***RMD Water Service Area***) and full buildout and development of the RMD Water Service Area will require additional water resources and service.

B. The RMD Water Service Area is within the boundaries of the South Adams County Water & Sanitation District (***SACWSD***). SACWSD is a special district and political subdivision of the State Colorado that has the authority and power to (1) enter into water resources agreements to provide water service for property located within its boundaries and (2) adopt regulations and rules governing the inclusion of property within its boundaries and the provision of water service to such property.

C. In furtherance of those powers, SACWSD executed and delivered the FRICO Participant Water Resources Agreement pursuant to which SACWSD agreed to make water service available to Reunion. Among other things, the FRICO Participant Water Resources Agreement and the SACWSD Rules set forth the procedure by which builders and property owners in the RMD Water Service Area could (1) obtain ERU Water Credits necessary for the issuance of ERU Water Connections by, and obtaining water service from, SACWSD and (2) Transfer ERU Water Credits.

D. In October 2018, Clayton became the Participant under, and as defined in, the FRICO Participant Water Resources Agreement and acquired ERU Water Credits. Subsequent to its acquisition of ERU Water Credits in 2018, Clayton acquired additional ERU Water Credits. As of the Effective Date, Clayton owns the Retained ERU Water Credits and the Subject ERU Water Credits.

E. Reunion Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado, is duly organized and existing as a metropolitan district under the constitution and laws of the State. As more particularly set forth in the Colorado Water Resources Act, Reunion Metropolitan District has the authority and power to form a Water Activity Enterprise and conduct Water Activities (as defined in the Water Resources Act and including the right to purchase and sell ERU Water Credits). In furtherance of those powers, Reunion Metropolitan District formed RMD, a Water Activity Enterprise, and authorized it to (1)

acquire the Subject ERU Water Credits from Clayton on the conditions and terms set forth in this Agreement, (2) finance the acquisition of the Subject ERU Water Credits through the issuance of Bonds on the conditions and terms set forth in the Bond Indenture between RMD and the Bond Trustee, and (3) thereafter hold and Transfer the Subject ERU Water Credits subject to the RMD Covenants and Limitations.

F. On the conditions and terms set forth in this Agreement, the Parties have agreed that Clayton will sell and Transfer, and RMD will purchase, the Subject ERU Water Credits. The purpose of this Agreement is to set forth the conditions and terms upon which purchase, sale, and Transfer will occur. The Parties intend that this Agreement (1) sets forth their entire agreement and understanding regarding the Subject ERU Water Credits and (2) supersedes and terminates all prior agreements, discussions, and offers between them regarding Subject ERU Water Credits.

COVENANTS:

FOR GOOD AND VALUABLE MUTUAL CONSIDERATION, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

Section 1. The following phrases, terms, and words used in this Agreement have the meanings set forth below:

Applicable Laws means the SACWSD Rules, the Special Districts Act, and all other edicts, laws, orders, ordinances, promulgations, statutes, regulations, and rules of all Government Agencies.

Approval, ***Approved***, and other variants of the word *approve* means, with respect to an action requiring the approval of, or consent to, an action by a Party that such Party has given such approval or consent in writing and conveyed such approval or consent by Notice to the other Party.

Bond Closing means the closing of the issuance and sale of the Bonds pursuant to the Bond Indentures.

Bond Indentures means Senior Bond Indenture means the Indenture of Trust (Senior) dated [Indenture Month] 1, 2021, between the Bond Trustee and RMD Subordinate Bond Indenture means the Indenture of Trust (Subordinate) dated [Indenture Month] 1, 2021, between the Bond Trustee and RMD.

Bond Payment has the meaning set forth in Section 2.2.a.

Bond Pricing Date means June 15, 2021, or such other date as the Parties may agree in writing.

Bond Trustee means U.M.B. Bank, n.a., as bond trustee pursuant to the Bond Indentures, and its assigns and successors as provided in the Bond Indentures.

Bonds means (a) the Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] dated as of the date of issuance and (b)the Subordinate Bonds.

Cash Payment has the meaning set forth in Section 2.2.a.

Clayton Closing Deliveries has the meaning set forth in Section 2.3.b.i.

Clayton Parties means the affiliates, agents, consultants, contractors, directors, employees, officers, and shareholder of Clayton.

Clayton's Knowledge means matters within the current, actual (as opposed to constructive) knowledge of Bruce Rau James Hayes, and such individuals replacing them in their current capacity during the Term of this Agreement, without imputation of facts to, or inquiry or investigation by, either of them or by the individuals replacing them in their current respective capacities during the Term of this Agreement.

Closing Deliveries means Clayton Closing Deliveries and RMD Closing Deliveries.

Core Representations has the meaning set forth in Section 6.4.

Default Notice and ***Defaulting Party*** have the meanings set forth in Section 6.1.

ERU Assignment means the Assignment and Bill of Sale substantially in the form of Attachment 3 to this Agreement.

ERU Closing means the closing of the Transfer of the Subject ERU Water Credit as set forth below in Section 2.

ERU Closing Deadline has the meaning set forth in Section 2.3.a.

ERU Consent means the Consent and Agreement Regarding ERUs of even date with this Agreement among Clayton, LCF, RMD, and Shea.

ERU Declaration means the Declaration of ERU Covenants and Restrictions substantially in the form of Attachment 4 to this Agreement.

ERU Declaration Consent means one of the consents to the execution, delivery, and recording of the ERU Declaration substantially in the forms attached to the ERU Declaration that the Bond Trustee, LCF, and Shea, respectively, will execute and Clayton or RMD, as the case may be, will deliver as a Closing Delivery.

ERU Information has the meaning set forth in Section 3.1.a.

ERU Pre-Closing Date means June 11, 2021, or such other date as the Parties may agree in writing.

ERU Reassignment means the Reassignment and Bill of Sale substantially in the form of Attachment 5 to this Agreement.

ERU Water Credit means an ERU Water Rights Credit as defined in paragraph 1.2 of the FRICO Participant Water Resources Agreement.

Effective Date has the meaning set forth in Section 7.6.

Event of Default has the meaning set forth in Section 6.1.

FRICO Participant Water Resources Agreement means the FRICO Participant Water Resources Agreement between Shea and SACWSD effective November 2, 2001, as amended by amendments thereto dated November 12, 2002, and October 15, 2018, as subsequently Transferred to, and assumed by, Clayton.

Government Agencies means the City, SACWSD, and any other governmental agency, authority, division, or enterprise that has, or exercises, jurisdiction over the Subject ERU Water Credits in the RMD Water Service Area.

Investigation has the meaning set forth in Section 3.2, and ***Investigation Meeting*** has the meaning set forth in Section 3.3.

Landowner Covenants and Restrictions has the meaning set forth in the ERU Declaration.

LCF means DIBC Buffalo Hills Ranch, LLC, a Colorado limited liability company, FFP-DIA, LLC, a Colorado limited liability company, and DIBC 96th and Potomac, LLC, a Colorado limited liability company.

Non-Defaulting Party has the meaning set forth in Section 6.1.

Notice has the meaning set forth in Section 7.10.

Person means a natural person or an association, company, Government Agency, joint venture, limited liability company, partnership, trust or trustee, or other form of entity.

Property Agreements means the agreements and mortgages between and among Clayton, LCF, and Shea listed in Attachment 6 to this Agreement.

Purchase Price has the meaning set forth in Section 2.2.a.

RMD Closing Deliveries has the meaning set forth in Section 2.3.b.ii.

RMD Covenants and Restrictions has the meaning set forth in the ERU Declaration.

RMD Parties means RMD and its agents, attorneys, board, board members, consultants, contractors, counsel, employees, officers, and representatives (including the Senior Bond underwriter, the Bond Trustee, and their respective agents, consultants, counsel, employees, officers, and representatives).

RMD Resolutions means, collectively, (a) the resolution duly adopted by the Board of Directors of the Reunion Metropolitan District on January 14, 2021, pursuant to which such board established RMD as a Water Activity Enterprise and determined that purpose of RMD included the acquisition of the Subject ERU Water Credits as provided in this Agreement and (b) all other resolutions of the Board of Directors of the Reunion Metropolitan District and/or RMD

that authorized the issuance and sale of the Bonds, the execution and delivery of this Agreement and the RMD Closing Deliveries, and (c) the performance by of this Agreement and the RMD Closing Deliveries.

RMD Water Service Area has the meaning set forth in Recital A.

Required Consents means (a) the ERU Consent, SACWSD Consent, and any other consents that Clayton must obtain from LCF and Shea pursuant to the Property Agreements and (b) the execution and delivery of the consents to the ERU Declaration by the Bond Trustee, together with such other Approvals that RMD must obtain from the Bond Trustee to the Transactions contemplated by this Agreement.

Retained ERU Water Credits means approximately [NUMBER] ERU Water Credits owned by Clayton that Clayton will retain, and will not Transfer, to RMD, at the ERU Closing.

Reunion has the meaning set forth in Recital A.

Reunion Metropolitan District means Reunion Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, is duly organized and existing as a metropolitan district under the constitution and laws of the State.

SACWSD has the meaning set forth in Recital B.

SACWSD Consent means the consent of SACWSD substantially in the form of Attachment 7.

SACWSD Rules means the South Adams County Water & Sanitation RMD Rules and Regulations for Receiving Public Water and Wastewater Service.

SACWSD Transfer Fee means (a) with respect to the Transfer of the Subject ERU Water Credits at the ERU Closing, means all transfer and other fees required by SACWSD as a condition to the Transfer of the Subject ERU Water Credits pursuant to this Agreement and (b) with respect to Transfers made after the ERU Closing, all costs and fees now or hereafter imposed by SACWSD in connection with, or as a condition to, the Transfer of ERU Water Credits (including the costs and fees imposed by SACWSD pursuant to the SACWSD Rules.

Shea means Shea Homes Limited Partnership, a California limited partnership.

Special District Act means the "Special Districts Act" as defined in C.R.S. § 32-1-101.

Subject ERU Water Credits means the 7,236 ERU Water Credits that Clayton will Transfer, and RMD will acquire, at the ERU Closing.

Subordinate Bonds means Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] dated as of the date of issuance.

Survival Period has the meaning set forth in Section 5.4.

Term has the meaning set forth in Section 7.11.

Termination Notice means a Notice given pursuant to this Agreement in which a Party (a) exercises a right to terminate this Agreement in accordance with its terms and (b) gives Notice of such termination to the other Party.

Termination of ERU Declaration the Termination of ERU Declaration substantially in the form of Attachment 8 to this Agreement.

Transactions means the Transfer of the Subject ERU Water Credits and the other covenants, provisions, and terms contemplated by, and as set forth in, this Agreement.

Transfer means an assignment, conveyance, encumbrance, grant, pledge, sale, or other form of transfer; ***Transferee*** means the Party or Person receiving a Transfer, and ***Transferor*** means the Party or Person making a Transfer.

Unsatisfied Closing Condition has the meaning set forth in Section 4.3.c.

Water Activities and ***Water Activity Enterprise*** have the meanings specified in the Water Resources Act, and ***Water Resources Act*** means the Colorado Water Resources Act (C.R.S. §§ 37-45.1-101, *et seq*.).

Section 2. Purchase and Sale of Subject ERU Water Credits.

2.1 Subject ERU Water Credits. Subject to the conditions and terms set forth in this Agreement and at the ERU Closing, Clayton shall Transfer and deliver to RMD, and RMD shall acquire and purchase from Clayton, the Subject ERU Water Credits free and clear of all encumbrances, liens, pledges, and security interests of any kind or nature asserted by any Person claiming by, through, or under Clayton provided that (a) the Subject ERU Water Credits shall not include the Retained ERU Water Credits that Clayton shall retain and not Transfer to RMD and (b) Clayton shall Transfer the Subject ERU Water Credits to RMD subject to the conditions, provisions, and terms of the FRICO Participant Water Resources Agreement and the SACWSD Rules (including the obligation to pay SACWSD Transfer Fees as determined and provided in the SACWSD Rules).

2.2 Purchase Price; Transaction Costs.

a. Purchase Price. The purchase price (the ***Purchase Price***) for the Subject ERU Water Credits shall be $45,810,000. RMD shall pay the Purchase Price to Clayton by making a cash payment of $36,700,000 (the ***Cash Payment***) and issuing to Clayton its Subordinate Bonds in the par amount of $9,110,000 (the ***Bond Payment***). The Parties acknowledge that (i) RMD and the Bond underwriter will determine the price at which the underwriter will purchase the Subordinate Bonds on the Bond Pricing Date and (ii) if the price so determined is other than $9,110,000, the Parties will amend this Section 2.2.a so that (A) the amount of the Bond Payment will equal the par amount of the Subordinate Bonds and (B) the Purchase Price will equal the sum of the Cash Payment of $36,700,000 and the par amount of the Subordinate Bonds as determined on the Bond Pricing Date.

b. Transaction Costs. RMD shall be responsible for, and shall pay at or before the Bond Closing, all costs of issuing the Bonds, all costs and expenses incurred by RMD in connection with the Transactions (including its attorneys' fees and costs) and the pay SACWSD Transfer Fees as determined and provided in the SACWSD Rules). In addition, at the Bond Closing, RMD shall reimburse Clayton the attorneys' fees and costs incurred by Clayton in connection with the Transactions (including the costs and fees incurred in preparation of the ERU Consent, the ERU Declaration, and this Agreement) exclusive of those costs and fees incurred by Clayton in the amendment of the Property Agreements.

2.3 ERU Closing.

a. ERU Closing Procedure. The Parties shall close the Transactions on or before 5:00 p.m. Mountain time on June 30, 2021 (the ***ERU Closing Deadline***) by (i) the Parties making their respective Closing Deliveries, and giving their respective Notices to Proceed, on or before the ERU Pre-Closing Date as provided below in Section 2.3.b, (ii) the Parties instructing the Bond Trustee to take the actions set forth below in Section 2.3.c, and (c) RMD making the Bond Payment and the Cash Payment and the Parties instructing the Bond Trustee to deliver the remaining Closing Deliveries as provided below in Section 2.3.d. If the Parties have not completed the ERU Closing by the ERU Closing Deadline, then the Parties shall proceed as provided below in Section 2.3.e.

b. Deliveries before ERU Pre-Closing Date. On or before the ERU Pre-Closing Date, the Parties shall deliver as follows their respective Closing Deliveries in Escrow to the Bond Trustee:

i. Clayton Deliveries. Clayton shall deliver the following (the ***Clayton Closing Deliveries***): (A) three counterpart originals of the ERU Assignment executed by Clayton, (B) a counterpart original of the ERU Consent executed by Clayton, LCF, and Shea, (C) a counterpart original of the ERU Declaration executed and acknowledged by Clayton, together with original ERU Declaration Consents executed and acknowledged by LCF and Shea, (D) an original opinion of counsel for Clayton addressed to the Bond Trustee and RMD regarding the enforceability of the ERU Declaration, (E) a counterpart original of the ERU Reassignment executed by Clayton, (F) a counterpart original of the Termination of ERU Declaration, and (G) such other agreements, documents, and instruments that, consistent with the conditions and terms of this Agreement, are reasonably desirable or necessary to consummate the Transactions.

ii. RMD Deliveries. RMD shall deliver the following (the ***RMD Closing Deliveries***) in Escrow to the Bond Trustee: (A) three counterpart originals of the ERU Assignment executed by RMD, (B) a check in the amount of the Transfer Fee payable to SACWSD, (C) counterpart original of the ERU Consent executed by RMD, (D) a counterpart original of the ERU Declaration executed and acknowledged by RMD, together with an original ERU Declaration Consent executed and acknowledged by the Bond Trustee, (E) a counterpart original of the ERU Reassignment, (F) a counterpart original of the Termination of ERU Declaration, and (G) such other agreements, documents, and instruments that, consistent with the conditions and terms of this Agreement, are reasonably desirable or necessary to consummate the Transactions.

c. Notice to Proceed. Subject to each Party's Approval of the Closing Deliveries made by the other Party, each Party give a Notice (a ***Notice to Proceed***) to the Bond

Trustee and the other Party and following receipt of Notices to Proceed from both Parties, the Bond Trustee shall promptly take the following actions:

i. Delivery of ERU Assignment and ERU Declaration. The Bond Trustee shall (A) deliver to SACWSD (or cause the delivery to SACWSD) of a counterpart original ERU Assignment executed by the Parties, (B) pay the Transfer Fee to SACWSD by delivery of the check from RMD payable to SACWSD, (C) obtain from SACWSD a duly executed original of the SACWSD Consent, (D) following receipt of the SACWSD Consent, (1) provide the Parties with a copy of the executed SACWSD Consent and (2) record (or cause the recording of) the ERU Declaration and the ERU Declaration Consents in the real estate records of the Clerk and Recorder of Adams County, Colorado, and (E) following recording of the ERU Declaration and the ERU Declaration Consents, (1) provide the Parties with a copy of the recorded ERU Declaration and the ERU Declaration Consents and (2) complete the Termination of ERU Declaration by filling in the blanks in such in such instrument with information the date and reception number of the recorded ERU Declaration.

ii. Escrow of Remaining Closing Documents. The Bond Trustee shall continue to hold in Escrow the remaining counterpart originals of the ERU Assignment, the ERU Consent, the SACWSD Consent, and the remaining Closing Deliveries until completion of the Bond Closing as provided in Section 2.3.d below provided that if the Bond Closing has not occurred on or before the ERU Closing Deadline, the Bond Trustee and the Parties shall proceed as set forth in Section 2.3.e below.

d. Completion of ERU Closing. On or before the Bond Closing Deadline, the Parties shall complete the ERU Closing by taking the following actions at, or contemporaneous with, the Bond Closing: (i) RMD shall make the Cash Payment by causing the Bond Trustee to wire transfer to Clayton immediately available Federal funds in the amount of the Cash Payment, (ii) RMD shall make the Bond Payment by delivering (or causing the delivery of) the Subordinate Bonds to Clayton, and (iii) the Bond Trustee shall deliver (A) counterpart originals of the ERU Consent and the SACWSD Consent to Clayton and RMD, (B) the original recorded ERU Declaration to RMD, and (C) copies or originals, as the case may be, of the remaining Closing Deliveries to the Parties, and (D) deliver original ERU Reassignment and the Termination of ERU Declaration.

e. ERU Closing Conditions. If the Parties have not completed the ERU Closing because of an Event of Default by a Party, Section 6 below of this Agreement shall govern the duties, obligations, and rights of the Parties. If the Parties have not completed the ERU Closing on or before the ERU Closing Deadline for any reason other than an Event of Default by a Party, then (i) the Bond Trustee shall return to Clayton the ERU Consent, the ERU Declaration (if not recorded as of the ERU Closing Deadline), the ERU Reassignment, the SACWSD Consent (if delivered by SACWSD as of the ERU Closing Deadline), the Termination of the ERU Declaration, and the other Clayton Closing Deliveries and Clayton shall record the Termination of the ERU Declaration, (ii) the Bond Trustee Bond Trustee shall deliver to RMD the RMD Closing Deliveries (other than the Closing Deliveries returned to Clayton pursuant to clause (i) of this Section 2.3.e), (iii) following the return of the Closing Deliveries, the Escrow established by this Agreement shall terminate and the Bond Trustee shall be released from all duties under such Escrow and this Agreement, and (iv) following such termination, the Parties shall have no

further duties or obligations under this Agreement except for those obligations that, by their terms, survive such termination of this Agreement.

2.4 Escrow and Escrow Instructions. The Parties shall open an escrow (the ***Escrow***) with the Bond Trustee by the delivery this Agreement to, and the acceptance of the Escrow and these instructions by, the Bond Trustee. The Parties shall complete the Transactions through the Escrow established with the Bond Trustee, and the conditions and terms of this Agreement, together with such additional and supplemental instructions as Bond Trustee may require in order to clarify the duties of the Bond Trustee under this Agreement, shall constitute the instructions (the Escrow Instructions) the Bond Trustee regarding its duties under the Escrow established by this Agreement provided that if there is a conflict or inconsistency between this Agreement and any instructions delivered to Bond Trustee, the terms of this Agreement shall govern the duties of Bond Trustee and the rights and obligations of the Parties.

Section 3. ERU Information and Investigations.

3.1 ERU Information. Within five days following the Effective Date and to the extent it has not already done so, Clayton shall make available to RMD for copying and inspection all documents, information, materials, reports, and studies related to the Subject ERU Water Credits (the ***ERU Information***) that Clayton has in its control, custody, or possession. Clayton shall make the ERU Information available to RMD in an electronic "drop box" file hosting service or other digital or electronic format. The Parties acknowledge and agree that, except as provided below, Clayton has provided, or will provide, the ERU Information without any representation or warranty of any kind, nature, or type whatsoever, including any representation or warranty regarding (A) the accuracy, completeness, truthfulness, or usefulness for any particular purpose of the ERU Information, (B) the title of Clayton to the ERU Information or its right to Transfer any interest in the ERU Information to RMD, or (C) the ability of RMD to rely on the ERU Information.

3.2 ERU Investigations. To the extent it has not already done so, RMD will conduct such analyses, examinations, inspections, investigations, reviews, and tests (***Investigations***) as RMD has deemed necessary regarding the Subject ERU Water Credits and all other aspects of the Transactions. RMD shall have the right during the Term of this Agreement to continue its Investigations and conduct such additional Investigations as RMD may determine and Clayton shall cooperate with, and shall use commercially reasonable efforts, to cause Clayton Parties to cooperate with RMD in its Investigations, including requesting Persons (other than attorneys) to release their work product to RMD for inspection and review).

3.3 Investigation Meetings. Before the Effective Date, RMD has met, in person or electronically (an ***Investigation Meeting***), with agents and representatives of Government Agencies, and such other Persons as RMD has deemed necessary regarding the Subject ERU Water Credits and all other aspects of the Transactions. RMD shall have the right during the Term of this Agreement to conduct additional Investigation Meetings provided that (a) RMD shall give commercially reasonable Notice to Clayton of a proposed Investigation Meeting and permit Clayton or a Clayton Party to participate in, or otherwise be present at, any such Investigation Meeting and (b) Clayton, the Clayton Parties, RMD, and the RMD Parties shall cooperate in scheduling Investigation Meetings, but the availability of Clayton or Clayton Parties to participate in an Investigation Meeting shall not be a condition precedent to such an Investigation Meeting if RMD and the RMD Parties made commercially reasonable efforts to schedule such meeting at a

time at which Clayton or a Clayton Party could reasonably be available and able to attend or participate.

Section 4. Covenants and Conditions.

4.1 Pre-Closing Covenants. Before the ERU Closing, the Parties covenant and agree as follows:

a. Clayton Pre-Closing Covenants. During the Term, Clayton covenants and agrees as follows:

i. Affirmative Covenants. Clayton shall (A) comply with the FRICO Participant and the Property Agreements, (B) perform all acts required under the FRICO Participant Water Resources Agreement to exercise the Final Takedown and acquire the Final Takedown ERUs, and (C) take such commercially reasonable actions as may be necessary to obtain the Required Consents on conditions and terms consistent with, and sufficient to permit the performance of Clayton's obligations under this Agreement (including the execution and delivery by (1) LCF and Shea of the ERU Consent and the ERU Declaration Consent and (2) SACWSD of the SACWSD Consent).

ii. Negative Covenants. During the Term of this Agreement and without the prior Approval of RMD, Clayton shall not (A) Transfer any of the Subject ERU Water Connections (including the surrender of Subject ERU Water Credits for ERU Water Connections) except in the ordinary course of business or (B) execute and deliver, or Approve of, any amendment, modification, or termination of the FRICO Participant Water Resources Agreement and including any amendment to, or modification of (1) the lands described in Exhibit A attached to the FRICO Participant Water Resources Agreement, (2) the conditions and terms upon which SACWSD will issue ERU Water Connection permits (as set forth in paragraph 3.2 of the FRICO Participant Water Resources Agreement), or (3) the amount of the credit (or the formula for adjustment of such credit) towards the water resources component of the ERU Water Connection Fee that each Subject ERU Water Credit shall receive (as set forth in paragraph 3.3 of the FRICO Participant Water Resources Agreement).

b. RMD Pre-Closing Covenants. During the Term, RMD shall (i) take such commercially reasonable steps as may be necessary to complete the Bond Closing, issue and sell the Senior Bonds, cause the deposit of sufficient proceeds from the issuance and sale of the Senior Bonds into the Senior Project Fund in an amount sufficient to make the Closing Payment, (ii) take no action to rescind, terminate, or modify the RMD Resolutions in a way that would revoke the authority of RMD to issue the Senior Bonds or enter execute, deliver, and perform this Agreement, and (iii) take such commercially reasonable efforts as may be reasonably be necessary to obtain the execution and delivery of the ERU Declaration Consent by the Bond Trustee and the SACWSD Consent by SACWSD on conditions and terms sufficient to permit the consummation of the Transactions.

4.2 Post-Closing Covenants. After the ERU Closing, the Parties covenant and agree as follows: (a) Clayton shall hold its Property Interests in the RMD Water Service Area subject to, and in accordance with, the Landowner Covenants and Restrictions (as defined in the ERU Declaration), (b) RMD shall hold the Subject ERU Water Credits subject to, and in accordance with, the RMD Covenants and Restrictions (as defined in the ERU Declaration), and (c) RMD

shall not execute and deliver, or Approve of, any amendment, modification, or termination of the FRICO Participant Water Resources Agreement and including any amendment to, or modification of (i) the lands described in Exhibit A attached to the FRICO Participant Water Resources Agreement, (ii) the conditions and terms upon which SACWSD will issue ERU Water Connection permits (as set forth in paragraph 3.2 of the FRICO Participant Water Resources Agreement), or (iii) the amount of the credit (or the formula for adjustment of such credit) towards the water resources component of the ERU Water Connection Fee that each Subject ERU Water Credit shall receive (as set forth in paragraph 3.3 of the FRICO Participant Water Resources Agreement). The provisions of this Section 4.3 shall survive ERU Closing, shall not merge into the Closing Deliveries, and shall not be subject to the limitations on remedies set forth below in Section 6.2, but shall be subject to the limitations on damages set forth below in Section 6.3.

Section 5. Representations and Warranties of Parties.

5.1 Representation and Warranties of Clayton. Clayton represents and warrants to RMD as of the Effective Date and as of the Closing Date as follows, except as disclosed in the ERU Information:

a. Corporate Existence, Qualification and Power; Compliance with Applicable Laws. Clayton (i) is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its organization, (ii) subject to obtaining the Required Consents, has all material requisite power and authority and all material requisite approvals, authorizations, consents, and licenses from Governmental Agencies to (A) own its assets and carry on its business with respect to this Agreement, the Transactions, and Clayton Closing Deliveries and (B) execute, deliver and perform its obligations pursuant to this Agreement and Clayton Closing Deliveries, and (iii) is duly qualified, and is in good standing under, the Applicable Laws of the State of Colorado.

b. Due Authorization; No Contravention. The execution, delivery, and performance of this Agreement and the Clayton Closing Deliveries by Clayton (i) have been duly authorized by all necessary corporate or other organizational action, (ii) do not, and will not, contravene the terms of any such organization documents and (iii) subject to obtaining the Required Consents, the execution, delivery, and performance of this Agreement and the Clayton Closing Deliveries do not constitute (and on the ERU Closing Date, will not constitute) on the part of Clayton a known violation of, breach of, or default under (A) Applicable Law, (B) the organization documents of Clayton or any agreement, contract, indenture, mortgage, note, resolution, statute, or other agreement or instrument to which Clayton is a party or by which it is bound, or (D) any existing court decree, judgment, law, ordinance, regulation, resolution, rule, or statute to which Clayton is subject.

c. Execution and Enforceability. This Agreement has been (and each Clayton Closing Delivery, when delivered pursuant to this Agreement, will have been) duly executed and delivered by Clayton. Subject to obtaining the Required Consents, this Agreement constitutes (and each Clayton Closing Delivery, when executed and delivered, will constitute) the legal, valid, and binding obligation of Clayton, enforceable against Clayton, subject to limitation on the rights of creditors generally.

d. Governmental Authorization; Other Consents. To Clayton's Knowledge and subject to obtaining the Required Consents, no approval, authorization, consent, exemption or other action by, or Notice to, or filing with, any Government Agency or any other Person is necessary or required in connection with the execution, delivery, or performance by, or enforcement against, Clayton of this Agreement or any Clayton Closing Delivery.

a. Liens. Other than its obligations under the Property Documents and subject to obtaining the Required Consents, Clayton has not entered into any contract or arrangement of any kind that might create, encumber, give rise to, pledge, or otherwise grant an encumbrance on, pledge of, security interest in, or lien on the Subject ERU Water Credits.

b. Foreign Person or Designated Person. Clayton is not a "foreign person" as contemplated in Section 1445 and Section 7701 of the Internal Revenue Code, as amended, or Designated Person.

c. Litigation. Clayton has not received written notice of, Clayton is not participating as a party to, and to Clayton's Knowledge there are no, (i) condemnation proceedings pending, or to Clayton's Knowledge threatened with respect to any of the Subject ERU Water Credits and (ii) actions, arbitrations, claims, disputes, inquiries, proceedings or suits pending or, to Clayton's Knowledge, threatened, at law, in equity, in arbitration, or before any Government Agency by, or against, Clayton or the Subject ERU Water Credits that purport to affect, or otherwise pertain to, this Agreement, any Clayton Closing Delivery, the Subject ERU Water Credits, or any of the Transactions.

d. Performance. To Clayton's Knowledge and subject to obtaining the Required Consents, (i) Clayton has materially performed all of the covenants, duties, and obligations under the FRICO Participant Water Resources Agreement that Clayton can, or must, perform as of the Effective Date and the ERU Closing Date and (ii) Clayton has not received any written notices, written demands, or deficiency letters from SACWSD or any other Government Agency alleging that Clayton is not in material compliance with all Applicable Laws, the FRICO Participant Water Resources Agreement, or any other agreement to which Clayton is a party or that will bind the Subject ERU Water Credits following the ERU Closing.

e. Undisclosed Contracts. Other than the FRICO Participant Water Resources Agreement and the Property Agreements, (i) Clayton has not granted any Person, other than RMD, any option, contract, or other agreement with respect to a purchase of, sale of, or any interest in or to the Subject ERU Water Credits or any portion therein, (ii) Clayton holds title to the Subject ERU Water Credits free and clear of all security interests, liens, mortgages, and pledges of any kind or nature granted by Clayton or asserted by any Person claiming by, through, or under Clayton, and (iii) there are no other agreements entered into by Clayton relating to the Subject ERU Water Credits that will bind RMD or the Subject ERU Water Credits following Closing.

5.2 Representations and Warranties of RMD. RMD represents and warrants the following to Clayton as of the Effective Date and as of the Closing Date:

a. Authority; Due Formation. Reunion Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing under Applicable Law, and has the full authority, power, and right to form RMD as a Water Activity Enterprise to conduct the Water Activities contemplated by this Agreement. RMD

is a Water Activity Enterprise duly organized by the Reunion Metropolitan District and existing pursuant to the Water Resources Act. RMD has the authority and power to conduct Water Activities, including the authority and power to (i) finance the acquisition of the Subject ERU Water Credits through the issuance of the Senior Bonds on the conditions and terms set forth in the Bond Indentures and (ii) own its assets and carry on its business (including (A) holding and Transferring the Subject ERU Water Credits as set forth in this Agreement and the ERU Declaration, (B) enforcing the Landowner Covenants and Restrictions, and (C) performing its duties and obligations under this Agreement and the ERU Declaration).

b. Due Authorization; No Contravention. RMD has complied with, is in compliance with, and will be in compliance, on the Closing Date with Applicable Laws governing, or in any way relating to, the execution, delivery, and performance of the obligations of RMD under this Agreement and RMD Closing Deliveries. The execution, delivery, and performance of this Agreement and RMD Closing Deliveries (including the consummation of the Transactions contemplated by this Agreement and in the RMD Closing Deliveries) do not constitute (and on the ERU Closing Date, will not constitute) on the part of the Reunion Metropolitan District or RMD a known breach of, default under, or violation of (i) Applicable Law, (ii) the Service Plan of the Reunion Metropolitan District, which Service Plan does not require amendment or modification for Reunion Metropolitan District to form a Water Activity Enterprise or for RMD to execute, deliver, and perform its obligations under this Agreement or under any of RMD Closing Deliveries, (iii) any agreement, contract, indenture, mortgage, note, resolution, statute, or other agreement or instrument to which the Reunion Metropolitan District or RMD is a party or by which it is bound, or (iv) any existing court decree, judgment, law, ordinance, regulation, resolution, rule, or statute to which the Reunion Metropolitan District or RMD is subject.

c. Execution and Enforceability. This Agreement has been (and each RMD Closing Delivery, when delivered pursuant to this Agreement, will have been) duly executed and delivered by RMD and this Agreement constitutes (each RMD Closing Delivery when executed and delivered, will constitute), the legal, valid and binding obligation of RMD, enforceable against RMD, subject to limitations on the rights of creditors generally.

d. Liens. Other than the liens and security interests granted by the Indentures in favor of the Bond Trustee, RMD has not entered into any contract or arrangement of any kind that might create, encumber, give rise to, pledge, or otherwise grant an encumbrance on, pledge of, security interest in, or lien of the Subject ERU Water Credits.

e. Foreign Person or Designated Person. Neither RMD nor any member of the RMD board of directors is a "foreign person" as contemplated in Section 1445 and Section 7701 of the Internal Revenue Code, as amended, or Designated Person.

f. Litigation. The Reunion Metropolitan District and RMD have not received written notice of, the Reunion Metropolitan and/or RMD is not participating as a party to, and to RMD's Knowledge there are no, (i) condemnation proceedings pending, or to RMD's Knowledge threatened with respect to any of the Subject ERU Water Credits and (ii) actions, arbitrations, claims, disputes, inquiries, proceedings or suits pending or, to RMD's Knowledge, threatened, at law, in equity, in arbitration, or before any Government Agency by, or against, the Reunion Metropolitan District, RMD or the Subject ERU Water Credits that purport to affect or pertain to

this Agreement, any RMD Closing Delivery, the Subject ERU Water Credits, or any of the Transactions.

5.3 Mutual Representations and Warranties. RMD shall be responsible for, and shall timely pay, all Persons entitled to compensation for services or otherwise in the preparation, issuance, and sale of the Senior Bonds. Except for Persons entitled to compensation in connection with the issuance of the Senior Bonds, which Persons RMD shall timely pay, each Party represents and warrants to each other that it has not employed, retained, or otherwise utilized any broker or finder in connection with the Transactions and no broker or Person is entitled to any commission or finder's fees in connection with the Transactions. To the extent permitted by Applicable Law, each Party shall defend, indemnify, and hold harmless the other Party from and against any claims, damages, liabilities, or losses incurred because of any brokerage commission, finder's fee, or other compensation payable because of any act, omission, or statement by the indemnifying Party. The obligation to defend, indemnify, and hold harmless set forth in this Section 5.3 shall survive the ERU Closing and shall not be subject to the limitation on remedies set forth below in Section 6.2, but shall be subject to the limitations on damages set forth below in Section 6.3.

5.4 Survival of Representations and Warranties. The representations and warranties made by the Parties in Sections 5.1 and 5.2 above shall survive for twelve months after the ERU Closing. Notwithstanding anything in this Agreement or any of the Closing Deliveries to the contrary, after twelve months from the ERU Closing Date, neither Party shall have any liability to the other Party with respect to the breach of any representation or warranty made under this Agreement provided that the foregoing limitation on when an action may be brought, and the limitation on remedies set forth below in Section 6.2, shall not apply to a breach of the mutual representations and warranties made by a Party in Section 5.3 above, but subject shall be subject to the limitations set forth below in Section 6.3). If a Party determines that a representation or warranty made pursuant to this Agreement is inaccurate before the ERU Closing and the same is not cured within the cure periods set forth below in Section 6.1, then such Party may exercise its remedies set forth in Section 6 provided that if a Party to whom a representation or warranty has been made learns of such inaccuracy or of any default under this Agreement and proceeds to Closing, the Parties will consider such Party to have waived its rights under Section 6 below and any right to claim damages with respect to such inaccuracy or default.

5.5 Sale As-Is. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLAYTON CLOSING DELIVERIES EXECUTED AND DELIVERED BY CLAYTON TO RMD AT THE ERU CLOSING, CLAYTON IS NOT MAKING, AND HAS NOT MADE, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE ACQUIRED ASSETS INCLUDING ANY REPRESENTATIONS OR WARRANTIES TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR AS TO (A) THE ADEQUACY AND AVAILABILITY OF WATER RIGHTS, WATER STORAGE, WATER TREATMENT FACILITIES, AND OTHER WATER FACILITIES, (B) THE ADEQUACY AND AVAILABILITY OF WASTEWATER COLLECTION, DELIVERY, AND TREATMENT AND RELATED FACILITIES, (C) THE IMPACT OF THE REQUESTED SERVICE ON SACWSD'S EXISTING WATER AND WASTEWATER SERVICE, TREATMENT, TRANSMISSION AND STORAGE FACILITIES, OR (D) THE ECONOMIC EFFECT THAT THE APPROVAL OF THE APPLICATION FOR SERVICE WOULD HAVE ON SACWSD AND ITS RESIDENTS AND OWNERS.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLAYTON CLOSING DELIVERIES, RMD ACKNOWLEDGES AND AGREES THAT AT CLOSING: (A) CLAYTON SHALL SELL AND CONVEY TO RMD, AND RMD SHALL ACCEPT THE ACQUIRED ASSETS "AS IS, WHERE IS, AND WITH ALL FAULTS," AND (B) RMD HAS NOT RELIED (AND WILL NOT RELY) ON, AND CLAYTON IS NOT LIABLE FOR, OR BOUND BY, ANY EXPRESS OR IMPLIED GUARANTIES, REPRESENTATIONS, STATEMENTS, REPRESENTATIONS, OR WARRANTIES PERTAINING TO THE ACQUIRED ASSETS (INCLUDING ANY ERU INFORMATION OR PREVIOUSLY PROVIDED ERU INFORMATION FURNISHED BY CLAYTON OR ANY OF THE CLAYTON PARTIES OR OTHER PERSONS REPRESENTING, OR PURPORTING TO REPRESENT, CLAYTON REGARDLESS OF WHEN MADE OR TO WHOM MADE OR GIVEN, WHETHER DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING). THE PURCHASE PRICE REFLECTS, AND TAKES INTO ACCOUNT, THE FACT THAT THE ACQUIRED ASSETS ARE BEING SOLD "AS-IS" EXCEPT FOR CLAYTON'S OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN THE CLAYTON CLOSING DELIVERIES EXECUTED AND DELIVERED BY CLAYTON TO RMD AT CLOSING, RMD (1) REPRESENTS TO CLAYTON THAT RMD IS FAMILIAR WITH THE ACQUIRED ASSETS BASED UPON ITS OWNERSHIP OF ERUS AND ITS CURRENT ACTIVITIES IN REUNION AND HAS CONDUCTED, OR WILL CONDUCT BEFORE CLOSING, SUCH INVESTIGATIONS OF THE ACQUIRED ASSETS AS RMD DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE STATUS OF THE ACQUIRED ASSETS AND (2) RMD SHALL ASSUME THE RISK WITH RESPECT TO THE ACQUIRED ASSETS THAT (A) THERE MAY BE ADVERSE MATTERS THAT MAY NOT HAVE BEEN REVEALED BY RMD'S INVESTIGATIONS AND (B) THE PARTIES SHALL DEEM RMD TO HAVE WAIVED, RELINQUISHED, AND RELEASED CLAYTON AND THE CLAYTON PARTIES FROM AND AGAINST ANY AND ALL CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), CLAIMS, DAMAGES, DEMANDS, LIABILITIES, LOSSES, AND COSTS AND EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT RMD MIGHT HAVE ASSERTED OR ALLEGED AGAINST CLAYTON OR THE CLAYTON PARTIES AT ANY TIME BY REASON OF, OR ARISING OUT OF, THE STATUS OF THE ACQUIRED ASSETS, VIOLATIONS OF ANY APPLICABLE LAWS, AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE ACQUIRED ASSETS. RMD ACKNOWLEDGES THAT SUCH ADVERSE MATTERS MAY AFFECT RMD'S ABILITY TO SELL OR FINANCE THE ACQUIRED ASSETS AT ANY TIME AND FROM TIME TO TIME.

NOTWITHSTANDING ANYTHING IN THIS AGREEMENT THAT MAY BE CONSTRUED TO THE CONTRARY, THE FOREGOING RELEASE DOES NOT INCLUDE, AND CLAYTON SHALL REMAIN RESPONSIBLE FOR, ANY RESPONSIBILITY OR LIABILITY ARISING FROM (I) A BREACH OF CLAYTON'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTIONS 5.2 AND 5.3 OF THIS AGREEMENT OR IN ANY CLAYTON CLOSING DELIVERY AND (II) A BREACH OF ANY COVENANTS OF CLAYTON UNDER THIS AGREEMENT THAT ARE EXPRESSLY AND SPECIFICALLY STATED TO SURVIVE A CLOSING. THE TERMS OF THIS SECTION 5.5 SHALL SURVIVE THE CLOSING.

Section 6. Default and Termination of Agreement; Remedies.

6.1 Event of Default. Time is of the essence of the obligations of the Parties. It shall be an event of default (an ***Event of Default***) under this Agreement if a Party (a ***Defaulting Party***) fails to pay an obligation, perform a covenant, or is in material breach of a representation or warranty provided that an Event of Default pursuant to this Agreement shall not have occurred, and a Party shall not be in default under this Agreement, unless (a) the Party (the ***Non-Defaulting Party***) asserting a breach or a failure to pay or perform gives Notice (a ***Default Notice***) to the Defaulting Party of such failure to pay or perform an obligation pursuant to this Agreement or material breach of a representation and warranty and (b) the Defaulting Party fails to cure such failure within fifteen days following the giving of such Notice provided that (i) there shall be no cure period for the failure of a Defaulting Party to perform its obligations at the ERU Closing and (ii) the cure period for failing to perform any post-Closing obligation of the Parties shall be (A) the cure period provided in a Closing Delivery governing such obligations of the Parties or (B) if no cure period is provided in such Closing Delivery, thirty days following the giving of a Default Notice from the Non-Defaulting Party unless such breach cannot be reasonably cured within such thirty-day period, in which event the cure period shall be extended for a commercially reasonable period not to exceed sixty days from the date the Non-Defaulting Party gives such Default Notice if the Defaulting Party in good faith commences to cure such within the initial thirty-day period and diligently pursues such cure to completion.

6.2 Remedies.

a. Events of Default Occurring *before* the ERU Closing. If an Event of Default occurs *before* the ERU Closing, then non-defaulting Party, as its exclusive and sole remedy, shall have the right to terminate this Agreement by giving a Termination Notice to the Defaulting Party in which event this Agreement shall terminate and the Parties shall be released from all further obligations or liabilities under this Agreement except for those obligations that expressly survive termination of this Agreement of this Agreement provided that the Non-Defaulting Party shall have all rights and remedies against a Defaulting Party with respect to any matters that are surviving obligations under this Agreement.

b. Events of Default Occurring *after* ERU Closing. If an Event of Default occurs or is discovered *after* the ERU Closing, then the Non-Defaulting Party shall have such remedies and rights as are available to it at law, in equity, or otherwise provided that if the Event of Default is also a default or event of default under a Closing Delivery, then such Closing Delivery shall govern the respective remedies and rights of the Parties.

6.3 Limitations on Damages; Survival. Notwithstanding anything to the contrary in this Agreement or in any Closing Delivery, in no event shall a Party claim, or shall a Party be liable for, consequential, exemplary, punitive, or speculative damages or for lost profits. The provisions of this Section 6 shall survive the ERU Closing indefinitely.

Section 7. General Provisions.

7.1 Transfers; Successors and Transferees. Neither Party shall Transfer this Agreement or any rights thereunder without the other's prior Approval provided that (a) Clayton may Transfer this Agreement and rights thereunder without the Approval of RMD to an affiliate that controls, is controlled by, or is under common control with Clayton and (b) RMD may grant

a security interest in the Subject ERU Water Credits to the Bond Trustee to secure the payment and performance of the obligations of RMD as set forth in the Bonds and the Bond Indentures. As a condition to such Transfer, (a) the Transferor shall give the non-Transferring Party five business days' prior Notice of the Transfer (including reasonable written evidence that the Transferee is an affiliate of Clayton), (b) such Transfer shall not delay Closing or impose any additional obligations on the non-Transferring Party, (b) the Transferee shall assume and agree to pay and perform the obligations of the Transferor pursuant to this Agreement and (c) the Transferee shall provide the other Party with its contact information for Notice and other purposes, if different than as set forth in Section 8.11 below. No Transfer shall release a Party in this Agreement named from any duty, obligation, or liability pursuant to this Agreement. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective Transferees and successors.

7.2 Computation of Time. In the computation of time from a specified date to a later specified date, the word *from* means *from and including*; the words *to* and *until* each mean *to but excluding*; and the word *through* means *to and including*. Unless otherwise specified, all references in this Agreement to times of day shall be references to time in Denver, Colorado (daylight or standard, as applicable). If any date upon which performance of a covenant, provision, or term of this Agreement is to occur is a day other than a Saturday, a Sunday, or other nationally recognized holiday, then the Parties shall extend the date for such performance to the next succeeding day that is not a Saturday, Sunday, nationally recognized holiday.

7.3 Construction of Terms. The definitions of terms in this Agreement shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neutral forms. The Parties shall construe, deem and interpret (a) the words *include*, *include*s and *including* as being followed by the phrase *without limitation*, (b) the word *will* as having the same meaning and effect as the word *shall*, (c) any definition of or reference to any agreement, instrument or other document (including any organization document) as referring to such agreement, instrument, or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth in this Agreement), (d) any reference in this Agreement to any Person as including such Person's permitted assigns and successors, (e) references in the Closing Delivery to sections and attachments as referring to the sections of, and attachments to, this Agreement or the Closing Delivery in which such references appear, (f) references to any law as referring to all statutory and regulatory provisions amending, consolidating, interpreting, replacing or supplementing such law and any reference to any law or regulation as referring to such law or regulation as amended, modified, or supplemented from time to time, and (g) section headings in this Agreement and in the other Closing Deliveries as being for convenience of reference only and not affecting the interpretation of this Agreement or any other Closing Delivery.

7.4 Counterparts. The Parties may execute this Agreement in one or more counterparts, each of which the Parties shall consider an original and all of which, taken together shall constitute, the same instrument. The Parties shall accept an electronically generated or transmitted signature, copy of this Agreement, or Notice as an original of such signature, copy of this Agreement, or Notice.

7.5 Effective Date. This Agreement shall be effective on the date and means the date (the ***Effective Date***) that all Parties have executed and delivered this Agreement. If one Party executes this Agreement before the other Party, then this instrument will (a) be an offer by the Party first executing this instrument to enter into an agreement upon the terms set forth in this Agreement, and (b) become a binding agreement between the Parties only when all Parties have executed and delivered it.

7.6 Entire Agreement/Survival of Agreement. This Agreement constitutes the entire agreement between the Parties hereto and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties regarding the subject matter of this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the Parties hereto. The agreements, representations, covenants, and warranties on the part of the Parties contained in this Agreement shall survive Closing and delivery of the Closing Deliveries for the time specified in this Agreement.

7.7 Further Assurances. In addition to the actions recited in this Agreement and contemplated to be performed, executed, and/or delivered by the Parties, the Parties agree to perform, execute, and deliver (or cause to be performed, executed, and delivered) at Closing such further acts, assurances, instruments, and Transfers that, consistent with the conditions and terms of this Agreement, may be reasonably necessary to consummate the Transactions.

7.8 Governing Law. The laws of the State of Colorado shall govern the construction, enforcement, and interpretation of this Agreement.

7.9 Invalidity of Any Provision. If any court concludes that any condition or covenant in this Agreement contained is invalid or void, then the Parties shall (a) reform such condition or covenant in a manner that will result in its being binding and valid, and (b) deem said condition or covenant severable from the remainder of this Agreement that does not affect any other condition or covenant contained in this Agreement. The Parties agree that no covenant or other provision set forth in this Agreement shall be invalid due to its scope or breadth, and agree that if a court concludes that such provision is invalid to any particular extent, the Parties shall deem it valid and applicable to the extent of the scope or breadth permitted by law.

7.10 Notices. All Approvals, consents, Notices, and other communications provided for in this Agreement (***Notices***) shall be in writing and shall be given by hand delivery to the recipient, email transmission to the recipient (with a hard copy concurrently sent by overnight courier service), or by an overnight courier service (which obtains a receipt evidencing delivery) to the recipient addressed to such Party at the addresses and email addresses set forth below (or such other address as a Party may designate by Notice to the other Party). The Parties shall deem all Notices given and received upon (a) substantial compliance with the provisions of this Section 7.11 and (b) receipt, or refusal of receipt, by a Party, or, as to email sent in accordance with the provisions of this Section, an email sent prior to 5:00 p.m. on a Business Day shall be deemed received that Business Day, and otherwise shall be deemed received the next Business Day. The addresses and email addresses of the Parties as of the Effective Date are as follows:

If to Clayton, addressed as follows:

Clayton Properties Group II, Inc.
4908 Tower Road
Denver, Colorado 80249
Attention: James Hayes and Bruce Rau
Email: JHayes@OakwoodHomesCo.com and
BRau@OakwoodHomesCo.com

With a mandatory copy to:

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203 Denver, Colorado
Attention: Charles P. Leder, Esq.
Email: CLeder@spencerfane.com

If to RMD, addressed as follows:

Reunion Metropolitan RMD
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristen Bear, Esq.
Email: kbear@wbapc.com

7.11 Term. The term (***Term***) of this Agreement shall commence on the Effective Date and end on the earlier to occur of (a) the date that a Party rightfully gives Termination Notice pursuant to a covenant or provision of this Agreement or (b) the ERU Closing Date. Notwithstanding the expiration of the Term of this Agreement, the Parties shall perform any covenant, provision, or term of this Agreement that requires performance after, or otherwise survives, the termination of this Agreement, and after the ERU Closing, the Parties shall perform their respective duties and obligations pursuant to the Closing Deliveries.

7.12 Third Parties. No Person who is not a Party to this Agreement shall have any benefit of, or right under, this Agreement (including any right to enforce any covenant, provision, or terms of this Agreement). The Parties intend that this Agreement is strictly for their benefit and that there are not, and there shall be no third party beneficiaries to this Agreement.

7.13 Time of Essence. Time shall be of the essence with respect to all matters contemplated by this Agreement.

7.14 Waiver of Jury Trial. The Parties waive the right to a jury trial in any action or proceeding based on, or related to, any aspect of the Transactions or the Closing Deliveries delivered in connection with this Transactions.

[*Signatures of the Parties follow this page*]

The Parties have executed and delivered this ERU Purchase Agreement as of the dates set forth below.

Clayton:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation

Date: _____ By: _____

Its: _____

[*Signature of RMD follows this page*]

RMD:

(S E A L)

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____

By: _____
President

_____
Secretary or Assistant Secretary

ACCEPTANCE OF ESCROW

U.M.B. BANK, N.A., as trustee (the ***Bond Trustee***), acknowledges receipt of the ERU Purchase Agreement (the Agreement) to which this Acceptance of Escrow is attached and establishes the Escrow (as defined in the Agreement) on the conditions set forth in the Agreement. The Bond Trustee agrees to act as an escrow agent in accordance with the instructions set forth in the Agreement and in any supplemental escrow instructions executed and delivered by the Bond Trustee, Clayton, and RMD with respect to the Escrow set forth in the Agreement.

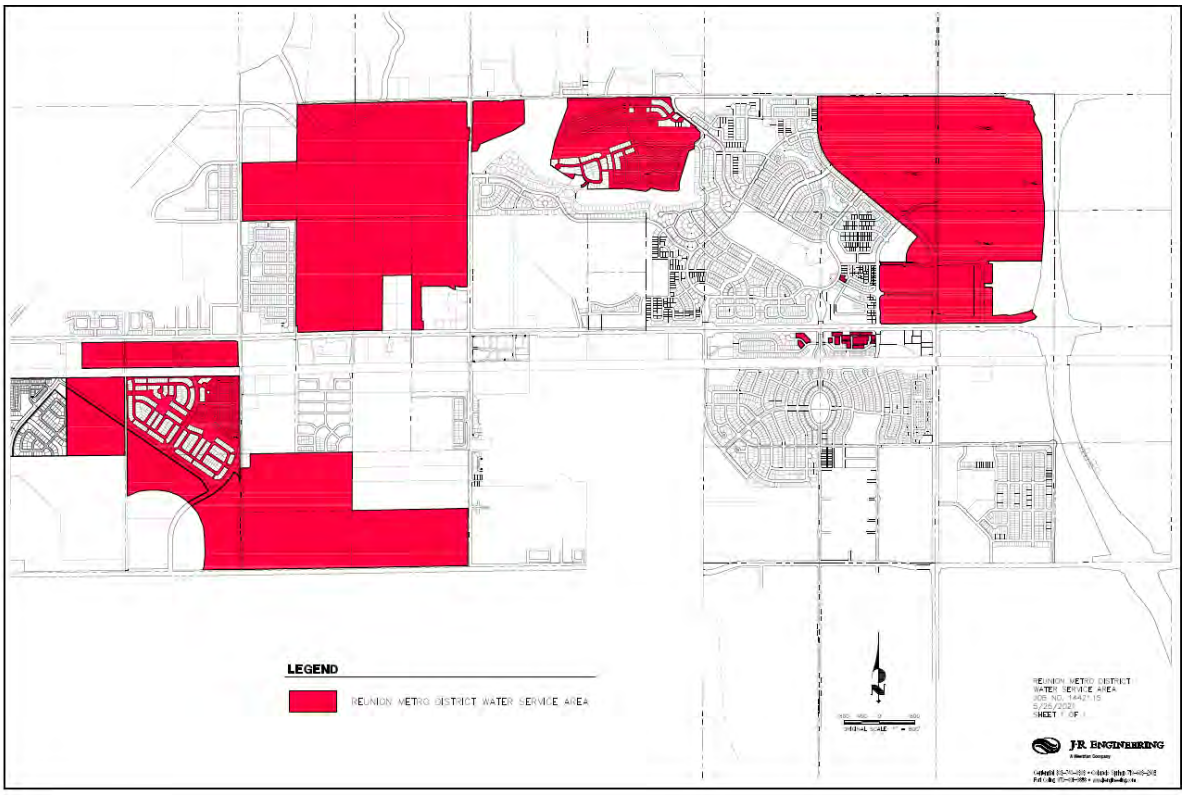
U.M.B. BANK, N.A., as trustee

Date: _____ By: _____

Name: _____

Title: _____

ATTACHMENT 1
(Depiction of RMD Water Service Area)



ATTACHMENT 2
(Description of RMD Water Service Area)

The following described real property located in the County of Adams, State of Colorado:

Parcel 1 (Reunion Filing No. 20, 1st Amendment):

Lots 10, 11, and 12,
REUNION FILING NO. 20, 1ST AMENDMENT,
According to the plat thereof recorded at Reception No.2017000083215,
County of Adams, State of Colorado.

Parcel 2 (Reunion Filing No. 35):

Lots 1 through 5, inclusive, and
Lots 15 and 16,
REUNION FILING NO. 35,
According to the plat thereof recorded at Reception 2019000012706,
County of Adams, State of Colorado.

Parcel 3 (Reunion Filing No. 36):

Lots 43 through 118, inclusive, and
Lots 127 through 146, inclusive,
REUNION FILING NO. 36,
According to the plat thereof recorded at Reception 2019000094161,
County of Adams, State of Colorado.

Parcel 4 (Reunion Filing No. 37):

Lots 1 through 10, inclusive,
Lots 33 through 83, inclusive,
Lots 128 through 161, inclusive,
Lots 171 through 176, inclusive,
Lots 179 through 257, inclusive,
Lots 326 through 340, inclusive,
Lots 350 through 433, inclusive, and
Tracts A through EE, inclusive,
REUNION FILING NO. 37,
According to the plat thereof recorded at Reception 2019000094160,
County of Adams, State of Colorado.

Parcel 5 (Reunion Filing No. 37, Amendment No.1):

Lots 1 through 76, inclusive, and
Tracts A and B,
REUNION FILING NO. 37, AMENDMENT NO.1,
According to the plat thereof recorded at Reception No.2021000003374,
County of Adams, State of Colorado.

Parcel 6 (Reunion Ridge Filing No. 1):

Lot 4, Block 21;
Lots 1 and 2, Block 22;
Lot 14, Block 26;
Lots 2, 3, and 4, Block 27,
Lots 1, 2, 3, and 4, Block 28,
Lots 2, 3, and 4, Block 29,

Tracts A through O, inclusive,
and Tracts W, X, AA, and BB,
REUNION RIDGE FILING NO. 1,
According to the plat thereof recorded at Reception No. 2020000006264,
County of Adams, State of Colorado.

Parcel 7 (Reunion Ridge Filing No. 1, Amendment No. 3):

Lots 5 through 25, inclusive, Block 1,
Lot 6, Block 2,
Lots 4 through 22, inclusive, Block 3,
Lots 1 through 24, inclusive, Block 4,
Lots 1 through 12, inclusive Block 5,
Lot 1, Block 6,
Lots 1 and 5 through 18, inclusive, Block 7,
A. Lots 1 through 13, inclusive, and Lots 15 through 30, inclusive, Block 8,
Lots 1 through 22, inclusive, Block 9,
Lots 1 through 20, inclusive, Block 10,
REUNION RIDGE FILING NO.1, AMENDMENT NO.3,
According to the plat thereof recorded at Reception No. 2021000036072,
County of Adams, State of Colorado.

Parcel No. 8 (Reunion Filing 38):

A PARCEL OF LAND BEING A PORTION OF THAT PARCEL OF LAND DESCRIBED WITHIN QUIT CLAIM DEED RECORDED UNDER RECEPTION NO. C0365970 OF THE RECORDS OF THE ADAMS COUNTY, COLORADO CLERK AND RECORDER'S OFFICE AND LOCATED IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 8 AND CONSIDERING THE NORTH LINE OF SAID SECTION 8 TO BEAR NORTH 89°13'51" EAST, A DISTANCE OF 5,278.95 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 49°52'09" EAST, A DISTANCE OF 101.42 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057, IN SAID RECORDS AND **THE POINT OF BEGINNING**;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES:

1. NORTH 88°54'26" EAST, A DISTANCE OF 536.11 FEET;
2. SOUTH 46°05'34" EAST, A DISTANCE OF 35.36 FEET;
3. NORTH 88°54'26" EAST, A DISTANCE OF 64.00 FEET;
4. NORTH 43°54'26" EAST, A DISTANCE OF 35.36 FEET;
5. NORTH 88°54'26" EAST, A DISTANCE OF 30.91 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 5555.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°32'27", AN ARC LENGTH OF 52.43 FEET TO THE WESTERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY, ALONG THE WESTERLY AND SOUTHERLY BOUNDARY OF SAID SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING SEVEN (7) COURSES:

1. SOUTH 27°37'43" EAST, A DISTANCE OF 28.41 FEET;

2. SOUTH 00°48'53" EAST, A DISTANCE OF 106.09 FEET;
3. NORTH 89°01'30" EAST, A DISTANCE OF 80.74 FEET;
4. NORTH 34°05'49" EAST, A DISTANCE OF 28.52 FEET;
5. NORTH 89°01'30" EAST, A DISTANCE OF 110.00 FEET;
6. SOUTH 00°58'40" EAST, A DISTANCE OF 73.51 FEET;
7. SOUTH 89°51'36" EAST, A DISTANCE OF 36.22 FEET TO THE NORTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, IN SAID RECORDS;

THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, SOUTH 00°08'24" WEST, A DISTANCE OF 423.72 FEET TO THE TO THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED WITHIN THE SPECIAL WARRANTY DEED RECORDED ON FEBRUARY 14, 1995, IN BOOK 4466 AT PAGE 733, IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY BOUNDARY THE FOLLOWING FIVE (5) COURSES:

1. SOUTH 57°21'21" WEST, A DISTANCE OF 156.87 FEET;
2. SOUTH 67°47'22" WEST, A DISTANCE OF 803.42 FEET;
3. SOUTH 03°31'26" WEST, A DISTANCE OF 35.27 FEET;
4. SOUTH 26°07'51" WEST, A DISTANCE OF 140.18 FEET;
5. SOUTH 88°11'36" WEST, A DISTANCE OF 114.74 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF CHAMBERS ROAD, SAID POINT BEING 30.00 FEET EAST OF THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, PARALLEL WITH SAID WEST LINE OF THE NORTHWEST QUARTER OF SECTION 8, NORTH 00°45'04" EAST, A DISTANCE OF 502.32 FEET TO THE SOUTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING TWO (2) COURSES:

THENCE SOUTH 89°14'56" EAST, A DISTANCE OF 20.00 FEET;

THENCE NORTH 00°45'04" EAST, A DISTANCE OF 628.89 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057 AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 50.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 36°07'08" EAST;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°01'34", AN ARC LENGTH OF 30.57 FEET TO **THE POINT OF BEGINNING**.

This description of Reunion Filing No. 38 was prepared by Aztec Consultants, Inc., 300 East Mineral Avenue, Suite 1, Littleton, CO 80122.

Parcel 9 (Reunion Center):

A PARCEL OF LAND BEING A PORTION OF THE NORTHWEST QUARTER AND THE EAST HALF OF SECTION 9, THE WEST HALF OF SECTION 10, ALL IN TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN MONUMENTED BY A 3-1/4" ALUMINUM CAP STAMPED "LS 23519 1989" IN A RANGE BOX AT THE NORTHEAST

CORNER AND A 2” ALUMINUM CAP STAMPED “LS 28649 1997” IN A RANGE BOX AT THE NORTH ONE-QUARTER CORNER, BEING ASSUMED TO BEAR N89°52'27"E.

COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN;

THENCE S68°16'31"W A DISTANCE OF 80.78 FEET, TO THE NORTHEASTERLY CORNER OF PARCEL 1, REUNION FILING NO. 25 RECORDED UNDER RECEPTION NO. 2015000067449 AND **THE POINT OF BEGINNING**;

THENCE ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 9, S89°55'23"E A DISTANCE OF 75.05 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, N89°52'27"E A DISTANCE OF 2647.96 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, N89°46'55"E A DISTANCE OF 1505.56 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE BARGAIN AND SALE DEED RECORDED UNDER RECEPTION NO. C0114614;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. S00°12'59"E A DISTANCE OF 39.89 FEET;
2. S82°28'27"E A DISTANCE OF 559.55 FEET;
3. S57°07'37"E A DISTANCE OF 25.62 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. 20060306000226200;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING FOURTEEN (14) COURSES:

1. S20°11'58"W A DISTANCE OF 51.23 FEET;
2. S57°07'37"E A DISTANCE OF 78.07 FEET, TO A POINT OF NON-TANGENT CURVE;
3. THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS N73°13'05"E, HAVING A RADIUS OF 1667.89 FEET, A CENTRAL ANGLE OF 07°23'51" AND AN ARC LENGTH OF 215.34 FEET, TO A POINT OF NON-TANGENT CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S60°19'16"E, HAVING A RADIUS OF 184.00 FEET, A CENTRAL ANGLE OF 57°35'12" AND AN ARC LENGTH OF 184.93 FEET, TO A POINT OF NON-TANGENT;
5. S27°54'31"E A DISTANCE OF 240.61 FEET, TO A POINT OF CURVE;
6. THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 416.00 FEET, A CENTRAL ANGLE OF 26°44'25" AND AN ARC LENGTH OF 194.15 FEET, TO A POINT OF TANGENT;
7. S01°10'06"E A DISTANCE OF 1222.22 FEET, TO A POINT OF CURVE;
8. ON THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 584.00 FEET, A CENTRAL ANGLE OF 07°29'36" AND AN ARC LENGTH OF 76.38 FEET, TO A POINT OF TANGENT,
9. S08°39'43"E A DISTANCE OF 141.76 FEET, TO A POINT OF CURVE;
10. ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 416.00 FEET, A CENTRAL ANGLE OF 08°40'07" AND AN ARC LENGTH OF 62.94 FEET, TO A POINT OF TANGENT;
11. S00°00'23"W A DISTANCE OF 104.49 FEET;
12. S00°00'49"W A DISTANCE OF 256.40 FEET, TO A POINT OF CURVE;

13. ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 301.19 FEET, A CENTRAL ANGLE OF 04°51'31" AND AN ARC LENGTH OF 25.54 FEET, TO A POINT OF NON-TANGENT;
14. S04°08'39"W A DISTANCE OF 858.38 FEET, TO A POINT ON THE NORTHERLY LINE OF LOT 1, REUNION FILING NO. 33 RECORDED UNDER RECEPTION NO 2007000004156;

THENCE ON THE NORTHERLY, WESTERLY AND SOUTHERLY LINES OF SAID LOT 1 THE FOLLOWING TWENTY (20) COURSES:

1. S89°45'27"W A DISTANCE OF 1059.78 FEET;
2. N85°35'53"W A DISTANCE OF 73.96 FEET;
3. S89°44'55"W A DISTANCE OF 73.37 FEET;
4. S00°15'05"E A DISTANCE OF 64.00 FEET;
5. N89°47'39"E A DISTANCE OF 79.13 FEET, TO A POINT OF CURVE;
6. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 10.00 FEET, A CENTRAL ANGLE OF 90°12'21" AND AN ARC LENGTH OF 15.74 FEET, TO A POINT OF TANGENT;
7. S00°00'00"E A DISTANCE OF 422.86 FEET;
8. S45°00'00"W A DISTANCE OF 28.28 FEET;
9. N90°00'00"W A DISTANCE OF 162.02 FEET;
10. S08°10'46"E A DISTANCE OF 85.87 FEET;
11. S90°00'00"E A DISTANCE OF 149.80 FEET;
12. S45°00'00"E A DISTANCE OF 28.28 FEET;
13. S00°00'00"E A DISTANCE OF 621.69 FEET;
14. N85°56'04"E A DISTANCE OF 323.62 FEET;
15. S59°20'00"E A DISTANCE OF 39.49 FEET;
16. N84°26'51"E A DISTANCE OF 151.15 FEET;
17. N76°04'55"E A DISTANCE OF 363.80 FEET;
18. N02°52'34"E A DISTANCE OF 8.92 FEET;
19. N55°10'51"E A DISTANCE OF 31.49 FEET;
20. N79°45'25"E A DISTANCE OF 29.74 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. 20060306000226200;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES:

1. S13°42'24"W A DISTANCE OF 46.15 FEET, TO A POINT OF NON-TANGENT CURVE;
2. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S76°17'04"E, HAVING A RADIUS OF 19.04 FEET, A CENTRAL ANGLE OF 55°37'04" AND AN ARC LENGTH OF 18.48 FEET, TO A POINT OF NON-TANGENT;
3. S41°54'40"E A DISTANCE OF 121.54 FEET;
4. S48°41'01"E A DISTANCE OF 14.95 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE DESCRIBED IN THE BARGAIN AND SALE DEED RECORDED UNDER RECEPTION NO. C0114614;

THENCE ON SAID RIGHT-OF-WAY LINE, S41°18'50"W A DISTANCE OF 73.51 FEET;

THENCE CONTINUING ON SAID LINE, S74°52'08"W A DISTANCE OF 331.03 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF 104TH AVENUE AS SHOWN ON THE PLAT OF REUNION FILING NO. 33 RECORDED UNDER RECEPTION NO. 2007000004156;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, S89°44'55"W A DISTANCE OF 1741.30 FEET;

THENCE S89°44’55”W A DISTANCE OF 163.44 FEET;

THENCE S89°24’05”W A DISTANCE OF 177.59 FEET, TO A POINT ON THE SOUTHERLY LINE OF REUNION CENTER FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000123227,

THENCE ON SAID SOUTHERLY AND WESTERLY LINES OF REUNION CENTER FILING NO. 1 THE FOLLOWING TWENTY-SEVEN (27) COURSES:

1. S89°24'05"W A DISTANCE OF 657.99 FEET;
2. S89°15'21"W A DISTANCE OF 266.46 FEET;
3. S88°29'16"W A DISTANCE OF 51.87 FEET, TO A POINT OF NON-TANGENT CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S00°33'25"E, HAVING A RADIUS OF 10075.00 FEET, A CENTRAL ANGLE OF 00°02'30" AND AN ARC LENGTH OF 7.34 FEET, TO A POINT OF TANGENT;
5. S89°24'05"W A DISTANCE OF 75.71 FEET;
6. N45°18'58"W A DISTANCE OF 56.29 FEET;
7. N00°02'01"W A DISTANCE OF 27.71 FEET;
8. N00°02'01"W A DISTANCE OF 73.98 FEET, TO A POINT OF CURVE;
9. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 136.00 FEET, A CENTRAL ANGLE OF 05°28'28" AND AN ARC LENGTH OF 12.99 FEET, TO A POINT OF TANGENT;
10. N05°26'26"E A DISTANCE OF 53.19 FEET, TO A POINT OF CURVE;
11. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 164.00 FEET, A CENTRAL ANGLE OF 06°50'34" AND AN ARC LENGTH OF 19.59 FEET, TO A POINT OF TANGENT;
12. N01°24'08"W A DISTANCE OF 68.38 FEET, TO A POINT OF CURVE;
13. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 164.00 FEET, A CENTRAL ANGLE OF 09°05'31" AND AN ARC LENGTH OF 26.02 FEET, TO A POINT OF TANGENT;
14. N10°29'39"W A DISTANCE OF 33.10 FEET, TO A POINT OF CURVE;
15. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 136.00 FEET, A CENTRAL ANGLE OF 09°05'31" AND AN ARC LENGTH OF 21.58 FEET, TO A POINT OF TANGENT;
16. N01°24'08"W A DISTANCE OF 161.35 FEET;
17. N00°02'01"W A DISTANCE OF 24.69 FEET, TO A POINT OF CURVE;
18. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 89°39'00" AND AN ARC LENGTH OF 156.47 FEET, TO A POINT OF NON-TANGENT;
19. N01°03'36"E A DISTANCE OF 64.02 FEET, TO A POINT OF NON-TANGENT CURVE;
20. ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N00°23'02"W, HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 90°21'00" AND AN ARC LENGTH OF 157.69 FEET, TO A POINT OF TANGENT:
21. N00°02'01"W A DISTANCE OF 488.39 FEET, TO A POINT OF CURVE;
22. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 31.42 FEET, TO A POINT OF TANGENT;
23. N89°57'59"E A DISTANCE OF 11.00 FEET;
24. N00°02'01"W A DISTANCE OF 54.00 FEET;
25. S89°57'59"W A DISTANCE OF 11.00 FEET, TO A POINT OF CURVE;
26. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 31.42 FEET, TO A POINT OF TANGENT;
27. N00°02'01"W A DISTANCE OF 18.88 FEET, TO A POINT ON THE NORTHERLY LINE OF TRACT D, REUNION CENTER FILING NO. 1;

THENCE ON THE NORTHERLY LINE OF SAID TRACT D, S46°27'30"E A DISTANCE OF 31.75 FEET;

THENCE CONTINUING ON SAID NORTHERLY LINE, N89°57'59"E A DISTANCE OF 526.29 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF HOMESTEAD TRAIL AS SHOWN ON THE PLAT OF REUNION CENTER FILING NO. 1;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. N44°57'59"E A DISTANCE OF 8.20 FEET;
2. N89°57'59"E A DISTANCE OF 25.40 FEET;
3. S45°02'01"E A DISTANCE OF 8.20 FEET, TO A POINT ON THE NORTHERLY LINE OF TRACT E, REUNION CENTER FILING NO. 1;

THENCE ON SAID NORTHERLY LINE, N89°57'59"E A DISTANCE OF 18.50 FEET, TO A POINT ON THE WESTERLY LINE OF TRACT F, REUNION CENTER FILING NO. 1;

THENCE ON SAID WESTERLY LINE THE FOLLOWING THREE (3) COURSES:

1. N00°00'21"W A DISTANCE OF 79.66 FEET, TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 522.47 FEET, A CENTRAL ANGLE OF 39°43'25" AND AN ARC LENGTH OF 362.23 FEET, TO A POINT OF TANGENT;
3. N39°43'03"E A DISTANCE OF 211.48 FEET, TO A POINT ON THE SOUTHERLY LINE OF TRACT E, REUNION CENTER FILING NO. 1, BEING A POINT OF NON-TANGENT CURVE;

THENCE ON SAID SOUTHERLY LINE, ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S43°41'20"W, HAVING A RADIUS OF 1106.50 FEET, A CENTRAL ANGLE OF 03°58'17" AND AN ARC LENGTH OF 76.70 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID SOUTHERLY LINE, N50°16'57"W A DISTANCE OF 352.81 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF WALDEN STREET;

THENCE ON SAID RIGHT-OF-WAY LINE, S39°43'03"W A DISTANCE OF 0.84 FEET;

THENCE N50°16'57"W A DISTANCE OF 150.00 FEET, TO A POINT ON THE NORTHEASTERLY LINE OF REUNION FILING NO. 26 RECORDED UNDER RECEPTION NO. 2016000023934;

THENCE ON SAID NORTHEASTERLY LINE, N50°16'57"W A DISTANCE OF 990.78 FEET;

THENCE N50°16'57"W A DISTANCE OF 125.00 FEET, TO A POINT ON THE NORTHEASTERLY LINE OF REUNION FILING NO. 19, AMENDMENT NO. 3 RECORDED UNDER RECEPTION NO. 2015000032626;

THENCE ON SAID NORTHEASTERLY LINE, N50°16'57"W A DISTANCE OF 653.61 FEET, TO A POINT OF CURVE;

THENCE CONTINUING ON SAID LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 09°13'04" AND AN ARC LENGTH OF 205.12 FEET, TO A POINT ON THE EASTERLY LINE OF PARCEL 2, REUNION FILING NO. 25 RECORDED UNDER RECEPTION NO. 2015000067449, SAID POINT BEING A POINT OF COMPOUND CURVE;

THENCE ON SAID EASTERLY LINE ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 34°54'01" AND AN ARC LENGTH OF 776.63 FEET, TO A POINT ON THE EASTERLY LINE OF LANDMARK DRIVE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 200508010081021, SAID POINT BEING A POINT OF COMPOUND CURVE;

THENCE ON SAID EASTERLY LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 05°20'39" AND AN ARC LENGTH OF 118.92 FEET, TO A POINT ON THE EASTERLY LINE OF PARCEL 1, REUNION FILING NO. 25;

THENCE ON SAID LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 00°53'44" AND AN ARC LENGTH OF 19.93 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID LINE, N00°04'31"E A DISTANCE OF 693.54 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 19,288,533 SQUARE FEET OR 442.8038 ACRES.

This description of Reunion Center was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Parcel 10 (Village 8):

A PARCEL OF LAND BEING A PORTION SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP IN A RANGE BOX STAMPED "LS 25384" AT THE NORTH QUARTER CORNER AND A 3-1/4" ALUMINUM CAP IN A RANGE BOX STAMPED "LS 16837" AT THE NORTHEAST CORNER, SAID LINE BEARING N88°22’14”E AS REFERENCED TO COLORADO STATE PLANE CENTRAL ZONE.

COMMENCING AT THE NORTHEAST CORNER OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE S84°35’33”W A DISTANCE OF 455.28 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2020000008057, SAID POINT BEING **THE POINT OF BEGINNING**;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD THE FOLLOWING FIVE (5) COURSES:

1. S01°22'35"E A DISTANCE OF 34.62 FEET;
2. N88°37'25"E A DISTANCE OF 299.02 FEET, TO A POINT OF CURVE;
3. THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 91°12'36" AND AN ARC LENGTH OF 79.60 FEET, TO A POINT OF TANGENT;
4. THENCE S00°09'59"E A DISTANCE OF 542.48 FEET;
5. THENCE S89°14'56"E A DISTANCE OF 62.01 FEET;

THENCE CONTINUING ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7, S00°45'04"W A DISTANCE OF 301.62 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBER ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C1036758;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

1. N89°14'56"W A DISTANCE OF 30.00 FEET;

2. S00°45'04"W A DISTANCE OF 1450.00 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2017000010629,

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

1. S00°45'04"W A DISTANCE OF 247.52 FEET;
2. S00°10'59"E A DISTANCE OF 1327.52 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099509;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, S00°10'59"E A DISTANCE OF 261.06 FEET, TO A POINT ON THE NORTHERLY LINE OF REUNION FILING NO. 32, RECORDED UNDER RECEPTION NO. 2011000050524, AND A POINT OF CURVE;

THENCE ON SAID NORTHERLY LINE AND WESTERLY LINE OF REUNION FILING NO. 32 THE FOLLOWING NINE (9) COURSES:

1. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 39.27 FEET, TO A POINT OF TANGENT;
2. S89°49'01"W A DISTANCE OF 118.68 FEET, TO A POINT OF CURVE;
3. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 407.50 FEET, A CENTRAL ANGLE OF 19°29'37" AND AN ARC LENGTH OF 138.64 FEET, TO A POINT OF NON-TANGENT;
4. S00°39'46"E A DISTANCE OF 87.26 FEET, TO A POINT OF NON-TANGENT CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N16°39'01"E, HAVING A RADIUS OF 492.50 FEET, A CENTRAL ANGLE OF 20°33'41" AND AN ARC LENGTH OF 176.74 FEET, TO A POINT OF NON-TANGENT;
6. S89°20'14"W A DISTANCE OF 613.54 FEET;
7. S00°39'46"E A DISTANCE OF 785.33 FEET;
8. N89°20'14"E A DISTANCE OF 40.59 FEET;
9. S00°39'46"E A DISTANCE OF 200.00 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 104TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099509;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, S89°20'14"W A DISTANCE OF 269.15 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°12'18"E A DISTANCE OF 1243.46 FEET;

THENCE S88°58'56"W A DISTANCE OF 660.47 FEET, TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 7;

THENCE ON SAID EAST LINE, S00°24'02"W A DISTANCE OF 1239.43 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 104TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099511;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES:

1. S89°20'14"W A DISTANCE OF 667.01 FEET;
2. S88°13'16"W A DISTANCE OF 1246.23 FEET;
3. N44°37'06"W A DISTANCE OF 14.31 FEET;
4. N00°22'54"E A DISTANCE OF 137.76 FEET;
5. N89°37'06"W A DISTANCE OF 40.01 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°22'46"E A DISTANCE OF 2404.60 FEET, TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID SOUTH LINE, S88°37'57"W A DISTANCE OF 1225.51 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF POTOMAC STREET AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2016000106665;

THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE, N00°21'34"W A DISTANCE OF 1318.88 FEET, TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID NORTH LINE, N88°29'23"E A DISTANCE OF 1242.85 FEET, TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°23'22"E A DISTANCE OF 1292.11 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 7, N88°21'23"E A DISTANCE OF 1319.06 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7, N88°22'14"E A DISTANCE OF 2177.60 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 19,871,038 SQUARE FEET OR 456.1763 ACRES.

This description of Village 8 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Parcel 11 (Village 9):

THREE (3) PARCELS OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN AND PORTIONS OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP IN A RANGE BOX "ILLEGIBLE" AT THE SOUTH QUARTER CORNER AND A 3-1/4" ALUMINUM CAP IN A RANGE BOX "ILLEGIBLE" AT THE SOUTHEAST CORNER, SAID LINE BEARING N89°30’50”E AS REFERENCED TO COLORADO STATE PLANE CENTRAL ZONE.

Village 9 Parcel 1:

BEGINNING AT THE CENTER QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE ON THE SOUTH LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 13, S89°26'03"W A DISTANCE OF 1314.70 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 13;

THENCE ON SAID WEST LINE, N00°31'31"W A DISTANCE OF 1562.23 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF REUNION RIDGE WAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE, ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S32°50'41"W, HAVING A RADIUS OF 560.00 FEET, A CENTRAL ANGLE OF 01°37'08" AND AN ARC LENGTH OF 15.82 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, S55°32'11"E A DISTANCE OF 1590.82 FEET, TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 13;

THENCE ON SAID WEST LINE, S00°22'24"E A DISTANCE OF 640.21 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 1,449,269 SQUARE FEET OR 33.2706 ACRES.

This description of Village 9 Parcel 1 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Village 9 Parcel 2:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE N01°17’44”E A DISTANCE OF 1716.65 FEET, TO THE POINT OF BEGINNING;

THENCE ON A LINE BEING 50.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF THE EAST HALF OF SAID SECTION 13, N00°22'24"W A DISTANCE OF 1533.43 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF REUNION RIDGE WAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF POTOMAC PARKWAY THE FOLLOWING SEVEN (7) COURSES:

1. S55°32'11"E A DISTANCE OF 1951.90 FEET, TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 410.00 FEET, A CENTRAL ANGLE OF 22°43'13" AND AN ARC LENGTH OF 162.58 FEET, TO A POINT OF TANGENT;
3. S32°48'58"E A DISTANCE OF 220.33 FEET, TO A POINT OF CURVE;
4. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 92°14'36" AND AN ARC LENGTH OF 24.15 FEET, TO A POINT OF COMPOUND CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 1420.00 FEET, A CENTRAL ANGLE OF 02°29'42" AND AN ARC LENGTH OF 61.84 FEET, TO A POINT OF TANGENT;
6. S61°55'20"W A DISTANCE OF 337.80 FEET, TO A POINT OF CURVE;
7. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1055.00 FEET, A CENTRAL ANGLE OF 06°04'30" AND AN ARC LENGTH OF 111.86 FEET;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, THE FOLLOWING EIGHT (8) COURSES:

1. N47°42'07"W A DISTANCE OF 58.54 FEET;
2. N55°38'39"W A DISTANCE OF 200.74 FEET;
3. N68°41'16"W A DISTANCE OF 255.75 FEET;
4. N82°48'26"W A DISTANCE OF 212.30 FEET;
5. N89°53'45"W A DISTANCE OF 260.65 FEET;
6. S82°55'19"W A DISTANCE OF 220.57 FEET;
7. S66°25'27"W A DISTANCE OF 251.36 FEET;
8. S66°25'27"W A DISTANCE OF 11.79 FEET, TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 1,546,571 SQUARE FEET OR 35.5044 ACRES.

This description of Village 9 Parcel 2 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Village 9 Parcel 3:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE N00°42'27"W A DISTANCE OF 30.00 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 96TH AVENUE;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 13, S89°30'50"W A DISTANCE OF 1561.01 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF POTOMAC PARKWAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE AND THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 100TH AVENUE THE FOLLOWING SEVEN (7) COURSES:

1. N00°29'10"W A DISTANCE OF 655.82 FEET, TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 945.00 FEET, A CENTRAL ANGLE OF 62°24'30" AND AN ARC LENGTH OF 1029.33 FEET, TO A POINT OF TANGENT;
3. N61°55'20"E A DISTANCE OF 337.80 FEET, TO A POINT OF CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1530.00 FEET, A CENTRAL ANGLE OF 30°26'57" AND AN ARC LENGTH OF 813.10 FEET, TO A POINT OF REVERSE CURVE;
5. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 87°57'36" AND AN ARC LENGTH OF 23.03 FEET, TO A POINT OF TANGENT;
6. THENCE S60°34'01"E A DISTANCE OF 52.39 FEET, TO A POINT OF NON-TANGENT CURVE;
7. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S45°04'32"W, HAVING A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 44°39'41" AND AN ARC LENGTH OF 210.46 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF POTOMAC STREET;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 13, N00°15'47"W A DISTANCE OF 314.51 FEET, TO THE EXTENSION OF THE SOUTHERLY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C0998935;

THENCE ON SAID SOUTHERLY LINE EXTENDED, N88°56'32"E A DISTANCE OF 230.00 FEET, TO THE EASTERLY LINE OF SAID PROPERTY;

THENCE ON SAID EASTERLY LINE AND THE EASTERLY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C0643212, N00°15'47"W A DISTANCE OF 318.00 FEET, TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE ON SAID NORTH LINE, N88°56'32"E A DISTANCE OF 2318.41 FEET, TO THE CENTER QUARTER CORNER OF SAID SECTION 18;

THENCE ON THE EAST LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 18, S00°18'51"W A DISTANCE OF 1326.86 FEET, TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 18;

THENCE ON SAID NORTH LINE, N88°57'36"E A DISTANCE OF 2630.94 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, S00°14'15"W A DISTANCE OF 1297.62 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 96TH AVENUE;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, S88°58'39"W A DISTANCE OF 2633.33 FEET;

THENCE CONTINUING ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 18, S89°04'16"W A DISTANCE OF 2491.46 FEET, TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 12,493,008 SQUARE FEET OR 286.8000 ACRES.

This description of Village 9 Parcel 3 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

ATTACHMENT 3
(Form of ERU Assignment)

ASSIGNMENT AND BILL OF SALE
(Portion of Plan B Project ERU Water Credits and Entire Purchase Interest)

THIS ASSIGNMENT AND BILL OF SALE ("Assignment") dated, [DATE], 2021, is from Clayton Properties Group II, Inc., a Colorado corporation ("Assignor"), whose address is 4908 Tower Road, Denver, Colorado 80249, and is to Reunion Metropolitan District in Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "Assignee"), whose address is c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado. "Parties" means Assignor and Assignee, and "Party" means one of the Parties, as the context may require.

RECITALS:

A. South Adams County Water and Sanitation District (the "District") and Shea Homes Limited Partnership ("Shea") entered into that certain amended FRICO Participant Water Resources Agreement dated November 2, 2001, as amended by a First Amendment to FRICO Participant Water Resources Agreement dated November 12, 2002, and a Second Amendment to FRICO Participant Water Resources Agreement dated October 15, 2018, as assigned by Shea to Clayton by Assignment and Bill of Sale (Transfer of Entire Interest in Revised Agreement and FRICO Plan B ERU Water Credits and Option Fee Credits and a portion of SACWSD ERU Water Credits) dated October 15, 2018 (as amended and assigned, the "Amended Water Resources Agreement"). Initially capitalized phrases, words, and terms not otherwise defined in this Assignment have the same meaning that such initially capitalized phrases, terms, and words have in the Amended Water Resources Agreement.

B. Pursuant to the Amended Water Resources Agreement, Assignor holds certain ERU Water Credits and the opportunity to purchase corresponding ERU Water Connections for use on land depicted on Exhibit A to this Assignment (the "Property"). The Property is within the land described in the Amended Water Resources Agreement, has been annexed into the City of Commerce City, has been included within the boundaries of the District by Order of the Adams County District Court, and is within the Denver Regional Council of Governments' urban growth boundaries.

C. Assignor desires to transfer to Assignee certain of its rights, interests, and responsibilities in the Transferred Participation Amount, defined below, under the Amended Water Resources Agreement and for use on the Property. The purpose of this Assignment is to effect such transfer.

COVENANTS:

For good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

1. Assignment. Assignor hereby grants, bargains, sells and conveys to Assignee all of its right, title and interest in and to the following (collectively, "Transferred Participation

Amount") for use on the Property or other property included in Exhibit A to the Amended Water Resources Agreement:

a. [NUMBER] Optioned FRICO ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement.

b. [NUMBER] SACWSD ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement.

c. The non-exclusive right of Assignor to enforce those covenants, provisions, and terms of the Amended Water Resources Agreement to (a) issue ERU Water Connections to Assignee, or its assigns and successors (collectively "Assignee") and (b) the right of Assignee to receive a reduction of the Water Resources Fee payable to the District at issuance of an ERU Water Connection by the amount of the ERU Water Rights. The amount of the credit per FRICO ERU in 2021 is $6,600.00.

The Parties acknowledge and agree that (i) Transferred Participation Amount does not include the Retained Interests (defined below in Section 2 of this Assignment) and (ii) Assignor retains the Retained Interests.

Assignor represents that it has not made any prior conveyance of any of the Transferred Participation Amount and further represents that the Transferred Participation Amount is free and clear of all security interests, liens, mortgages, and pledges of any kind or nature granted by Assignor or asserted by any person or entity claiming by, through, or under Assignor. Assignor may not revoke or rescind the assignment after the District has consented to it.

Assignee acknowledges and agrees that (i) Assignee shall be required to pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to the purchase of ERU Water Connections in the same manner as is normally charged by the District relating to such ERU Water Connections and (ii) if Assignee subsequently assigns ERU Water Certificates, the transferees shall be required to pay the above-described costs and normal and customary transfer fees charged by the District at the time of such assignments.

Assignor hereby assigns and Assignee hereby assumes the Transferred Participation Amount subject to the covenants, conditions, provisions, and obligations contained in the Amended Water Resources Agreement ("Participant Obligations"). Notwithstanding the foregoing, (i) Assignee does not assume, and Assignee shall have no responsibility for, any Participant Obligations pertaining to the Retained Interests and (ii) Assignor's use of the Retained Interests shall otherwise be subject to the covenants, conditions, provisions and obligations of the Amended Water Resources Agreement.

2. Retained Interests. Upon consent by the District and conclusion of the Assignment of the Transferred Participation Amount, Assignor will retain the following interests (the "Retained Interests"):

a. [NUMBER] Optioned FRICO ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement;

b. [NUMBER] SACWSD ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement; and

c. All interests and obligations of the Participant pursuant to the Amended Water Resources Agreement not specifically assigned to Assignee.

3. Provisions Relating to Allocations by the District. Under the terms of the Amended Water Resources Agreement and the Resolution of the Board of Directors of South Adams County Water and Sanitation District Regarding Allocation of ERUs to FRICO Participants adopted August 28, 2001 ("FRICO Resolution"), under certain circumstances, the District will allocate ERU Water Connections among Plan B Project participants ("Tap Allocations"). In particular, the District has the right to impose Tap Allocations among Plan B Project participants if utilization of new ERU Water Connections in the District in any one year has exceeded or will exceed 2,266 ERU Water Connections. The District's issuance of ERU Water Connections, which are the subject of this Assignment, is subject to: (a) the terms of the FRICO Resolution; and (b) the terms and conditions of the Amended Water Resources Agreement.

4. Indemnification, Release and Hold Harmless. To the extent permitted by law, Assignor and Assignee agree to defend, indemnify and hold harmless the District from and against any and all liability, claims, losses, damages or expenses, including, without limitation, court costs and attorney fees that arise out of or are in any way related to the District's consent to this Assignment and transfer of the Transferred Participation Amount in its records. Additionally, Assignor and Assignee agree to release the District from and waive any and all claims, losses or causes of action that may result from the District's consent to this Assignment.

5. Consent of the District. The District's consent to this Assignment, which will not be granted without receipt of payment for the District's transfer fee, and entry of this Assignment on the District's books is required before this Assignment is effective.

6. No Modifications. Nothing in this Assignment shall be deemed to modify any of the terms and conditions of the Amended Water Resources Agreement or the FRICO Resolution.

7. Rules and Regulations. Connections to the District's water and wastewater system and continued service are subject to the District Rules and Regulations and applicable Resolutions.

[*The signatures and acknowledgements of the Parties follow this page*]

Assignor:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation doing business as Oakwood Homes

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of [MONTH], 2021, by [NAME] as [TITLE] of Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

[*The signature and acknowledgement of the Assignee follow this page*]

RMD:

Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this _____ day of [MONTH], 2021, by [NAME] as [TITLE] of a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

EXHIBIT A
Attached
to
Assignment and Bill of Sale

(Depiction of the Property)

[TO BE ATTACHED]

ATTACHMENT 4
(Form of ERU Declaration).

ATTACHMENT 5
(Form of ERU Reassignment)

REASSIGNMENT AND BILL OF SALE

(Portion of Plan B Project ERU Water Credits and Entire Purchase Interest)

THIS REASSIGNMENT AND BILL OF SALE ("Reassignment") dated, _____, is from Reunion Metropolitan District in Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "Assignor"), whose address is c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado and is to Clayton Properties Group II, Inc., a Colorado corporation ("Assignee"), whose address is 4908 Tower Road, Denver, Colorado 80249. "Parties" means Assignor and Assignee, and "Party" means one of the Parties, as the context may require. Initially capitalized phrases, terms, and words used in this Reassignment shall, unless otherwise defined in this Reassignment, have the meanings ascribed to such terms in the Assignment (as defined below).

RECITALS:

D. Assignor and Assignee are parties to that certain ERU Purchase Agreement dated June ____, 2021 (***ERU Purchase Agreement***), pursuant to which the Parties have agreed that Assignee will sell and Transfer (as defined in the ERU Purchase Agreement), and Assignor will purchase, the Subject ERU Water Credits (as defined in the ERU Purchase Agreement), on the terms and conditions set forth in the ERU Purchase Agreement.

E. Pursuant to the ERU Purchase Agreement, the Parties executed and delivered an Assignment and Bill of Sale dated June ____, 2021 (the "Assignment"), pursuant to which Assignee transferred to Assignor certain of its rights, interests, and responsibilities in the Transferred Participation Amount for use on the Property or other property included in Exhibit A to the Amended Water Resources Agreement.

F. Assignor desires to reassign and transfer to Assignee all of Assignor's rights, interests, and responsibilities in and to the Transferred Participation Amount. The purpose of this Reassignment is to effect such transfer.

COVENANTS:

For good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

8. Reassignment. Assignor hereby grants, bargains, sells, transfers and conveys to Assignee all of its right, title and interest in and to the Transferred Participation Amount.

Assignor represents that it has not made any prior conveyance of any of the Transferred Participation Amount and further represents that the Transferred Participation Amount is free and clear of all security interests, liens, mortgages, and pledges of any kind or nature granted by Assignor or asserted by any person or entity claiming by, through, or under Assignor. Assignor may not revoke or rescind the reassignment after the District has consented to it.

Assignee acknowledges and agrees that (i) Assignee shall be required to pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to the purchase of ERU Water Connections in the same manner as is normally charged by the District relating to such ERU Water Connections and (ii) if Assignee subsequently assigns ERU Water Certificates, the transferees shall be required to pay the above-described costs and normal and customary transfer fees charged by the District at the time of such assignments.

Assignor hereby assigns and Assignee hereby assumes the Transferred Participation Amount subject to the covenants, conditions, provisions, and obligations contained in the Amended Water Resources Agreement.

9. Provisions Relating to Allocations by the District. Under the terms of the Amended Water Resources Agreement and the Resolution of the Board of Directors of South Adams County Water and Sanitation District Regarding Allocation of ERUs to FRICO Participants adopted August 28, 2001 ("FRICO Resolution"), under certain circumstances, the District will allocate ERU Water Connections among Plan B Project participants ("Tap Allocations"). In particular, the District has the right to impose Tap Allocations among Plan B Project participants if utilization of new ERU Water Connections in the District in any one year has exceeded or will exceed 2,266 ERU Water Connections. The District's issuance of ERU Water Connections, which are the subject of this Reassignment, is subject to: (a) the terms of the FRICO Resolution; and (b) the terms and conditions of the Amended Water Resources Agreement.

10. Indemnification, Release and Hold Harmless. To the extent permitted by law, Assignor and Assignee agree to defend, indemnify and hold harmless the District from and against any and all liability, claims, losses, damages or expenses, including, without limitation, court costs and attorney fees that arise out of or are in any way related to the District's consent to this Reassignment and transfer of the Transferred Participation Amount in its records. Additionally, Assignor and Assignee agree to release the District from and waive any and all claims, losses or causes of action that may result from the District's consent to this Reassignment.

11. Consent of the District. The District's consent to this Reassignment, which will not be granted without receipt of payment for the District's transfer fee, and entry of this Reassignment on the District's books is required before this Reassignment is effective.

12. No Modifications. Nothing in this Reassignment shall be deemed to modify any of the terms and conditions of the Amended Water Resources Agreement or the FRICO Resolution.

13. Rules and Regulations. Connections to the District's water and wastewater system and continued service are subject to the District Rules and Regulations and applicable Resolutions.

[*The signatures and acknowledgements of the Parties follow this page*]

ASSIGNOR:

Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this _____, by _____ as _____ of a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

ASSIGNEE:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation doing business as Oakwood Homes

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____, 2021, by _____ as _____ of Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

[*The signature and acknowledgement of the Assignee follow this page*]

ATTACHMENT 6

(Property Agreements)

The following agreements (the ***Property Agreements***) between and among Clayton, LCF, and Shea affect the RMD Water Service Area and the Subject ERU Water Credits:

1. Option Agreement for Purchase and Sale dated as of August 30, 2000, wherein, among other things, LCF granted to Shea the exclusive option to purchase from LCF certain real property located within the boundaries of SACWSD and the RMD Water Service Area and more particularly described therein, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment thereto dated, respectively, December 17, 2001, December 28, 2001, January 30, 2002, August 13, 2002, and August 14, 2002, the letter agreement dated September 13, 2002, the Seventh Amendment, Eighth Amendment, Ninth Amendment, and Tenth Amendment thereto dated, respectively, November 26, 2002, December 9, 2003, May 5, 2005, and June 7, 2011, each by and among LCF and Shea, the Eleventh Amendment dated July 27, 2011, by and among LCF, Shea and Shea Chambers 104th, LLC, a Colorado limited liability company, by the Twelfth Amendment, Thirteenth Amendment, Fourteenth Amendment, and Fifteenth Amendment by and among LCF and Shea, dated respectively, December 30, 2014, April 18, 2017, April 20, 2017, and August 18, 2017, and the Sixteenth Amendment by and among Clayton, LCF, and Shea dated [DATE], 2021, as assigned from Shea to Clayton on August 18, 2017.

2. Purchase and Sale Agreement between Shea and Oakwood Homes LLC, a Colorado limited liability company, dated October 11, 2016, as subsequently amended, with respect to, and among other things, the real property described therein located in Adams County, Colorado, and including real property located within the boundaries of SACWSD and the RMD Water Service Area and described in the Option Agreement, and subsequently assigned by Oakwood Homes LLC to Clayton, together with all agreements executed by the Clayton and Shea in connection with the closing of the Transactions.

3. Agreement Purchase Agreement between Clayton and Shea, dated October 15, 2018.

4. Amended and Restated Agreement Regarding ERUs among Clayton, LCF, and Shea dated October 15, 2018.

5. The following Mortgages from Clayton to LCF and Shea, as indicated below:

Parcel 1 (Reunion Filing No. 20, 1st Amendment):

Lots 10, 11, and 12,
REUNION FILING NO. 20, 1ST AMENDMENT,
According to the plat thereof recorded at Reception No.2017000083215,
County of Adams, State of Colorado.

1. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTY GROUP II, INC., A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072560. MATURITY DATE: FEBRUARY 4, 2030.

2. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTY GROUP II, INC., A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA, LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072554. MATURITY DATE: FEBRUARY 4, 2030.

Parcel 2 (Reunion Filing No. 35):

Lots 1 through 5, inclusive, and
Lots 15 and 16,
REUNION FILING NO. 35,
According to the plat thereof recorded at Reception 2019000012706,
County of Adams, State of Colorado.

1. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTIES GROUP II, INC., A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA, LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072556. MATURITY DATE: NOVEMBER 22, 2026.

2. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTIES GROUP II, INC., A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072562. MATURITY DATE: NOVEMBER 22, 2026.

Parcel 3 (Reunion Filing No. 36):

Lots 43 through 118, inclusive, and
Lots 127 through 146, inclusive,
REUNION FILING NO. 36,
According to the plat thereof recorded at Reception 2019000094161,
County of Adams, State of Colorado.

1. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA, LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072556. MATURITY DATE: NOVEMBER 22, 2026.

2. MORTGAGE DATED AUGUST 18, 2017 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED AUGUST 21, 2017, UNDER RECEPTION NO. 2017000072562. MATURITY DATE: NOVEMBER 22, 2026.

Parcel 4 (Reunion Filing No. 37):

Lots 1 through 10, inclusive,
Lots 33 through 83, inclusive,
Lots 128 through 161, inclusive,
Lots 171 through 176, inclusive,
Lots 179 through 257, inclusive,
Lots 326 through 340, inclusive,
Lots 350 through 433, inclusive, and
Tracts A through EE, inclusive,
REUNION FILING NO. 37,
According to the plat thereof recorded at Reception 2019000094160,
County of Adams, State of Colorado.

AND

Parcel 5 (Reunion Filing No. 37, Amendment No.1):

Lots 1 through 76, inclusive, and
Tracts A and B,
REUNION FILING NO. 37, AMENDMENT NO.1,
According to the plat thereof recorded at Reception No.2021000003374,
County of Adams, State of Colorado.

1. MORTGAGE DATED APRIL 17, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA,LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED APRIL 20, UNDER RECEPTION NO. 2020000035835. MATURITY DATE: APRIL 17, 2030.

2. MORTGAGE DATED APRIL 17, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED APRIL 20, 2020, UNDER RECEPTION NO. 2020000035836. MATURITY DATE: APRIL 17, 2030.

Parcel 6 (Reunion Ridge Filing No. 1):

Lot 4, Block 21;
Lots 1 and 2, Block 22;
Lot 14, Block 26;
Lots 2, 3, and 4, Block 27,
Lots 1, 2, 3, and 4, Block 28,
Lots 2, 3, and 4, Block 29,
Tracts A through O, inclusive,
and Tracts W, X, AA, and BB,
REUNION RIDGE FILING NO. 1,
According to the plat thereof recorded at Reception No. 2020000006264,
County of Adams, State of Colorado.

AND

Parcel 7 (Reunion Ridge Filing No. 1, Amendment No. 3):

Lots 5 through 25, inclusive, Block 1,
Lot 6, Block 2,
Lots 4 through 22, inclusive, Block 3,
Lots 1 through 24, inclusive, Block 4,
Lots 1 through 12, inclusive Block 5,
Lot 1, Block 6,
Lots 1 and 5 through 18, inclusive, Block 7,
Lots 1 through 13, inclusive, and Lots 15 through 30, inclusive, Block 8,
Lots 1 through 22, inclusive, Block 9,
Lots 1 through 20, inclusive, Block 10,
REUNION RIDGE FILING NO.1, AMENDMENT NO.3,
According to the plat thereof recorded at Reception No. 2021000036072,
County of Adams, State of Colorado.

1. MORTGAGE DATED FEBRUARY 4, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA,LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED FEBRUARY 4, 2020, UNDER RECEPTION NO. 2020000011153. MATURITY DATE: FEBRUARY 4, 2030.

2. MORTGAGE DATED FEBRUARY 4, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED FEBRUARY 4, 2020, UNDER RECEPTION NO. 2020000011154. MATURITY DATE: FEBRUARY 4, 2030.

Parcel No. 8 (Reunion Filing 38):

A PARCEL OF LAND BEING A PORTION OF THAT PARCEL OF LAND DESCRIBED WITHIN QUIT CLAIM DEED RECORDED UNDER RECEPTION NO. C0365970 OF THE RECORDS OF THE ADAMS COUNTY, COLORADO CLERK AND RECORDER'S OFFICE AND LOCATED IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 8 AND CONSIDERING THE NORTH LINE OF SAID SECTION 8 TO BEAR NORTH 89°13'51" EAST, A DISTANCE OF 5,278.95 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 49°52'09" EAST, A DISTANCE OF 101.42 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057, IN SAID RECORDS AND **THE POINT OF BEGINNING**;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES:

6. NORTH 88°54'26" EAST, A DISTANCE OF 536.11 FEET;
7. SOUTH 46°05'34" EAST, A DISTANCE OF 35.36 FEET;
8. NORTH 88°54'26" EAST, A DISTANCE OF 64.00 FEET;
9. NORTH 43°54'26" EAST, A DISTANCE OF 35.36 FEET;
10. NORTH 88°54'26" EAST, A DISTANCE OF 30.91 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 5555.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°32'27", AN ARC LENGTH OF 52.43 FEET TO THE WESTERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY, ALONG THE WESTERLY AND SOUTHERLY BOUNDARY OF SAID SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING SEVEN (7) COURSES:

8. SOUTH 27°37'43" EAST, A DISTANCE OF 28.41 FEET;
9. SOUTH 00°48'53" EAST, A DISTANCE OF 106.09 FEET;
10. NORTH 89°01'30" EAST, A DISTANCE OF 80.74 FEET;
11. NORTH 34°05'49" EAST, A DISTANCE OF 28.52 FEET;
12. NORTH 89°01'30" EAST, A DISTANCE OF 110.00 FEET;
13. SOUTH 00°58'40" EAST, A DISTANCE OF 73.51 FEET;
14. SOUTH 89°51'36" EAST, A DISTANCE OF 36.22 FEET TO THE NORTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, IN SAID RECORDS;

THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, SOUTH 00°08’24” WEST, A DISTANCE OF 423.72 FEET TO THE TO THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED WITHIN THE SPECIAL WARRANTY DEED RECORDED ON FEBRUARY 14, 1995, IN BOOK 4466 AT PAGE 733, IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY BOUNDARY THE FOLLOWING FIVE (5) COURSES:

6. SOUTH 57°21'21" WEST, A DISTANCE OF 156.87 FEET;
7. SOUTH 67°47'22" WEST, A DISTANCE OF 803.42 FEET;
8. SOUTH 03°31'26" WEST, A DISTANCE OF 35.27 FEET;
9. SOUTH 26°07'51" WEST, A DISTANCE OF 140.18 FEET;
10. SOUTH 88°11'36" WEST, A DISTANCE OF 114.74 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF CHAMBERS ROAD, SAID POINT BEING 30.00 FEET EAST OF THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, PARALLEL WITH SAID WEST LINE OF THE NORTHWEST QUARTER OF SECTION 8, NORTH 00°45'04" EAST, A DISTANCE OF 502.32 FEET TO THE SOUTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING TWO (2) COURSES:

THENCE SOUTH 89°14'56" EAST, A DISTANCE OF 20.00 FEET;

THENCE NORTH 00°45'04" EAST, A DISTANCE OF 628.89 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057 AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 50.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 36°07'08" EAST;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°01'34", AN ARC LENGTH OF 30.57 FEET TO **THE POINT OF BEGINNING**.

This description of Reunion Filing No. 38 was prepared by Aztec Consultants, Inc., 300 East Mineral Avenue, Suite 1, Littleton, CO 80122.

1. MORTGAGE DATED OCTOBER 13, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF DIBC BUFFALO HILLS RANCH, LLC, A COLORADO LIMITED LIABILITY COMPANY AND FFP-DIA,LLC, A COLORADO LIMITED LIABILITY COMPANY, RECORDED OCTOBER 14, 2020, UNDER RECEPTION NO. 2020000104347. MATURITY DATE: OCTOBER 13, 2030.

2. MORTGAGE DATED OCTOBER 13, 2020 FROM CLAYTON PROPERTIES GROUP II INC, A COLORADO CORPORATION FOR THE BENEFIT OF SHEA HOMES LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, RECORDED OCTOBER 14, 2020, UNDER RECEPTION NO. 2020000104348. MATURITY DATE: OCTOBER 13, 2030.

a.

ATTACHMENT 7
(Form of SACWSD Consent)

[DISTRICT LETTERHEAD]

[CLOSING DATE]

Clayton Properties Group II, Inc.
4908 Tower Road
Denver, Colorado 80249
Attention: James Hayes and Bruce Rau

Reunion Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristen Bear

Re: *Assignment and Bill of Sale of ERU Water Credits from Clayton Properties Group II, Inc., to Reunion Metropolitan District, acting by and through its Water Activity Enterprise (the "Assignment")*

To Whom It May Concern:

South Adams County Water and Sanitation District (the "District") hereby consents (the "Assignment Consent") to the above-referenced Assignment and Bill of Sale of ERU Water Credits (the "Assignment") pursuant to which Clayton Properties Group II, Inc., a Colorado corporation ("Clayton"), will assign the Subject ERU Water Credits (as defined in paragraph 2 below) to Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "RMD"). The District notes that the Subject ERU Water Credits are (a) available under the FRICO Participant Water Resources Agreement dated November 2, 2001, and subsequently amended and assigned (as amended and assigned, the Reunion Participant Resources Agreement"), and (b) subject to (i) the terms of the Reunion Participant Resources Agreement, as may be subsequently amended, (ii) the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service, as amended and in effect from time to time (the "District Rules") and applicable Resolutions, and (iii) the terms of this Assignment Consent.

Pursuant to RMD's request, the District confirms the following matters:

1. Clayton has the power and authority under the Reunion Participant Resources Agreement to make the Assignment, and RMD is an acceptable transferee pursuant to the Reunion Participant Resources Agreement.

2. As of the date of this Assignment Consent, the records of the District reflect that Clayton has [NUMBER] Optioned FRICO ERUs and [NUMBER] SACWSD ERUs and the right to receive corresponding ERU Water Connections (collectively, the "Subject ERU Water Credits)

that are presently available for assignment by Clayton to RMD subject to the consent of the District pursuant to the District Rules and Resolutions and the Reunion Participant Resources Agreement.

3. The Subject ERU Water Credits are in full force and effect and there are no Annual Option Payments required to be made in connection with the Subject ERU Water Credits. The District notes that the holder of a Subject ERU Water Credit must pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to purchases of ERU Water Connections in the same manner as normally charged by the District relating to such ERU Water Connections.

4. The Water Connection Fee credit per each Subject ERU Water Credit (a "Credit") in 2021 is $10,429.00, which Credit is attached to each Subject ERU Water Credit and will transfer with each Subject ERU Water Credit that is assigned to a third party. The current 2021 Credit of $10,429.00 is comprised of a credit of $3,429.00 for the installation of the separate irrigation system within Reunion and $6,600.00 recognizing the value of the dedicated water rights. Water Connection Fees and Credit amounts are subject to revision by the District's Board of Directors pursuant to the District Rules and powers under the Special District Act to fix and raise fees, rates, tolls, penalties, and charges.

5. In connection with such Assignment and notwithstanding the Assignment Consent, RMD acknowledges the possibility of a reduction of the amount of taps available each year in the event that thresholds of demand are exceeded within the District as a whole. The Property upon which the ERUs are to be utilized is (1) annexed into Commerce City; (2) included within the District's boundaries; and (3) located within the DRCOG urban growth boundary.

6. By this Assignment Consent, the District consents to the Assignment and the District has recorded (or in due course will record) the Assignment in the official books of the District in which it accounts for, and registers ownership of, FRICO ERUs. By their acceptance of this Assignment Consent, Clayton and RMD release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action that may result from, the consent of the District to the Assignment and the conditions and terms of this Assignment Consent. By their acceptance of this Assignment Consent and to the extent permitted by law, Clayton and RMD agree that they will defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against all claims, losses, or causes of action that may result from the consent of the District to the Assignment and the issuance of this Assignment Consent, including without limitation any claims, losses, or causes of action arising from the issuance, sale, or administration of RMD's Special Revenue Bonds, Series 2021A in the aggregate principal amount of $[Series A Amount] and Subordinate Special Revenue Bonds, Series 2021B in the aggregate principal amount of $[Series B Par Amount].

[*Signature of the District follows this page*]

Sincerely yours,

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT

By: _____
Jim Jones, District Manager

Clayton and RMD acknowledge and accept the conditions and terms of the Assignment Consent.

Clayton:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation

Date: _____ By: _____
Name: _____
Title: _____

RMD:

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

[DISTRICT LETTERHEAD]

[CLOSING DATE]

Reunion Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristen Bear

UMB Bank, n.a.
Corporate Trust and Escrow Services
1670 Broadway
Denver, Colorado 80202
Attention: Jacque Schwartz

Re: *Grant of Security Interests in ERUs by Reunion Metropolitan District in favor of UMB Bank, n.a., as Bond Trustee*

To Whom It May Concern:

Pursuant to an Assignment and Bill of Sale of ERU Water Credits (the "Assignment"), Clayton Properties Group II, Inc., assigned [NUMBER] FRICO ERUs and the right to receive corresponding ERU Water Connections (collectively, the "Subject ERU Water Credits") to Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "RMD"). Pursuant to a consent of even date herewith (the "Assignment Consent"), the District consented to the Assignment and the transfer of the Subject ERU Water Credits to RMD.

The District notes that (a) the Subject ERU Water Credits are available under the FRICO Participant Water Resources Agreement dated November 2, 2001, and subsequently amended and assigned (as amended and assigned, the "Reunion Participant Resources Agreement") and (b) as assigned to RMD, the Subject ERU Water Credits are subject to (i) the terms of the Reunion Participant Resources Agreement, as the same may be subsequently amended, (ii) the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service, as amended and in effect from time to time (the "District Rules"), (iii) applicable Resolutions, and (iv) the terms of the Assignment Consent.

In connection with the Assignment, RMD has requested that the District also acknowledge the grant by RMD of a security interest (the "Security Interest") in the Subject ERU Water Credits in favor of UMB Bank, N.A., Denver, Colorado, as Bond Trustee (the "Bond Trustee") under (a) that certain Indenture of Trust (Senior) dated as of [Indenture Month] 1, 2021, between the Bond Trustee and RMD (the "Senior Indenture") relating to Special Revenue Bonds, Series 2021A in the aggregate principal amount of $[Series A Amount] and (b) Indenture of Trust (Subordinate) dated as of [Indenture Month] 1, 2021, between the Bond Trustee and RMD (the "Subordinate Indenture," and together with Senior Indenture, the "Indentures") relating to Subordinate Special Revenue Bonds, Series 2021B in the aggregate principal amount of $[Series B Par Amount]. As set forth in Section 1.5.6 of the District Rules, the District notes that it owes no duties to the Bond

Trustee and is not required to provide notice to the Bond Trustee of proposed assignments or transfers of ERUs or amendments to any District Resolution, the District Rules, the Reunion Participant Resources Agreement, or any other water resources agreements.

Pursuant to RMD's request and by this letter (the "Security Interest Acknowledgment"), the District acknowledges the grant by RMD of a Security Interest in the Subject ERU Water Credits and acknowledges the following matters:

1. The District does not contest that RMD has the power and authority under the Reunion Participant Resources Agreement to grant the Security Interest in the Subject ERU Water Credits to the Bond Trustee.

2. As of the date of this Security Interest Acknowledgment, the District's records reflect that RMD has [NUMBER] Subject ERU Water Credits that are presently available for assignment by RMD subject to the prior consent of the District pursuant to the District Rules and applicable Resolutions and the Reunion Participant Resources Agreement.

3. The Subject ERU Water Credits are in full force and effect and all required Annual Option Payments have been made in connection with the Subject ERU Water Credits. The District notes that the holder of a Pledged ERU must pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to purchases of ERU Water Connections in the same manner as normally charged by the District relating to such ERU Water Connections.

4. The District acknowledges that RMD intends to sell Subject ERU Water Credits to homebuilders in Reunion. With respect to the Security Interest granted to the Bond Trustee in a Subject ERU Water Credit, the District acknowledges the following:

a. The Bond Trustee and RMD have advised the District that following receipt by the District of an assignment by RMD of a Subject ERU Water Credit and the transfer fee and in accordance with its standard practices and procedures, the District can debit the account of RMD, and credit the account of the assignee, to reflect the transfer of the Subject ERU Water Credit without further inquiry and without further acknowledgement or other action of the Bond Trustee.

b. The Bond Trustee (for itself and on behalf of the beneficial and other owners of the Bonds) and RMD acknowledge and agree that (i) the District will have no duty or obligation with respect to the payment of the Sale Proceeds to the Bond Trustee, (ii) the District has no duty to security interest holders and may conclusively rely on the assignment of a Subject ERU Water Credit as sufficient evidence that such Subject ERU Water Credit has been released from and is no longer subject to the Security Interest without further inquiry to RMD or the Bond Trustee, and (iii) the Bond Trustee, the District, and RMD shall rely exclusively on the account and records maintained by the District as to the number of Subject ERU Water Credits owned from time to time that remain in the account of RMD.

5. The District acknowledges that the Bond Trustee and RMD have advised the District that under certain conditions the Bond Trustee will have the right to enforce the lien of the

Security Interest. With respect to the enforcement of the Security Interest by the Bond Trustee, the District acknowledges the following:

a. The Bond Trustee and RMD have advised the District that the Indentures provide that, without further inquiry or investigation, the District may conclusively rely on a transfer statement ("Transfer Statement") purported to be made from the Bond Trustee to transfer the Subject ERU Water Credits on its books upon payment of the applicable transfer fee.

b. The Bond Trustee (for itself and on behalf of beneficial and other owners of the Bonds) and RMD acknowledge and agree that (i) the District will have no duty or obligation to RMD or the Bond Trustee (or any beneficial and other owner of the Bonds) with respect to the enforcement of the Security Interest, any statements made by the Bond Trustee, and any actions taken by the Bond Trustee pursuant to the Indentures, (ii) the determination of the District from time to time of the number of Subject ERU Water Credits in the account of RMD shall be binding on the Bond Trustee and RMD, and (iii) the District may conclusively rely on the Transfer Statement, may debit the account of RMD by the Subject ERU Water Credits as reflected in the records of the District, and credit the account of the Bond Trustee by the number of Subject ERU Water Credits reflected in the records of the District without further inquiry of, or notice to, the Bond Trustee or RMD and without further investigation by the District of any statement made by the Bond Trustee in the Transfer Statement.

7. The District has consented to the Assignment to RMD, and upon full execution of this Security Interest Acknowledgment and receipt of the transfer fee the District shall note the grant to the Bond Trustee of the Security Interest in the Subject ERU Water Credits. By their acceptance of this Security Interest Acknowledgment, the Bond Trustee (for itself and on behalf of beneficial and other owners of the Bonds) and RMD (a) acknowledge and agree that the District owes no duty or obligation to the Bond Trustee (or any beneficial and other owners of the Bonds) with respect to the accounting, administration, enforcement, release, or termination of the Security Interest granted in the Subject ERU Water Credits, (b) release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action that may result from, the Security Interest Acknowledgment, and (c) to the extent permitted by law, the Bond Trustee and RMD shall defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against any and all claims, losses, or causes of action that may result from the Security Interest Acknowledgment.

[*Signature of the District follows this page*]

Sincerely yours,

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT

By: _____
Jim Jones, District Manager

[*Acceptance by the Bond Trustee and RMD to this Security Interest Acknowledgment follows this page*]

Bond Trustee and RMD acknowledge and accept the conditions and terms of the Security Interest Acknowledgment.

Bond Trustee:

UMB BANK, N.A., AS TRUSTEE

Date: _____ By: _____
Name: _____
Title: _____

RMD:

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____

ATTACHMENT 8
(Form of Termination of ERU Declaration)

TERMINATION OF DECLARATION OF ERU COVENANTS AND RESTRICTIONS

THIS TERMINATION OF DECLARATION OF ERU COVENANTS AND RESTRICTIONS (this ***Termination***), dated _____, 2021 for reference purposes, by and among CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation as declarant (***Declarant***), REUNION METROPOLITAN DISTRICT, Commerce City, Colorado (***Reunion Metropolitan District***), a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado and acting by and through its Water Activity Enterprise (Reunion Metropolitan District, in such capacity, is referred to in this Agreement as ***RMD***), UMB BANK, N.A. (***Bond Trustee***), DIBC 96TH AND POTOMAC, LLC, a Colorado limited liability company (***96th and Potomac***), DIBC BUFFALO HILLS RANCH, LLC, a Colorado limited partnership (***DIBC***), FFP-DIA, LLC, a Colorado limited liability company (***FFP***) and SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership (***Shea;*** Bond Trustee, 96th and Potomac, DIBC, FFP and Shea are referred to collectively as the ***Consenting Parties***). ***Parties*** means Declarant, RMD and the Consenting Parties, and ***Party*** means one of the Parties. Initially capitalized phrases, terms, and words used in this Termination shall, unless otherwise defined in this Termination, have the meanings ascribed to such terms in the Declaration (as defined below).

RECITALS:

A. Declarant is the declarant under that certain Declaration of ERU Covenants and Restrictions dated June ___, 2021, as consented to by RMD and the Consenting Parties (the ***Declaration***), recorded in the real property records for Adams county on June ___, 2021, at Reception No. _____, encumbering certain real property within Reunion depicted in Exhibit A and described in Exhibit B to this Termination (the ***RMD Water Service Area***).

B. Pursuant to Section 5.01 of the Declaration, the termination of the term of the Declaration shall only be effective if set forth in a Recorded instrument that has received the prior Approval, as evidenced by their execution and delivery of such written instrument, of the Declarant, RMD and the Consenting Parties.

C. Declarant, RMD and the Consenting Parties desire to terminate the Declaration pursuant to Section 5.01 of the Declaration.

COVENANTS AND AGREEMENTS:

FOR GOOD AND VALUABLE MUTUAL CONSIDERATION, the receipt and sufficiency of which the Parties acknowledge, the Parties agree that the Declaration is terminated, and the RMD Water Service Area is released from the encumbrance of the Declaration. Declarant, RMD and the Consenting Parties each acknowledge by this Termination that it has relinquished and released forever any rights it may have pursuant to the Declaration.

The laws of the State of Colorado shall govern the enforcement and interpretation of this Termination and this Termination will be binding upon, and inure to the benefit of, the Parties and their respective assigns, representatives, and successors.

[*Signatures and acknowledgments follow this page*]

Declarant:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this _____ by _____, as _____ of Clayton Properties Group II, Inc., a Colorado corporation.

Witness my hand and official seal.

[SEAL]

_____
Notary Public
My commission expires: _____
[*Signature of Buyer follows this page*]

RMD:

REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

Date: _____ By: _____

Name: _____

Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____ of Reunion Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

Consenting Parties:

DIBC 96TH AND POTOMAC, LLC,
a Colorado limited liability company

Date: _____ By: _____
Name: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____ of DIBC 96th and Potomac, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

DIBC BUFFALO HILLS RANCH, LLC,
a Colorado limited liability company

Date: _____ By:_____
Name: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____] of DIBC Buffalo Hills Ranch, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

FFP-DIA, LLC,
a Colorado limited liability company

Date: _____ By: _____
Name: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____ of FFP-DIA, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

SHEA HOMES LIMITED PARTNERSHIP,
a California limited partnership

Date: _____ By: _____
Name: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____ of Shea Homes Limited Partnership, a California limited partnership.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

UMB BANK, N.A.

Date: _____ By: _____

Name: _____

Its: _____

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ by _____ as _____ of UMB Bank, n.a.

Witness my hand and official seal.

My commission expires: _____

_____

Notary Public

EXHIBIT A
(Depiction of the RMD Water Service Area)

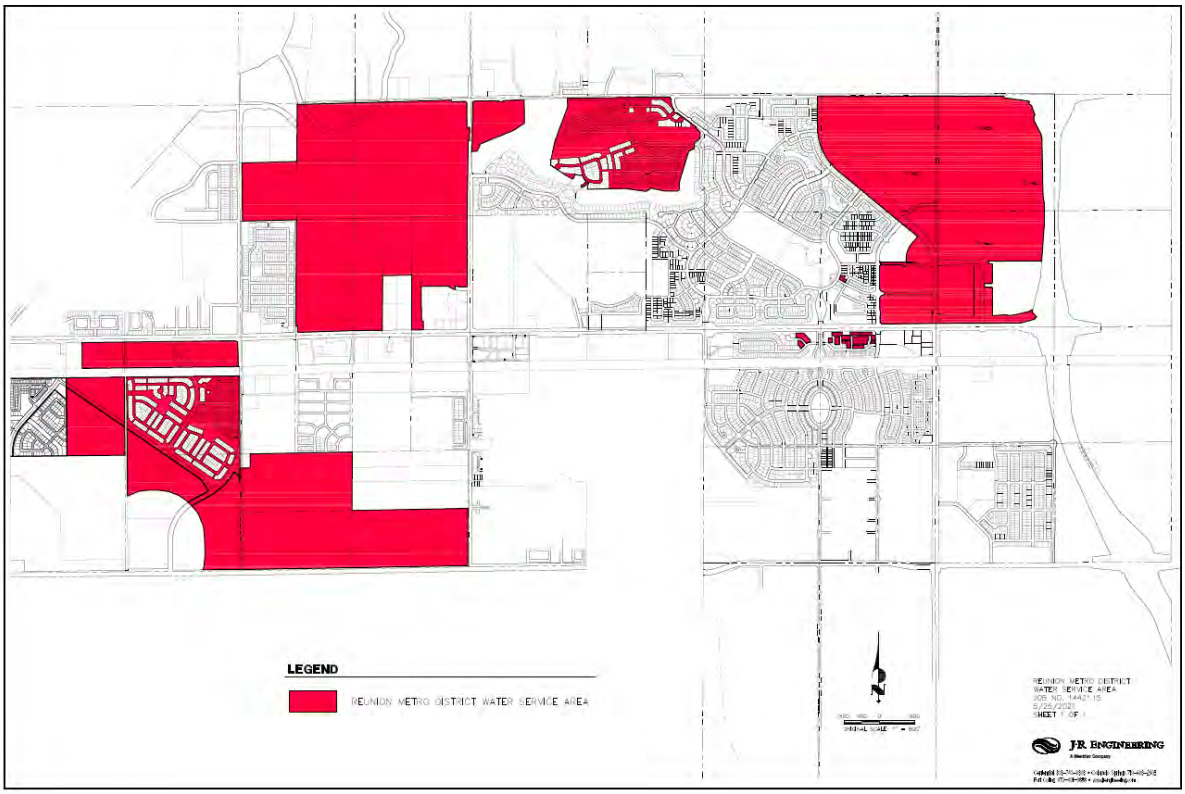


EXHIBIT B
(Legal Description of the RMD Water Service Area)

Parcel 1 (Reunion Filing No. 20, 1st Amendment):

Lots 10, 11, and 12,
REUNION FILING NO. 20, 1ST AMENDMENT,
According to the plat thereof recorded at Reception No.2017000083215,
County of Adams, State of Colorado.

Parcel 2 (Reunion Filing No. 35):

Lots 1 through 5, inclusive, and
Lots 15 and 16,
REUNION FILING NO. 35,
According to the plat thereof recorded at Reception 2019000012706,
County of Adams, State of Colorado.

Parcel 3 (Reunion Filing No. 36):

Lots 43 through 118, inclusive, and
Lots 127 through 146, inclusive,
REUNION FILING NO. 36,
According to the plat thereof recorded at Reception 2019000094161,
County of Adams, State of Colorado.

Parcel 4 (Reunion Filing No. 37):

Lots 1 through 10, inclusive,
Lots 33 through 83, inclusive,
Lots 128 through 161, inclusive,
Lots 171 through 176, inclusive,
Lots 179 through 257, inclusive,
Lots 326 through 340, inclusive,
Lots 350 through 433, inclusive, and
Tracts A through EE, inclusive,
REUNION FILING NO. 37,
According to the plat thereof recorded at Reception 2019000094160,
County of Adams, State of Colorado.

Parcel 5 (Reunion Filing No. 37, Amendment No.1):

Lots 1 through 76, inclusive, and
Tracts A and B,
REUNION FILING NO. 37, AMENDMENT NO.1,
According to the plat thereof recorded at Reception No.2021000003374,
County of Adams, State of Colorado.

Parcel 6 (Reunion Ridge Filing No. 1):

Lot 4, Block 21;
Lots 1 and 2, Block 22;
Lot 14, Block 26;
Lots 2, 3, and 4, Block 27,
Lots 1, 2, 3, and 4, Block 28,
Lots 2, 3, and 4, Block 29,
Tracts A through O, inclusive,

and Tracts W, X, AA, and BB,
REUNION RIDGE FILING NO. 1,
According to the plat thereof recorded at Reception No. 2020000006264,
County of Adams, State of Colorado.

Parcel 7 (Reunion Ridge Filing No. 1, Amendment No. 3):

Lots 5 through 25, inclusive, Block 1,
Lot 6, Block 2,
Lots 4 through 22, inclusive, Block 3,
Lots 1 through 24, inclusive, Block 4,
Lots 1 through 12, inclusive Block 5,
Lot 1, Block 6,
Lots 1 and 5 through 18, inclusive, Block 7,
Lots 1 through 13, inclusive, and Lots 15 through 30, inclusive, Block 8,
Lots 1 through 22, inclusive, Block 9,
Lots 1 through 20, inclusive, Block 10,
REUNION RIDGE FILING NO.1, AMENDMENT NO.3,
According to the plat thereof recorded at Reception No. 2021000036072,
County of Adams, State of Colorado.

Parcel No. 8 (Reunion Filing 38):

A PARCEL OF LAND BEING A PORTION OF THAT PARCEL OF LAND DESCRIBED WITHIN QUIT CLAIM DEED RECORDED UNDER RECEPTION NO. C0365970 OF THE RECORDS OF THE ADAMS COUNTY, COLORADO CLERK AND RECORDER'S OFFICE AND LOCATED IN THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 8 AND CONSIDERING THE NORTH LINE OF SAID SECTION 8 TO BEAR NORTH 89°13'51" EAST, A DISTANCE OF 5,278.95 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 49°52'09" EAST, A DISTANCE OF 101.42 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057, IN SAID RECORDS AND **THE POINT OF BEGINNING**;

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY THE FOLLOWING FIVE (5) COURSES:

11. NORTH 88°54'26" EAST, A DISTANCE OF 536.11 FEET;
12. SOUTH 46°05'34" EAST, A DISTANCE OF 35.36 FEET;
13. NORTH 88°54'26" EAST, A DISTANCE OF 64.00 FEET;
14. NORTH 43°54'26" EAST, A DISTANCE OF 35.36 FEET;
15. NORTH 88°54'26" EAST, A DISTANCE OF 30.91 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 5555.00 FEET;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 00°32'27", AN ARC LENGTH OF 52.43 FEET TO THE WESTERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE DEPARTING SAID SOUTHERLY RIGHT-OF-WAY, ALONG THE WESTERLY AND SOUTHERLY BOUNDARY OF SAID SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING SEVEN (7) COURSES:

15. SOUTH 27°37'43" EAST, A DISTANCE OF 28.41 FEET;
16. SOUTH 00°48'53" EAST, A DISTANCE OF 106.09 FEET;
17. NORTH 89°01'30" EAST, A DISTANCE OF 80.74 FEET;
18. NORTH 34°05'49" EAST, A DISTANCE OF 28.52 FEET;
19. NORTH 89°01'30" EAST, A DISTANCE OF 110.00 FEET;
20. SOUTH 00°58'40" EAST, A DISTANCE OF 73.51 FEET;
21. SOUTH 89°51'36" EAST, A DISTANCE OF 36.22 FEET TO THE NORTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, IN SAID RECORDS;

THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000035759, SOUTH 00°08'24" WEST, A DISTANCE OF 423.72 FEET TO THE TO THE NORTHERLY BOUNDARY OF THAT PARCEL OF LAND DESCRIBED WITHIN THE SPECIAL WARRANTY DEED RECORDED ON FEBRUARY 14, 1995, IN BOOK 4466 AT PAGE 733, IN SAID RECORDS;

THENCE ALONG SAID NORTHERLY BOUNDARY THE FOLLOWING FIVE (5) COURSES:

11. SOUTH 57°21'21" WEST, A DISTANCE OF 156.87 FEET;
12. SOUTH 67°47'22" WEST, A DISTANCE OF 803.42 FEET;
13. SOUTH 03°31'26" WEST, A DISTANCE OF 35.27 FEET;
14. SOUTH 26°07'51" WEST, A DISTANCE OF 140.18 FEET;
15. SOUTH 88°11'36" WEST, A DISTANCE OF 114.74 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY OF CHAMBERS ROAD, SAID POINT BEING 30.00 FEET EAST OF THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 8;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, PARALLEL WITH SAID WEST LINE OF THE NORTHWEST QUARTER OF SECTION 8, NORTH 00°45'04" EAST, A DISTANCE OF 502.32 FEET TO THE SOUTHWESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055, IN SAID RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008055 THE FOLLOWING TWO (2) COURSES:

THENCE SOUTH 89°14'56" EAST, A DISTANCE OF 20.00 FEET;

THENCE NORTH 00°45'04" EAST, A DISTANCE OF 628.89 FEET TO SAID SOUTHERLY RIGHT-OF-WAY OF EAST 112TH AVENUE AS DESCRIBED IN SPECIAL WARRANTY DEED RECORDED AT RECEPTION NO. 2020000008057 AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHERLY HAVING A RADIUS OF 50.00 FEET, THE RADIUS POINT OF SAID CURVE BEARS SOUTH 36°07'08" EAST;

THENCE EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°01'34", AN ARC LENGTH OF 30.57 FEET TO **THE POINT OF BEGINNING**.

This description of Reunion Filing No. 38 was prepared by Aztec Consultants, Inc., 300 East Mineral Avenue, Suite 1, Littleton, CO 80122.

Parcel 9 (Reunion Center):

A PARCEL OF LAND BEING A PORTION OF THE NORTHWEST QUARTER AND THE EAST HALF OF SECTION 9, THE WEST HALF OF SECTION 10, ALL IN TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF ADAMS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN MONUMENTED BY A 3-1/4" ALUMINUM CAP STAMPED “LS 23519 1989” IN A RANGE BOX AT THE NORTHEAST CORNER AND A 2” ALUMINUM CAP STAMPED “LS 28649 1997” IN A RANGE BOX AT THE NORTH ONE-QUARTER CORNER, BEING ASSUMED TO BEAR N89°52'27"E.

COMMENCING AT THE NORTH ONE-QUARTER CORNER OF SECTION 9, TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN;

THENCE S68°16'31"W A DISTANCE OF 80.78 FEET, TO THE NORTHEASTERLY CORNER OF PARCEL 1, REUNION FILING NO. 25 RECORDED UNDER RECEPTION NO. 2015000067449 AND **THE POINT OF BEGINNING**;

THENCE ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 9, S89°55'23"E A DISTANCE OF 75.05 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, N89°52'27"E A DISTANCE OF 2647.96 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 10, TOWNSHIP 2 SOUTH, RANGE 66 WEST, OF THE 6TH PRINCIPAL MERIDIAN, N89°46'55"E A DISTANCE OF 1505.56 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE BARGAIN AND SALE DEED RECORDED UNDER RECEPTION NO. C0114614;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. S00°12'59"E A DISTANCE OF 39.89 FEET;
2. S82°28'27"E A DISTANCE OF 559.55 FEET;
3. S57°07'37"E A DISTANCE OF 25.62 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. 20060306000226200;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING FOURTEEN (14) COURSES:

1. S20°11'58"W A DISTANCE OF 51.23 FEET;
2. S57°07'37"E A DISTANCE OF 78.07 FEET, TO A POINT OF NON-TANGENT CURVE;
3. THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS N73°13'05"E, HAVING A RADIUS OF 1667.89 FEET, A CENTRAL ANGLE OF 07°23'51" AND AN ARC LENGTH OF 215.34 FEET, TO A POINT OF NON-TANGENT CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S60°19'16"E, HAVING A RADIUS OF 184.00 FEET, A CENTRAL ANGLE OF 57°35'12" AND AN ARC LENGTH OF 184.93 FEET, TO A POINT OF NON-TANGENT;
5. S27°54'31"E A DISTANCE OF 240.61 FEET, TO A POINT OF CURVE;
6. THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 416.00 FEET, A CENTRAL ANGLE OF 26°44'25" AND AN ARC LENGTH OF 194.15 FEET, TO A POINT OF TANGENT;
7. S01°10'06"E A DISTANCE OF 1222.22 FEET, TO A POINT OF CURVE;
8. ON THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 584.00 FEET, A CENTRAL ANGLE OF 07°29'36" AND AN ARC LENGTH OF 76.38 FEET, TO A POINT OF TANGENT,
9. S08°39'43"E A DISTANCE OF 141.76 FEET, TO A POINT OF CURVE;

10. ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 416.00 FEET, A CENTRAL ANGLE OF 08°40'07" AND AN ARC LENGTH OF 62.94 FEET, TO A POINT OF TANGENT;
11. S00°00'23"W A DISTANCE OF 104.49 FEET;
12. S00°00'49"W A DISTANCE OF 256.40 FEET, TO A POINT OF CURVE;
13. ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 301.19 FEET, A CENTRAL ANGLE OF 04°51'31" AND AN ARC LENGTH OF 25.54 FEET, TO A POINT OF NON-TANGENT;
14. S04°08'39"W A DISTANCE OF 858.38 FEET, TO A POINT ON THE NORTHERLY LINE OF LOT 1, REUNION FILING NO. 33 RECORDED UNDER RECEPTION NO 2007000004156;

THENCE ON THE NORTHERLY, WESTERLY AND SOUTHERLY LINES OF SAID LOT 1 THE FOLLOWING TWENTY (20) COURSES:

1. S89°45'27"W A DISTANCE OF 1059.78 FEET;
2. N85°35'53"W A DISTANCE OF 73.96 FEET;
3. S89°44'55"W A DISTANCE OF 73.37 FEET;
4. S00°15'05"E A DISTANCE OF 64.00 FEET;
5. N89°47'39"E A DISTANCE OF 79.13 FEET, TO A POINT OF CURVE;
6. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 10.00 FEET, A CENTRAL ANGLE OF 90°12'21" AND AN ARC LENGTH OF 15.74 FEET, TO A POINT OF TANGENT;
7. S00°00'00"E A DISTANCE OF 422.86 FEET;
8. S45°00'00"W A DISTANCE OF 28.28 FEET;
9. N90°00'00"W A DISTANCE OF 162.02 FEET;
10. S08°10'46"E A DISTANCE OF 85.87 FEET;
11. S90°00'00"E A DISTANCE OF 149.80 FEET;
12. S45°00'00"E A DISTANCE OF 28.28 FEET;
13. S00°00'00"E A DISTANCE OF 621.69 FEET;
14. N85°56'04"E A DISTANCE OF 323.62 FEET;
15. S59°20'00"E A DISTANCE OF 39.49 FEET;
16. N84°26'51"E A DISTANCE OF 151.15 FEET;
17. N76°04'55"E A DISTANCE OF 363.80 FEET;
18. N02°52'34"E A DISTANCE OF 8.92 FEET;
19. N55°10'51"E A DISTANCE OF 31.49 FEET;
20. N79°45'25"E A DISTANCE OF 29.74 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF E-470 DESCRIBED IN THE SPECIAL WARRANTY DEED RECORDED UNDER RECEPTION NO. 20060306000226200;

THENCE ON SAID RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES:

1. S13°42'24"W A DISTANCE OF 46.15 FEET, TO A POINT OF NON-TANGENT CURVE;
2. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S76°17'04"E, HAVING A RADIUS OF 19.04 FEET, A CENTRAL ANGLE OF 55°37'04" AND AN ARC LENGTH OF 18.48 FEET, TO A POINT OF NON-TANGENT;
3. S41°54'40"E A DISTANCE OF 121.54 FEET;
4. S48°41'01"E A DISTANCE OF 14.95 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE DESCRIBED IN THE BARGAIN AND SALE DEED RECORDED UNDER RECEPTION NO. C0114614;

THENCE ON SAID RIGHT-OF-WAY LINE, S41°18'50"W A DISTANCE OF 73.51 FEET;

THENCE CONTINUING ON SAID LINE, S74°52'08"W A DISTANCE OF 331.03 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF 104TH AVENUE AS SHOWN ON THE PLAT OF REUNION FILING NO. 33 RECORDED UNDER RECEPTION NO. 2007000004156;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, S89°44'55"W A DISTANCE OF 1741.30 FEET;

THENCE S89°44’55”W A DISTANCE OF 163.44 FEET;

THENCE S89°24’05”W A DISTANCE OF 177.59 FEET, TO A POINT ON THE SOUTHERLY LINE OF REUNION CENTER FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000123227,

THENCE ON SAID SOUTHERLY AND WESTERLY LINES OF REUNION CENTER FILING NO. 1 THE FOLLOWING TWENTY-SEVEN (27) COURSES:

1. S89°24'05"W A DISTANCE OF 657.99 FEET;
2. S89°15'21"W A DISTANCE OF 266.46 FEET;
3. S88°29'16"W A DISTANCE OF 51.87 FEET, TO A POINT OF NON-TANGENT CURVE;
4. ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S00°33'25"E, HAVING A RADIUS OF 10075.00 FEET, A CENTRAL ANGLE OF 00°02'30" AND AN ARC LENGTH OF 7.34 FEET, TO A POINT OF TANGENT;
5. S89°24'05"W A DISTANCE OF 75.71 FEET;
6. N45°18'58"W A DISTANCE OF 56.29 FEET;
7. N00°02'01"W A DISTANCE OF 27.71 FEET;
8. N00°02'01"W A DISTANCE OF 73.98 FEET, TO A POINT OF CURVE;
9. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 136.00 FEET, A CENTRAL ANGLE OF 05°28'28" AND AN ARC LENGTH OF 12.99 FEET, TO A POINT OF TANGENT;
10. N05°26'26"E A DISTANCE OF 53.19 FEET, TO A POINT OF CURVE;
11. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 164.00 FEET, A CENTRAL ANGLE OF 06°50'34" AND AN ARC LENGTH OF 19.59 FEET, TO A POINT OF TANGENT;
12. N01°24'08"W A DISTANCE OF 68.38 FEET, TO A POINT OF CURVE;
13. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 164.00 FEET, A CENTRAL ANGLE OF 09°05'31" AND AN ARC LENGTH OF 26.02 FEET, TO A POINT OF TANGENT;
14. N10°29'39"W A DISTANCE OF 33.10 FEET, TO A POINT OF CURVE;
15. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 136.00 FEET, A CENTRAL ANGLE OF 09°05'31" AND AN ARC LENGTH OF 21.58 FEET, TO A POINT OF TANGENT;
16. N01°24'08"W A DISTANCE OF 161.35 FEET;
17. N00°02'01"W A DISTANCE OF 24.69 FEET, TO A POINT OF CURVE;
18. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 89°39'00" AND AN ARC LENGTH OF 156.47 FEET, TO A POINT OF NON-TANGENT;
19. N01°03'36"E A DISTANCE OF 64.02 FEET, TO A POINT OF NON-TANGENT CURVE;
20. ON THE ARC OF A CURVE TO THE RIGHT, WHOSE CENTER BEARS N00°23'02"W, HAVING A RADIUS OF 100.00 FEET, A CENTRAL ANGLE OF 90°21'00" AND AN ARC LENGTH OF 157.69 FEET, TO A POINT OF TANGENT:
21. N00°02'01"W A DISTANCE OF 488.39 FEET, TO A POINT OF CURVE;
22. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 31.42 FEET, TO A POINT OF TANGENT;
23. N89°57'59"E A DISTANCE OF 11.00 FEET;
24. N00°02'01"W A DISTANCE OF 54.00 FEET;
25. S89°57'59"W A DISTANCE OF 11.00 FEET, TO A POINT OF CURVE;
26. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 31.42 FEET, TO A POINT OF TANGENT;

27. N00°02'01"W A DISTANCE OF 18.88 FEET, TO A POINT ON THE NORTHERLY LINE OF TRACT D, REUNION CENTER FILING NO. 1;

THENCE ON THE NORTHERLY LINE OF SAID TRACT D, S46°27'30"E A DISTANCE OF 31.75 FEET;

THENCE CONTINUING ON SAID NORTHERLY LINE, N89°57'59"E A DISTANCE OF 526.29 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF HOMESTEAD TRAIL AS SHOWN ON THE PLAT OF REUNION CENTER FILING NO. 1;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. N44°57'59"E A DISTANCE OF 8.20 FEET;
2. N89°57'59"E A DISTANCE OF 25.40 FEET;
3. S45°02'01"E A DISTANCE OF 8.20 FEET, TO A POINT ON THE NORTHERLY LINE OF TRACT E, REUNION CENTER FILING NO. 1;

THENCE ON SAID NORTHERLY LINE, N89°57'59"E A DISTANCE OF 18.50 FEET, TO A POINT ON THE WESTERLY LINE OF TRACT F, REUNION CENTER FILING NO. 1;

THENCE ON SAID WESTERLY LINE THE FOLLOWING THREE (3) COURSES:

1. N00°00'21"W A DISTANCE OF 79.66 FEET, TO A POINT OF CURVE;
2. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 522.47 FEET, A CENTRAL ANGLE OF 39°43'25" AND AN ARC LENGTH OF 362.23 FEET, TO A POINT OF TANGENT;
3. N39°43'03"E A DISTANCE OF 211.48 FEET, TO A POINT ON THE SOUTHERLY LINE OF TRACT E, REUNION CENTER FILING NO. 1, BEING A POINT OF NON-TANGENT CURVE;

THENCE ON SAID SOUTHERLY LINE, ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS S43°41'20"W, HAVING A RADIUS OF 1106.50 FEET, A CENTRAL ANGLE OF 03°58'17" AND AN ARC LENGTH OF 76.70 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID SOUTHERLY LINE, N50°16'57"W A DISTANCE OF 352.81 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF WALDEN STREET;

THENCE ON SAID RIGHT-OF-WAY LINE, S39°43'03"W A DISTANCE OF 0.84 FEET;

THENCE N50°16'57"W A DISTANCE OF 150.00 FEET, TO A POINT ON THE NORTHEASTERLY LINE OF REUNION FILING NO. 26 RECORDED UNDER RECEPTION NO. 2016000023934;

THENCE ON SAID NORTHEASTERLY LINE, N50°16'57"W A DISTANCE OF 990.78 FEET;

THENCE N50°16'57"W A DISTANCE OF 125.00 FEET, TO A POINT ON THE NORTHEASTERLY LINE OF REUNION FILING NO. 19, AMENDMENT NO. 3 RECORDED UNDER RECEPTION NO. 2015000032626;

THENCE ON SAID NORTHEASTERLY LINE, N50°16'57"W A DISTANCE OF 653.61 FEET, TO A POINT OF CURVE;

THENCE CONTINUING ON SAID LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 09°13'04" AND AN ARC LENGTH OF 205.12 FEET, TO A POINT ON THE EASTERLY LINE OF PARCEL 2, REUNION FILING NO. 25 RECORDED UNDER RECEPTION NO. 2015000067449, SAID POINT BEING A POINT OF COMPOUND CURVE;

THENCE ON SAID EASTERLY LINE ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 34°54'01" AND AN ARC LENGTH OF 776.63 FEET, TO A POINT ON THE EASTERLY LINE OF LANDMARK DRIVE AS DESCRIBED IN THE

DOCUMENT RECORDED UNDER RECEPTION NO. 200508010081021, SAID POINT BEING A POINT OF COMPOUND CURVE;

THENCE ON SAID EASTERLY LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 05°20'39" AND AN ARC LENGTH OF 118.92 FEET, TO A POINT ON THE EASTERLY LINE OF PARCEL 1, REUNION FILING NO. 25;

THENCE ON SAID LINE, ON THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1275.00 FEET, A CENTRAL ANGLE OF 00°53'44" AND AN ARC LENGTH OF 19.93 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID LINE, N00°04'31"E A DISTANCE OF 693.54 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 19,288,533 SQUARE FEET OR 442.8038 ACRES.

This description of Reunion Center was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Parcel 10 (Village 8):

A PARCEL OF LAND BEING A PORTION SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTH LINE OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP IN A RANGE BOX STAMPED "LS 25384" AT THE NORTH QUARTER CORNER AND A 3-1/4" ALUMINUM CAP IN A RANGE BOX STAMPED "LS 16837" AT THE NORTHEAST CORNER, SAID LINE BEARING N88°22’14”E AS REFERENCED TO COLORADO STATE PLANE CENTRAL ZONE.

COMMENCING AT THE NORTHEAST CORNER OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE S84°35’33”W A DISTANCE OF 455.28 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2020000008057, SAID POINT BEING **THE POINT OF BEGINNING**;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD THE FOLLOWING FIVE (5) COURSES:

6. S01°22'35"E A DISTANCE OF 34.62 FEET;
7. N88°37'25"E A DISTANCE OF 299.02 FEET, TO A POINT OF CURVE;
8. THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 91°12'36" AND AN ARC LENGTH OF 79.60 FEET, TO A POINT OF TANGENT;
9. THENCE S00°09'59"E A DISTANCE OF 542.48 FEET;
10. THENCE S89°14'56"E A DISTANCE OF 62.01 FEET;

THENCE CONTINUING ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7, S00°45'04"W A DISTANCE OF 301.62 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBER ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C1036758;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

3. N89°14'56"W A DISTANCE OF 30.00 FEET;

4. S00°45'04"W A DISTANCE OF 1450.00 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2017000010629,

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

3. S00°45'04"W A DISTANCE OF 247.52 FEET;
4. S00°10'59"E A DISTANCE OF 1327.52 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099509;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, S00°10'59"E A DISTANCE OF 261.06 FEET, TO A POINT ON THE NORTHERLY LINE OF REUNION FILING NO. 32, RECORDED UNDER RECEPTION NO. 2011000050524, AND A POINT OF CURVE;

THENCE ON SAID NORTHERLY LINE AND WESTERLY LINE OF REUNION FILING NO. 32 THE FOLLOWING NINE (9) COURSES:

10. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°00'00" AND AN ARC LENGTH OF 39.27 FEET, TO A POINT OF TANGENT;
11. S89°49'01"W A DISTANCE OF 118.68 FEET, TO A POINT OF CURVE;
12. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 407.50 FEET, A CENTRAL ANGLE OF 19°29'37" AND AN ARC LENGTH OF 138.64 FEET, TO A POINT OF NON-TANGENT;
13. S00°39'46"E A DISTANCE OF 87.26 FEET, TO A POINT OF NON-TANGENT CURVE;
14. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS N16°39'01"E, HAVING A RADIUS OF 492.50 FEET, A CENTRAL ANGLE OF 20°33'41" AND AN ARC LENGTH OF 176.74 FEET, TO A POINT OF NON-TANGENT;
15. S89°20'14"W A DISTANCE OF 613.54 FEET;
16. S00°39'46"E A DISTANCE OF 785.33 FEET;
17. N89°20'14"E A DISTANCE OF 40.59 FEET;
18. S00°39'46"E A DISTANCE OF 200.00 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 104TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099509;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, S89°20'14"W A DISTANCE OF 269.15 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°12'18"E A DISTANCE OF 1243.46 FEET;

THENCE S88°58'56"W A DISTANCE OF 660.47 FEET, TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 7;

THENCE ON SAID EAST LINE, S00°24'02"W A DISTANCE OF 1239.43 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 104TH AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2007000099511;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES:

6. S89°20'14"W A DISTANCE OF 667.01 FEET;
7. S88°13'16"W A DISTANCE OF 1246.23 FEET;
8. N44°37'06"W A DISTANCE OF 14.31 FEET;
9. N00°22'54"E A DISTANCE OF 137.76 FEET;

10. N89°37'06"W A DISTANCE OF 40.01 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°22'46"E A DISTANCE OF 2404.60 FEET, TO A POINT ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID SOUTH LINE, S88°37'57"W A DISTANCE OF 1225.51 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF POTOMAC STREET AS DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. 2016000106665;

THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE, N00°21'34"W A DISTANCE OF 1318.88 FEET, TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID NORTH LINE, N88°29'23"E A DISTANCE OF 1242.85 FEET, TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 7;

THENCE ON SAID WEST LINE, N00°23'22"E A DISTANCE OF 1292.11 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 112TH AVENUE;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 7, N88°21'23"E A DISTANCE OF 1319.06 FEET;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET SOUTHERLY OF AND PARALLEL WITH THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7, N88°22'14"E A DISTANCE OF 2177.60 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 19,871,038 SQUARE FEET OR 456.1763 ACRES.

This description of Village 8 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Parcel 11 (Village 9):

THREE (3) PARCELS OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN AND PORTIONS OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF COMMERCE CITY, COUNTY OF ADAMS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED BY A 3-1/4" ALUMINUM CAP IN A RANGE BOX "ILLEGIBLE" AT THE SOUTH QUARTER CORNER AND A 3-1/4" ALUMINUM CAP IN A RANGE BOX "ILLEGIBLE" AT THE SOUTHEAST CORNER, SAID LINE BEARING N89°30’50”E AS REFERENCED TO COLORADO STATE PLANE CENTRAL ZONE.

Village 9 Parcel 1:

BEGINNING AT THE CENTER QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE ON THE SOUTH LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 13, S89°26'03"W A DISTANCE OF 1314.70 FEET, TO A POINT ON THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 13;

THENCE ON SAID WEST LINE, N00°31'31"W A DISTANCE OF 1562.23 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF REUNION RIDGE WAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE, ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S32°50'41"W, HAVING A RADIUS OF 560.00 FEET, A CENTRAL ANGLE OF 01°37'08" AND AN ARC LENGTH OF 15.82 FEET, TO A POINT OF TANGENT;

THENCE CONTINUING ON SAID SOUTHERLY RIGHT-OF-WAY LINE, S55°32'11"E A DISTANCE OF 1590.82 FEET, TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 13;

THENCE ON SAID WEST LINE, S00°22'24"E A DISTANCE OF 640.21 FEET, TO **THE POINT OF BEGINNING**.

CONTAINING A CALCULATED AREA OF 1,449,269 SQUARE FEET OR 33.2706 ACRES.

This description of Village 9 Parcel 1 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Village 9 Parcel 2:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE N01°17’44”E A DISTANCE OF 1716.65 FEET, TO THE POINT OF BEGINNING;

THENCE ON A LINE BEING 50.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF THE EAST HALF OF SAID SECTION 13, N00°22'24"W A DISTANCE OF 1533.43 FEET, TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF REUNION RIDGE WAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE WESTERLY RIGHT-OF-WAY LINE OF POTOMAC PARKWAY THE FOLLOWING SEVEN (7) COURSES:

8. S55°32'11"E A DISTANCE OF 1951.90 FEET, TO A POINT OF CURVE;
9. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 410.00 FEET, A CENTRAL ANGLE OF 22°43'13" AND AN ARC LENGTH OF 162.58 FEET, TO A POINT OF TANGENT;
10. S32°48'58"E A DISTANCE OF 220.33 FEET, TO A POINT OF CURVE;
11. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 92°14'36" AND AN ARC LENGTH OF 24.15 FEET, TO A POINT OF COMPOUND CURVE;
12. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 1420.00 FEET, A CENTRAL ANGLE OF 02°29'42" AND AN ARC LENGTH OF 61.84 FEET, TO A POINT OF TANGENT;
13. S61°55'20"W A DISTANCE OF 337.80 FEET, TO A POINT OF CURVE;
14. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1055.00 FEET, A CENTRAL ANGLE OF 06°04'30" AND AN ARC LENGTH OF 111.86 FEET;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE, THE FOLLOWING EIGHT (8) COURSES:

9. N47°42'07"W A DISTANCE OF 58.54 FEET;
10. N55°38'39"W A DISTANCE OF 200.74 FEET;
11. N68°41'16"W A DISTANCE OF 255.75 FEET;
12. N82°48'26"W A DISTANCE OF 212.30 FEET;
13. N89°53'45"W A DISTANCE OF 260.65 FEET;
14. S82°55'19"W A DISTANCE OF 220.57 FEET;
15. S66°25'27"W A DISTANCE OF 251.36 FEET;
16. S66°25'27"W A DISTANCE OF 11.79 FEET, TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 1,546,571 SQUARE FEET OR 35.5044 ACRES.

This description of Village 9 Parcel 2 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

Village 9 Parcel 3:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 13, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE N00°42'27"W A DISTANCE OF 30.00 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 96TH AVENUE;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 13, S89°30'50"W A DISTANCE OF 1561.01 FEET, TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF POTOMAC PARKWAY AS SHOWN ON THE PLAT OF REUNION RIDGE FILING NO. 1 RECORDED UNDER RECEPTION NO. 2020000006264;

THENCE ON SAID EASTERLY RIGHT-OF-WAY LINE AND THE SOUTHERLY RIGHT-OF-WAY LINE OF EAST 100TH AVENUE THE FOLLOWING SEVEN (7) COURSES:

8. N00°29'10"W A DISTANCE OF 655.82 FEET, TO A POINT OF CURVE;
9. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 945.00 FEET, A CENTRAL ANGLE OF 62°24'30" AND AN ARC LENGTH OF 1029.33 FEET, TO A POINT OF TANGENT;
10. N61°55'20"E A DISTANCE OF 337.80 FEET, TO A POINT OF CURVE;
11. ON THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1530.00 FEET, A CENTRAL ANGLE OF 30°26'57" AND AN ARC LENGTH OF 813.10 FEET, TO A POINT OF REVERSE CURVE;
12. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 87°57'36" AND AN ARC LENGTH OF 23.03 FEET, TO A POINT OF TANGENT;
13. THENCE S60°34'01"E A DISTANCE OF 52.39 FEET, TO A POINT OF NON-TANGENT CURVE;
14. ON THE ARC OF A CURVE TO THE RIGHT WHOSE CENTER BEARS S45°04'32"W, HAVING A RADIUS OF 270.00 FEET, A CENTRAL ANGLE OF 44°39'41" AND AN ARC LENGTH OF 210.46 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF POTOMAC STREET;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 13, N00°15'47"W A DISTANCE OF 314.51 FEET, TO THE EXTENSION OF THE SOUTHERLY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C0998935;

THENCE ON SAID SOUTHERLY LINE EXTENDED, N88°56'32"E A DISTANCE OF 230.00 FEET, TO THE EASTERLY LINE OF SAID PROPERTY;

THENCE ON SAID EASTERLY LINE AND THE EASTERLY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED UNDER RECEPTION NO. C0643212, N00°15'47"W A DISTANCE OF 318.00 FEET, TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 2 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN;

THENCE ON SAID NORTH LINE, N88°56'32"E A DISTANCE OF 2318.41 FEET, TO THE CENTER QUARTER CORNER OF SAID SECTION 18;

THENCE ON THE EAST LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 18, S00°18'51"W A DISTANCE OF 1326.86 FEET, TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 18;

THENCE ON SAID NORTH LINE, N88°57'36"E A DISTANCE OF 2630.94 FEET, TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF CHAMBERS ROAD;

THENCE ON SAID WESTERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET WESTERLY OF AND PARALLEL WITH THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, S00°14'15"W A DISTANCE OF 1297.62 FEET, TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF EAST 96TH AVENUE;

THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, S88°58'39"W A DISTANCE OF 2633.33 FEET;

THENCE CONTINUING ON SAID NORTHERLY RIGHT-OF-WAY LINE, BEING 30.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 18, S89°04'16"W A DISTANCE OF 2491.46 FEET, TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 12,493,008 SQUARE FEET OR 286.8000 ACRES.

This description of Village 9 Parcel 3 was prepared by JR Engineering, LLC, 7200 South Alton Way, Suite C400, Centennial, Colorado 80112.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, dated [DATE], 2021, is among Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes, its successors and assigns ("Clayton"), Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "RMD"), and South Adams County Water and Sanitation District, a quasi-municipal corporation duly organized and existing as a special district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, the "District"). "Parties" means Clayton, the District, and RMD, and "Party" means one of the Parties.

Introduction

Clayton is the master developer of Reunion ("Reunion"), a master planned community located in Commerce City, Colorado, and included within the boundaries of the District. In furtherance of its development of Reunion, Clayton is the owner of [NUMBER] ERU Water Rights Credits (the "Subject ERU Water Credits"). The District has made the Subject ERU Water Credits available to Clayton pursuant to the conditions and terms of that certain FRICO Participant Water Resources Agreement dated November 2, 2001, and subsequently amended and assigned (as amended and assigned, the "Reunion Participant Resources Agreement"). The Subject ERU Water Rights Credits are subject to, and governed by, the Reunion Participant Resources Agreement, applicable Resolutions of the District's Board of Directors ("Resolutions"), and the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service, as amended and in effect from time to time (the "District Rules").

Clayton and RMD are parties to that certain ERU Purchase and Sale Agreement (the "ERU Purchase Agreement") dated [DATE], 2021. On the conditions and terms set forth in the ERU Purchase Agreement, Clayton has agreed to assign and sell, and RMD has agreed to acquire and purchase, the Subject ERU Water Credits. Among other things, the obligations of Clayton and RMD under the ERU Purchase Agreement are subject to (1) Clayton and RMD obtaining the consent of the District to such assignment and sale in accordance with the requirements of the District Rules, Resolutions, and the terms of the Reunion Participant Resources Agreement and (2) following such assignment and consent, the District establishing an account on its books and records that acknowledges and reflects that RMD is the owner of the Subject ERU Water Credits.

To finance the acquisition of the Subject ERU Water Credits, RMD intends to issue Special Revenue Bonds, Series 2021A in the aggregate principal amount of $[Series A Amount] and Subordinate Special Revenue Bonds, Series 2021B in the aggregate principal amount of $[Series B Par Amount] (collectively, the "Bonds"). RMD will issue the Bonds pursuant to an Indenture of Trust (Senior) and an Indenture of Trust (Subordinate), each dated [Indenture Month] 1, 2021 (collectively, the "Indentures"), between RMD and UMB Bank., n.a., as bond trustee (the "Bond Trustee"). Among other things, the obligations of Bond Trustee and RMD under the Indentures are subject to (1) the Bond Trustee and RMD obtaining the acknowledgment of the District to the grant of a security interest in the Subject ERU Water Credits to the Bond Trustee and (2) following

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such grant and acknowledgment, the District acknowledging and reflecting the security interest of the Bond Trustee in the Subject ERU Water Credits.

Repayment of the Bonds is being secured, in part, pursuant to a Declaration of ERU Covenants and Restrictions ("Clayton Declaration") being placed on certain lands currently owned by Clayton within Reunion. The covenant will restrict owners of the encumbered property from developing the property with water rights or ERUs other than the Subject ERU Water Credits.

The purpose of this MOU is to memorialize the procedures and underlying understandings for assignment of the Subject ERU Water Credits, the consent of the District to such assignment to RMD and acknowledgment of the grant of security interest to the Bond Trustee, and the establishment of an account reflecting RMD's ownership of the Subject ERU Water Credits. The intent of the parties to this MOU is to facilitate such assignment and consent, and the Parties do not intend to modify the conditions and terms of the ERU Purchase Agreement, the Reunion Participant Resources Agreement, the District Rules, Resolutions, or the Indentures.

Understandings of Parties

1. ERU Closing Procedure. The ERU Purchase Agreement will govern the closing (the "ERU Closing") of the purchase, sale, and assignment of the Subject ERU Water Credits from Clayton to RMD. As set forth in the ERU Purchase Agreement, Clayton and RMD will conduct the ERU Closing as follows:

a. The ERU Purchase Agreement provides that [NAME] (the "Escrow Agent") will act as escrow agent on behalf of Clayton and RMD, will receive and hold the ERU Assignment (as defined below in paragraph 1.b) in escrow, will deliver the ERU Assignment to the District, and will receive the Assignment Consent (as defined below in paragraph 1.d below) on behalf of Clayton and RMD.

b. Clayton will execute and deliver into escrow an Assignment and Bill of Sale of ERUs (the "ERU Assignment") substantially in the form of Attachment 1 to this MOU. The District acknowledges that the content and form of the ERU Assignment are acceptable to the District.

c. Following receipt of all ERU Closing deliverables from Clayton and RMD, the Escrow Agent will (i) deliver the ERU Assignment to the District and (ii) pay $1,500 to the District as a transfer fee ("Transfer Fee") in connection with the ERU assignment, as set forth in the District Rules.

d. Upon receipt of the ERU Assignment and the Transfer Fee, the District will (i) execute and deliver to the Escrow Agent its consent (the "Assignment Consent") substantially in the form of Attachment 2 to this MOU, (ii) in accordance with its standard practices and procedures, establish an account in the name of RMD that will reflect RMD as the owner of the Subject ERU Water Rights Credits, and (iii) reduce the number of ERU Water Credits in the account of Clayton by the number of Subject ERU Water Credits transferred to RMD. The District acknowledges that the content and form of the Assignment Consent are acceptable to the District.

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e. Clayton and RMD (i) acknowledge and agree that the District owes no duty to Clayton or RMD with respect to the ERU Closing or the consummation of the transactions contemplated by Clayton and RMD in the ERU Purchase Agreement or the issuance, sale, and administration of the Bonds, (ii) release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action asserted against the District with respect to the ERU Closing and the issuance, sale, and administration of the Bonds, and (iii) to the extent permitted by law, shall defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against any and all claims, losses, or causes of action that may result from the ERU Closing and the issuance, sale, and administration of the Bonds.

2. Indenture. As between RMD and the Bond Trustee, the Indentures will govern the grant of a security interest in the Subject ERU Water Credits in favor of the Bond Trustee. As set forth in the Indentures, the Bond Trustee and RMD will proceed as follows:

a. At the ERU Closing, (i) RMD will grant to the Bond Trustee a security interest in the Subject ERU Water Credits on the conditions and terms set forth in the Indentures, (ii) the District will execute and deliver to the Escrow Agent its acknowledgment (the "Security Interest Acknowledgment") in the form of Attachment 3 to this MOU, (iii) the security interest granted to the Bond Trustee in the Subject ERU Water Credits will be perfected by the filing of a UCC-1 Financing Statement in the records of the Colorado Secretary of State (the "Financing Statement"), and (iv) by acceptance of the Security Interest Consent, the Bond Trustee will acknowledge and agree that (A) the District will owe no duties to the Bond Trustee or any owner (beneficial or otherwise) of the Bonds pursuant to the Security Interest Consent, in connection with the issuance, sale, and administration of the Bonds, or otherwise and (B) the District will have no duty or obligation to provide notice to the Bond Trustee of proposed assignment or transfer of ERUs or amendments to any District Resolution, the District Rules, the Reunion Participant Resources Agreement, or any other water resources agreements.

b. Following the ERU Closing, RMD will (i) offer the Subject ERU Water Credits for sale and use in an area (the "RMD Water Service Area," which lies within Commerce City, the District, and the area described in the Reunion Participant Resources Agreement) to persons who acknowledge and agree that they will only use the Subject ERU Water Credits to obtain ERU Water Connections (as defined in the Reunion Participant Resources Agreement) from the District, (ii) assign and sell to such persons the Subject ERU Water Credits in accordance with the requirements of the Reunion Water Participants Agreement and the District Rules and Resolutions (including use of the standard form of ERU assignments approved by the District from time-to-time and payment of the customary transfer fees assessed by the District). Upon the District's issuance of a consent to assignment, the District will acknowledge the assignment in its official records. In addition to language typically included in the District's consents to assignment, the form of consent for the Subject ERUs may also include language similar to the following: "The District consents to the assignment. The District has not reviewed and is not responsible for whether the assignment and the proposed use of the ERUs complies with requirements of the Clayton Declaration, the Reunion Metropolitan District or any financing arrangements it may have entered into with regard to the ERUs."

c. The Indentures will provide that (i) at the time of each sale of a Subject ERU Water Credit (a "Sold ERU"), RMD will pay the proceeds from such sale to the Bond Trustee, (ii) following receipt of the sale proceeds by the Bond Trustee, RMD will have the right to file an amendment to the Financing Statement that (A) releases the Sold ERU from the lien of the security interest granted to the Bond Trustee and terminating the Financing Statement as to the Sold ERU and (B) states the number of unsold Subject ERU Water Credits that remain subject to the security interest, and (iii) only the Subject ERU Water Credits reflected in the account of RMD following such transfer will be subject to the security interest granted in favor of the Bond Trustee. The District may, in its sole discretion and from time-to-time, request proof of release of security interests prior to approving an assignment or transfer, but such request (or lack thereof) does not create any duty to RMD, the Bond Trustee or any Bond owner (beneficial or otherwise).

d. The Indentures will provide that the Bond Trustee shall have the right to issue an authenticated transfer statement (a "Transfer Statement") if (i) there is a Reserve Fund Transfer or Parity Bond Fund Transfer (each as defined in the Senior Bond Indenture) to pay scheduled debt service on the Series 2021A Bonds or Parity Bonds (as defined in the Senior Bond Indenture and as applicable) or if there is a default in the payment of the Bonds, (ii) the Bond Trustee accelerates the Bonds in the manner provided in the Indentures, and (iii) the Bond Trustee forecloses the Security Interest in the manner provided in the Indentures and the Colorado Uniform Commercial Code - Secured Transactions (C.R.S. §§ 4-9-101, *et seq*.). The Transfer Statement shall include an executed and completed Assignment in the form attached hereto. Following receipt of such Transfer Statement and payment of any transfer fees due the District pursuant to the District Rules and Resolutions, the District will amend its records to reflect a transfer of the Subject ERU Water Credits from the account of RMD to the account of the transferee designated in the Transfer Statement.

e. RMD, Clayton, and the Bond Trustee (for itself and any beneficial or other owner of the Bonds) (i) acknowledge and agree that the District owes no duty to RMD, the Bond Trustee, and any beneficial or other owner of the Bonds with respect to the security interests granted by RMD in favor of the Bond Trustee, (ii) release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action asserted against the District (including its directors, employees, attorneys, and agents) with respect to the security interests, and (iii) to the extent permitted by law, shall defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against any and all claims, losses, or causes of action that may result from the grant of the security interests in favor of the Bond Trustee.

f. Section II.1.5.6 of the District's Rules addresses security interests; any conflict between the terms of this MOU or the terms of any Assignment or Consent and the terms of the Rules shall be resolved in favor of the Rules.

3. Reports. From time to time, but no more frequently than quarterly beginning on the first day of the calendar quarter following issuance of the Bonds, the Bond Trustee and RMD may request, and the District will provide at its convenience, (a) for so long as the District determines to prepare such a report, a copy of the monthly report that the District provides to its

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Board that addresses the total number of tap sales (measured by ERU amounts) made for the reporting period and (b) a statement from the District as to the number of Subject ERU Water Credits that are held in the name of RMD provided that (a) the RMD reimburses the District its reasonable costs and expenses in preparing such copy and statement and (b) the Bond Trustee and RMD acknowledge, at the time of receiving each such copy and report, that the number of ERU Water Credits generally available for use in the District and ERU Water Credits that are in the name of RMD and available for use in the RMD Water Service Area may not reflect transfers made by RMD and other parties that are not reflected in the accounts, books, and records of the District. The monthly report referenced in (a) is prepared for the District Board's general information as a rough summary of the pace of new construction in the District. No representation is or shall be made as to its accuracy or completeness, and the District may decide at any time and in its sole discretion and without any liability to anybody to modify or discontinue preparing the report. RMD, Clayton, and the Bond Trustee (for itself and on behalf of beneficial and other owners of the Bonds) agree and acknowledge that the statement referenced in (b) will be a non-binding summary of the District's records and shall not constitute an estoppel against the District.

4. ERU Pricing. The District acknowledges that (a) RMD intends to offer Subject ERU Water Credits for sale in the RMD Water Service Area for residential purposes upon payment of an ERU Residential Water Credit Fee determined annually by RMD in a published Schedule of Fees and as of the date of this MOU in the amount of $9,300 subject to an annual escalation of (i) 2.5% for each calendar year during the period beginning January 1, 2022 and ending December 31, 2025, (i) 1.5% for each calendar year during the period beginning January 1, 2026, and ending December 31, 2035, and (iii) 1% per calendar year beginning January 1, 2036, and continuing thereafter and (b) the District acknowledges that these prices now, and may in the future, exceed the prices charged by the District for ERU Water Credits from the FRICO program and other District water resource development programs that are now, and may in the future be, in existence.

5. District Involvement. The District is granting the consent and acknowledgment contemplated herein pursuant to the Reunion Participant Resources Agreement. The Reunion Participant Resources Agreement is unique in the District's portfolio of water programs, and the actions contemplated by this MOU do not set a precedent or other expectation with regard to other District water programs. By granting consent to the Assignment of the Subject ERUs to RMD and acknowledging RMD's Security Interest to the Bond Trustee, the District is not engaging in a partnership, joint venture, enterprise, or other project with Clayton, RMD, or the Bond Trustee (and any beneficial or other Bond owners). The District shall not be obligated to observe or comply with the Clayton Declaration or refrain from selling ERUs for use on property within Reunion. The District does not endorse or make any representation as to the advisability, feasibility, or legality of the Clayton Declaration, the Bonds, or the documents underlying the issuance and sale of the Bonds to investors. No statements or work product of the District may be included in any written materials used in the marketing and sale of the Bonds. The District's consents and acknowledgement of the security interest are made in reliance on the terms set forth in this MOU.

[*Signatures of the Parties follow this page*]

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CONFIRMED AND ACKNOWLEDGED by the Parties as of the dates set forth below.

Clayton:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation doing business as Oakwood Homes

Date: _____ By: _____
Name: _____
Title: _____

RMD:

Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

District:

South Adams County Water and Sanitation District, a quasi-municipal corporation duly organized and existing as a special district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

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ATTACHMENT 1
(Form of ERU Assignment)

ASSIGNMENT AND BILL OF SALE
(Portion of Plan B Project ERU Water Credits and Entire Purchase Interest)

THIS ASSIGNMENT AND BILL OF SALE ("Assignment") dated, [DATE], 2021, is from Clayton Properties Group II, Inc., a Colorado corporation ("Assignor"), whose address is 4908 Tower Road, Denver, Colorado 80249, and is to Reunion Metropolitan District in Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "Assignee"), whose address is c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado. "Parties" means Assignor and Assignee, and "Party" means one of the Parties, as the context may require.

RECITALS:

A. South Adams County Water and Sanitation District (the "District") and Shea Homes Limited Partnership ("Shea") entered into that certain amended FRICO Participant Water Resources Agreement dated November 2, 2001, as amended by a First Amendment to FRICO Participant Water Resources Agreement dated November 12, 2002, and a Second Amendment to FRICO Participant Water Resources Agreement dated October 15, 2018, as assigned by Shea to Clayton by Assignment and Bill of Sale (Transfer of Entire Interest in Revised Agreement and FRICO Plan B ERU Water Credits and Option Fee Credits and a portion of SACWSD ERU Water Credits) dated October 15, 2018 (as amended and assigned, the "Amended Water Resources Agreement"). Initially capitalized phrases, words, and terms not otherwise defined in this Assignment have the same meaning that such initially capitalized phrases, terms, and words have in the Amended Water Resources Agreement.

B. Pursuant to the Amended Water Resources Agreement, Assignor holds certain ERU Water Credits and the opportunity to purchase corresponding ERU Water Connections for use on land depicted on Exhibit A to this Assignment (the "Property"). The Property is within the land described in the Amended Water Resources Agreement, has been annexed into the City of Commerce City, has been included within the boundaries of the District by Order of the Adams County District Court, and is within the Denver Regional Council of Governments' urban growth boundaries.

C. Assignor desires to transfer to Assignee certain of its rights, interests, and responsibilities in the Transferred Participation Amount, defined below, under the Amended Water Resources Agreement and for use on the Property. The purpose of this Assignment is to effect such transfer.

COVENANTS:

For good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

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1. Assignment. Assignor hereby grants, bargains, sells and conveys to Assignee all of its right, title and interest in and to the following (collectively, "Transferred Participation Amount") for use on the Property or other property included in Exhibit A to the Amended Water Resources Agreement:

a. [NUMBER] Optioned FRICO ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement.

b. [NUMBER] SACWSD ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement.

c. The non-exclusive right of Assignor to enforce those covenants, provisions, and terms of the Amended Water Resources Agreement to (a) issue ERU Water Connections to Assignee, or its assigns and successors (collectively "Assignee") and (b) the right of Assignee to receive a reduction of the Water Resources Fee payable to the District at issuance of an ERU Water Connection by the amount of the ERU Water Rights. The amount of the credit per FRICO ERU in 2021 is $6,600.00.

The Parties acknowledge and agree that (i) Transferred Participation Amount does not include the Retained Interests (defined below in Section 2 of this Assignment) and (ii) Assignor retains the Retained Interests.

Assignor represents that it has not made any prior conveyance of any of the Transferred Participation Amount and further represents that the Transferred Participation Amount is free and clear of all security interests, liens, mortgages, and pledges of any kind or nature granted by Assignor or asserted by any person or entity claiming by, through, or under Assignor. Assignor may not revoke or rescind the assignment after the District has consented to it.

Assignee acknowledges and agrees that (i) Assignee shall be required to pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to the purchase of ERU Water Connections in the same manner as is normally charged by the District relating to such ERU Water Connections and (ii) if Assignee subsequently assigns ERU Water Certificates, the transferees shall be required to pay the above-described costs and normal and customary transfer fees charged by the District at the time of such assignments.

Assignor hereby assigns and Assignee hereby assumes the Transferred Participation Amount subject to the covenants, conditions, provisions, and obligations contained in the Amended Water Resources Agreement ("Participant Obligations"). Notwithstanding the foregoing, (i) Assignee does not assume, and Assignee shall have no responsibility for, any Participant Obligations pertaining to the Retained Interests and (ii) Assignor's use of the Retained Interests shall otherwise be subject to the covenants, conditions, provisions and obligations of the Amended Water Resources Agreement.

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2. Retained Interests. Upon consent by the District and conclusion of the Assignment of the Transferred Participation Amount, Assignor will retain the following interests (the "Retained Interests"):

a. [NUMBER] Optioned FRICO ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement;

b. [NUMBER] SACWSD ERU Water Credits recorded in Assignor's favor in the District's financial records and the right to purchase corresponding ERU Water Connections, which right is available under the terms of the Amended Water Resources Agreement; and

c. All interests and obligations of the Participant pursuant to the Amended Water Resources Agreement not specifically assigned to Assignee.

3. Provisions Relating to Allocations by the District. Under the terms of the Amended Water Resources Agreement and the Resolution of the Board of Directors of South Adams County Water and Sanitation District Regarding Allocation of ERUs to FRICO Participants adopted August 28, 2001 ("FRICO Resolution"), under certain circumstances, the District will allocate ERU Water Connections among Plan B Project participants ("Tap Allocations"). In particular, the District has the right to impose Tap Allocations among Plan B Project participants if utilization of new ERU Water Connections in the District in any one year has exceeded or will exceed 2,266 ERU Water Connections. The District's issuance of ERU Water Connections, which are the subject of this Assignment, is subject to: (a) the terms of the FRICO Resolution; and (b) the terms and conditions of the Amended Water Resources Agreement.

4. Indemnification, Release and Hold Harmless. To the extent permitted by law, Assignor and Assignee agree to defend, indemnify and hold harmless the District from and against any and all liability, claims, losses, damages or expenses, including, without limitation, court costs and attorney fees that arise out of or are in any way related to the District's consent to this Assignment and transfer of the Transferred Participation Amount in its records. Additionally, Assignor and Assignee agree to release the District from and waive any and all claims, losses or causes of action that may result from the District's consent to this Assignment.

5. Consent of the District. The District's consent to this Assignment, which will not be granted without receipt of payment for the District's transfer fee, and entry of this Assignment on the District's books is required before this Assignment is effective.

6. No Modifications. Nothing in this Assignment shall be deemed to modify any of the terms and conditions of the Amended Water Resources Agreement or the FRICO Resolution.

7. Rules and Regulations. Connections to the District's water and wastewater system and continued service are subject to the District Rules and Regulations and applicable Resolutions.

[*The signatures and acknowledgements of the Parties follow this page*]

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Assignor:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation doing business as Oakwood Homes

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this _____ day of [MONTH], 2021, by [NAME] as [TITLE] of Clayton Properties Group II, Inc., a Colorado corporation doing business as Oakwood Homes.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

[*The signature and acknowledgement of the Assignee follow this page*]

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RMD:

Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this _____ day of [MONTH], 2021, by [NAME] as [TITLE] of a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise.

Witness my hand and official seal:

_____
Notary Public

My commission expires: _____

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EXHIBIT A
Attached
to
Assignment and Bill of Sale

(Depiction of the Property)

[TO BE ATTACHED]

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ATTACHMENT 2
(Form of Assignment Consent]

[DISTRICT LETTERHEAD]

[CLOSING DATE]

Clayton Properties Group II, Inc.
4908 Tower Road
Denver, Colorado 80249
Attention: James Hayes and Bruce Rau

Reunion Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristen Bear

Re: *Assignment and Bill of Sale of ERU Water Credits from Clayton Properties Group II, Inc., to Reunion Metropolitan District, acting by and through its Water Activity Enterprise (the "Assignment")*

To Whom It May Concern:

South Adams County Water and Sanitation District (the "District") hereby consents (the "Assignment Consent") to the above-referenced Assignment and Bill of Sale of ERU Water Credits (the "Assignment") pursuant to which Clayton Properties Group II, Inc., a Colorado corporation ("Clayton"), will assign the Subject ERU Water Credits (as defined in paragraph 2 below) to Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "RMD"). The District notes that the Subject ERU Water Credits are (a) available under the FRICO Participant Water Resources Agreement dated November 2, 2001, and subsequently amended and assigned (as amended and assigned, the Reunion Participant Resources Agreement"), and (b) subject to (i) the terms of the Reunion Participant Resources Agreement, as may be subsequently amended, (ii) the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service, as amended and in effect from time to time (the "District Rules") and applicable Resolutions, and (iii) the terms of this Assignment Consent.

Pursuant to RMD's request, the District confirms the following matters:

1. Clayton has the power and authority under the Reunion Participant Resources Agreement to make the Assignment, and RMD is an acceptable transferee pursuant to the Reunion Participant Resources Agreement.

2. As of the date of this Assignment Consent, the records of the District reflect that Clayton has [NUMBER] Optioned FRICO ERUs and [NUMBER] SACWSD ERUs and the right to receive corresponding ERU Water Connections (collectively, the "Subject ERU Water Credits)

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that are presently available for assignment by Clayton to RMD subject to the consent of the District pursuant to the District Rules and Resolutions and the Reunion Participant Resources Agreement.

3. The Subject ERU Water Credits are in full force and effect and there are no Annual Option Payments required to be made in connection with the Subject ERU Water Credits. The District notes that the holder of a Subject ERU Water Credit must pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to purchases of ERU Water Connections in the same manner as normally charged by the District relating to such ERU Water Connections.

4. The Water Connection Fee credit per each Subject ERU Water Credit (a "Credit") in 2021 is $10,429.00, which Credit is attached to each Subject ERU Water Credit and will transfer with each Subject ERU Water Credit that is assigned to a third party. The current 2021 Credit of $10,429.00 is comprised of a credit of $3,429.00 for the installation of the separate irrigation system within Reunion and $6,600.00 recognizing the value of the dedicated water rights. Water Connection Fees and Credit amounts are subject to revision by the District's Board of Directors pursuant to the District Rules and powers under the Special District Act to fix and raise fees, rates, tolls, penalties, and charges.

5. In connection with such Assignment and notwithstanding the Assignment Consent, RMD acknowledges the possibility of a reduction of the amount of taps available each year in the event that thresholds of demand are exceeded within the District as a whole. The Property upon which the ERUs are to be utilized is (1) annexed into Commerce City; (2) included within the District's boundaries; and (3) located within the DRCOG urban growth boundary.

6. By this Assignment Consent, the District consents to the Assignment and the District has recorded (or in due course will record) the Assignment in the official books of the District in which it accounts for, and registers ownership of, FRICO ERUs. By their acceptance of this Assignment Consent, Clayton and RMD release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action that may result from, the consent of the District to the Assignment and the conditions and terms of this Assignment Consent. By their acceptance of this Assignment Consent and to the extent permitted by law, Clayton and RMD agree that they will defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against all claims, losses, or causes of action that may result from the consent of the District to the Assignment and the issuance of this Assignment Consent, including without limitation any claims, losses, or causes of action arising from the issuance, sale, or administration of RMD's Special Revenue Bonds, Series 2021A in the aggregate principal amount of $[Series A Amount] and Subordinate Special Revenue Bonds, Series 2021B in the aggregate principal amount of $[Series B Par Amount].

[*Signature of the District follows this page*]

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Sincerely yours,

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT

By: _____
Jim Jones, District Manager

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Clayton and RMD acknowledge and accept the conditions and terms of the Assignment Consent.

Clayton:

CLAYTON PROPERTIES GROUP II, INC.,
a Colorado corporation

Date: _____ By: _____
Name: _____
Title: _____

RMD:

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

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ATTACHMENT 3
(Form of the District Acknowledgment to Grant of Security Interests]

[DISTRICT LETTERHEAD]

[CLOSING DATE]

Reunion Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Kristen Bear

UMB Bank, n.a.
Corporate Trust and Escrow Services
1670 Broadway
Denver, Colorado 80202
Attention: Jacque Schwartz

Re: *Grant of Security Interests in ERUs by Reunion Metropolitan District in favor of UMB Bank, n.a., as Bond Trustee*

To Whom It May Concern:

Pursuant to an Assignment and Bill of Sale of ERU Water Credits (the "Assignment"), Clayton Properties Group II, Inc., assigned [NUMBER] FRICO ERUs and the right to receive corresponding ERU Water Connections (collectively, the "Subject ERU Water Credits") to Reunion Metropolitan District, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise (in such capacity, "RMD"). Pursuant to a consent of even date herewith (the "Assignment Consent"), the District consented to the Assignment and the transfer of the Subject ERU Water Credits to RMD.

The District notes that (a) the Subject ERU Water Credits are available under the FRICO Participant Water Resources Agreement dated November 2, 2001, and subsequently amended and assigned (as amended and assigned, the "Reunion Participant Resources Agreement") and (b) as assigned to RMD, the Subject ERU Water Credits are subject to (i) the terms of the Reunion Participant Resources Agreement, as the same may be subsequently amended, (ii) the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service, as amended and in effect from time to time (the "District Rules"), (iii) applicable Resolutions, and (iv) the terms of the Assignment Consent.

In connection with the Assignment, RMD has requested that the District also acknowledge the grant by RMD of a security interest (the "Security Interest") in the Subject ERU Water Credits in favor of UMB Bank, N.A., Denver, Colorado, as Bond Trustee (the "Bond Trustee") under (a) that certain Indenture of Trust (Senior) dated as of [Indenture Month] 1, 2021, between the Bond Trustee and RMD (the "Senior Indenture") relating to Special Revenue Bonds, Series 2021A in the aggregate principal amount of $[Series A Amount] and (b) Indenture of Trust (Subordinate)

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dated as of [Indenture Month] 1, 2021, between the Bond Trustee and RMD (the "Subordinate Indenture," and together with Senior Indenture, the "Indentures") relating to Subordinate Special Revenue Bonds, Series 2021B in the aggregate principal amount of $[Series B Par Amount]. As set forth in Section 1.5.6 of the District Rules, the District notes that it owes no duties to the Bond Trustee and is not required to provide notice to the Bond Trustee of proposed assignments or transfers of ERUs or amendments to any District Resolution, the District Rules, the Reunion Participant Resources Agreement, or any other water resources agreements.

Pursuant to RMD's request and by this letter (the "Security Interest Acknowledgment"), the District acknowledges the grant by RMD of a Security Interest in the Subject ERU Water Credits and acknowledges the following matters:

1. The District does not contest that RMD has the power and authority under the Reunion Participant Resources Agreement to grant the Security Interest in the Subject ERU Water Credits to the Bond Trustee.

2. As of the date of this Security Interest Acknowledgment, the District's records reflect that RMD has [NUMBER] Subject ERU Water Credits that are presently available for assignment by RMD subject to the prior consent of the District pursuant to the District Rules and applicable Resolutions and the Reunion Participant Resources Agreement.

3. The Subject ERU Water Credits are in full force and effect and all required Annual Option Payments have been made in connection with the Subject ERU Water Credits. The District notes that the holder of a Pledged ERU must pay normal and customary tap fees, connection charges, and any and all other fees or payments payable to the District with respect to purchases of ERU Water Connections in the same manner as normally charged by the District relating to such ERU Water Connections.

4. The District acknowledges that RMD intends to sell Subject ERU Water Credits to homebuilders in Reunion. With respect to the Security Interest granted to the Bond Trustee in a Subject ERU Water Credit, the District acknowledges the following:

a. The Bond Trustee and RMD have advised the District that following receipt by the District of an assignment by RMD of a Subject ERU Water Credit and the transfer fee and in accordance with its standard practices and procedures, the District can debit the account of RMD, and credit the account of the assignee, to reflect the transfer of the Subject ERU Water Credit without further inquiry and without further acknowledgement or other action of the Bond Trustee.

b. The Bond Trustee (for itself and on behalf of the beneficial and other owners of the Bonds) and RMD acknowledge and agree that (i) the District will have no duty or obligation with respect to the payment of the Sale Proceeds to the Bond Trustee, (ii) the District has no duty to security interest holders and may conclusively rely on the assignment of a Subject ERU Water Credit as sufficient evidence that such Subject ERU Water Credit has been released from and is no longer subject to the Security Interest without further inquiry to RMD or the Bond Trustee, and (iii) the Bond Trustee, the District, and RMD shall rely exclusively on the account and records maintained by the

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District as to the number of Subject ERU Water Credits owned from time to time that remain in the account of RMD.

5. The District acknowledges that the Bond Trustee and RMD have advised the District that under certain conditions the Bond Trustee will have the right to enforce the lien of the Security Interest. With respect to the enforcement of the Security Interest by the Bond Trustee, the District acknowledges the following:

a. The Bond Trustee and RMD have advised the District that the Indentures provide that, without further inquiry or investigation, the District may conclusively rely on a transfer statement ("Transfer Statement") purported to be made from the Bond Trustee to transfer the Subject ERU Water Credits on its books upon payment of the applicable transfer fee.

b. The Bond Trustee (for itself and on behalf of beneficial and other owners of the Bonds) and RMD acknowledge and agree that (i) the District will have no duty or obligation to RMD or the Bond Trustee (or any beneficial and other owner of the Bonds) with respect to the enforcement of the Security Interest, any statements made by the Bond Trustee, and any actions taken by the Bond Trustee pursuant to the Indentures, (ii) the determination of the District from time to time of the number of Subject ERU Water Credits in the account of RMD shall be binding on the Bond Trustee and RMD, and (iii) the District may conclusively rely on the Transfer Statement, may debit the account of RMD by the Subject ERU Water Credits as reflected in the records of the District, and credit the account of the Bond Trustee by the number of Subject ERU Water Credits reflected in the records of the District without further inquiry of, or notice to, the Bond Trustee or RMD and without further investigation by the District of any statement made by the Bond Trustee in the Transfer Statement.

7. The District has consented to the Assignment to RMD, and upon full execution of this Security Interest Acknowledgment and receipt of the transfer fee the District shall note the grant to the Bond Trustee of the Security Interest in the Subject ERU Water Credits. By their acceptance of this Security Interest Acknowledgment, the Bond Trustee (for itself and on behalf of beneficial and other owners of the Bonds) and RMD (a) acknowledge and agree that the District owes no duty or obligation to the Bond Trustee (or any beneficial and other owners of the Bonds) with respect to the accounting, administration, enforcement, release, or termination of the Security Interest granted in the Subject ERU Water Credits, (b) release the District (including its directors, employees, attorneys, and agents) from, and waive all claims, losses, or causes of action that may result from, the Security Interest Acknowledgment, and (c) to the extent permitted by law, the Bond Trustee and RMD shall defend, indemnify, and hold the District (including its directors, employees, attorneys, and agents) harmless from and against any and all claims, losses, or causes of action that may result from the Security Interest Acknowledgment.

[*Signature of the District follows this page*]

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Sincerely yours,

SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT

By: _____
Jim Jones, District Manager

[*Acceptance by the Bond Trustee and RMD to this Security Interest Acknowledgment follows this page*]

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Bond Trustee and RMD acknowledge and accept the conditions and terms of the Security Interest Acknowledgment.

Bond Trustee:

UMB BANK, N.A., AS TRUSTEE

Date: _____ By: _____
Name: _____
Title: _____

RMD:

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado acting by and through its Water Activity Enterprise

Date: _____ By: _____
Name: _____
Title: _____

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RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS REUNION METROPOLITAN DISTRICT
WATER ACTIVITY ENTERPRISE

CONCERNING THE IMPOSITION OF WATER CREDIT FEES

WHEREAS, Reunion Metropolitan District (the "**District**") was formed pursuant to §§ 32-1-101, *et seq*., C.R.S., as amended (the "**Special District Act**"), by order of the District Court for Adams County, Colorado, and after approval of the District's eligible electors at an election; and

WHEREAS, pursuant to § 32-1-1001(1)(h), C.R.S., the Board of Directors of the District (the "**Board**") shall have the management, control and supervision of all the business and affairs of the District; and

WHEREAS, the Board has determined it to be in the best interests of the District, and the property owners, taxpayers, and residents of the District, to acquire, construct, operate and maintain certain amenities and facilities benefitting property and inhabitants within the District, which amenities and facilities include certain water and wastewater improvements, facilities, appurtenances and rights-of-way; and

WHEREAS, on January 14, 2021, the Board adopted that certain Resolution of the Board of Directors of Reunion Metropolitan District Establishing Water Activity Enterprise which established the Reunion Metropolitan District Water Activity Enterprise (the "**Enterprise**") under the authorization set forth in the Colorado Water Resources Act (C.R.S. §§ 37-45.1-101, *et seq*.) for the purpose of pursuing or continuing the District's water activities as defined in the Special District Act; and

WHEREAS, South Adams County Water and Sanitation District ("**SACWSD**") provides water service to the property within the District's service area; and

WHEREAS, SACWSD determines the approximate level of service necessary to serve a single-family dwelling (an Equivalent Residential Unit or "**ERU**"), which is used to calculate the cost of connection fees and service charges charged by SACWSD; and

WHEREAS, the District, acting by and through the Enterprise (collectively, "**RMD**"), has or will purchase ERU water rights credits ("**ERU Water Credits**") in an amount sufficient to ensure the availability of water to those portions of the District's service area still to be developed, as more particularly described on **Exhibit A**, attached hereto and incorporated herein (the "**RMD Water Service Area**"); and

WHEREAS, RMD has issued or will issue its Special Revenue Bonds, Series 2021A and 2021B to finance the purchase of 7,236 ERU Water Credits, which Bonds are secured by a pledge of water credit fees, as the same are imposed by the District hereunder; and

WHEREAS, of the total 7,236 ERU Water Credits purchased or to be purchased by RMD, a total of 1,283 ERU Water Credits have been set aside and allocated for the purpose of providing water services for irrigation to public areas by RMD and the remainder 5,953 ERU Water Credits designated and allocated to Permitted ERU Building Use (defined below); and

WHEREAS, pursuant to that certain Declaration of ERU Covenants and Restrictions (the "**RMD Covenants and Restrictions**"), recorded in the real property records of Adams County, Colorado on _____, and Reception Number _____, property owners within the RMD Water Service Area must purchase ERU Water Credits from RMD, so long as RMD has ERU Water Credits for sale, in order to provide for water service to the RMD Water Service Area; and

WHEREAS, the establishment of a fair and equitable fee by RMD (the "**Water Credit Fee**"), will provide a source of funding to pay the costs incurred by RMD for the acquisition of the ERU Water Credits for the RMD Water Service Area, which costs are generally attributable to the Entitled Land(s), as defined herein, and public irrigation requirements within the RMD Water Service Area, and are necessary to provide for the water services to be provided by SACWSD to RMD and its inhabitants; and

WHEREAS, the RMD Covenants and Restrictions designates RMD as the enforcement authority in order to provide for the uniform transfer of the ERU Water Credits within the RMD Water Service Area and for purposes of enforcing the covenants provided in the RMD Covenants and Restrictions; and

WHEREAS, in addition to the remedies provided herein for collection of the Water Credit Fees, the RMD Covenants and Restrictions provides for additional remedies, including the payment of liquidated damages in an amount equal to the Water Credit Fee in the event of a default under the RMD Covenants and Restrictions; and

WHEREAS, RMD finds that the Water Credit Fee is reasonably related to the overall cost of providing water service and for paying the costs related to the acquisition of the ERU Water Credits, and that imposition thereof is necessary and appropriate.

NOW, THEREFORE, be it resolved by the Board as follows:

1. DEFINITIONS. Except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

"**Administrative Fee**" means a fee imposed at the time of the payment of any ERU Building Credit Fee(s) or any ERU Irrigation Credit Fee(s) to provide for the costs to be incurred by RMD to effectuate the Assignment of the corresponding RMD/ERU Building

Credit(s) or RMD/ERU Irrigation Credits(s), as more fully provided in Section 9 of this Resolution.

"**Assignment**" means the assignment, at any one time, of one or more RMD/ERU Building Credits or RMD/ERU Irrigation Credits from RMD to a Reunion Owner, the process for which is more fully set forth in Section 9 of this Resolution.

"Bond Indentures" means the Indenture of Trust (Senior) and the Indenture of Trust (Subordinate), each dated [Indenture Month] 1, 2021, each between the Bond Trustee and RMD and any bond indentures between the Bond Trustee and RMD executed and delivered in connection with any refunding bonds or any other financing documents, including loan agreements and resolutions, executed and delivered in connection with any parity, refunding, or other bonds issued by RMD in connection with the ERU Water Credits.

"Bond Trustee" means U.M.B. Bank, n.a., as bond trustee pursuant to the Bond Indentures and any different or successor trustee or lender as provided in the Bond Indentures.

"Bonds" means (a) the Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] dated as of the date of issuance, (b) the Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] dated as of the date of issuance, and (c) any parity, refunding, or other bonds issued pursuant to a Bond Indenture.

"**Due Date**" means the date by which the Water Credit Fee is due as further set forth herein.

"Entitled Land" means (a) with respect to a platted portion of the RMD Water Service Area as created and defined by an Entitlement Document, a lot, parcel, or other division or tract of land on which a Person has the right under Applicable Law to construct a specified density, number, size, and type of Improvements or (b) with respect to an unplatted portion of the RMD Water Service Area, a portion of such property in which a Person holds a Property Interest and the right under Applicable Law to plat, develop, and construct a specified density, number, size, and type of Improvements pursuant to Applicable Law or Entitlement Documents.

"Entitlement Document" means (a) the Consolidated Development Agreement for Buffalo Hills Ranch PUD (aka "Reunion") among the City, Declarant as successor developer, and other parties and Recorded on January 23, 2002, at Reception No. C0917475, (b) Buffalo Hills Ranch PUD Zone Document Recorded October 27, 2000, a Reception No. C0725646, as subsequently amended and including Reunion PUD Zone Document Amendment #5 of The Buffalo Hills Ranch PUD Zone Document Recorded June 28, 2019, under Reception No. 2019000050788, and (c) any Recorded final plat of all or part of the RMD Water Service Area, together with any development or similar agreement Recorded in connection with such final plat.

"**ERU Building Credit Fee**" means a one-time Water Credit Fee imposed upon each Entitled Land within the RMD Water Service Area for the purchase of a RMD/ERU Building Water Credit.

"**ERU Irrigation Credit Fee**" means a one-time Water Credit Fee imposed upon portions of the Reunion Public Areas within the RMD Service Area for the purchase of RMD/ERU Irrigation Credits.

"**ERU Water Connection**" means the potable and irrigation water connection to a single-family residential structure or equivalent, all as set forth in Section 1.1 of the FRICO Participant Water Resources Agreement and the SACWSD Rules.

"**Fee Schedule**" or "**Schedule of Fees**" means the schedule of fees set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, until and unless such Fee Schedule is otherwise amended and/or repealed by the Board of Directors at its discretion, subject specifically to those limitations as are set forth in the Bond Indentures.

"FRICO Participant Water Resources Agreement" means that certain FRICO Participant Water Resources Agreement between Shea Homes Limited Partnership and SACWSD effective November 2, 2001, as amended by the Amendment to FRICO Participant Water Resources Agreement dated November 12, 2002, and as further amended by that Second Amendment to FRICO Participant Water Resources Agreement dated October 15, 2018, and assigned to Clayton Properties Group II.

"Permitted ERU Building Use" means use in providing private potable or irrigation water service to private property and buildings constructed (or being constructed) on Entitled Lands located in the RMD Water Service Area.

"**Permitted ERU Irrigation Use"** means use by RMD or a Reunion District requiring water service for irrigation of Reunion Public Areas located in the RMD Water Service Area.

"Reunion District" means a metropolitan district organized pursuant to the Special District Act that includes authorization to serve the RMD Water Service Area pursuant to a service plan approved by the City of Commerce City, Colorado or other governmental agency having authority to approve service plans under the Special District Act.

"Reunion Owner" means a person or entity that holds and owns as of the Due Date for any Water Credit Fee an interest in real property located in the RMD Water Service Area.

"Reunion Public Areas" means areas that RMD, RMD on behalf of a Reunion Reuion District, or a Reunion District will either own or maintain as set forth in an Entitlement Document and that will require irrigation (including landscaped tracts along sidewalks or streets, open space, parks, trails, or similar areas dedicated to public enjoyment and use).

"RMD/ERU Building Credits" means a total of 5,953 ERU Water Credits that are specifically designated for a Permitted ERU Building Use.

"RMD/ERU Irrigation Credits" means a total of 1,283 ERU Water Credits that are specifically designated for Permitted ERU Irrigation Use.

"SACWSD Rules" means the South Adams County Water & Sanitation District Rules and Regulations for Receiving Public Water and Wastewater Service and applicable resolutions.

"**UCC Statement**" means the UCC-1 financing statement filed by the Bond Trustee on _____, 2021 naming the District, as debtor, and the Bond Trustee for the benefit of the holders of the Bonds, including as amended by the filing of any amendments thereto.

2. ERU PRIVATE WATER CREDIT FEE.

a. A one-time ERU Building Credit Fee is hereby established and imposed upon each Entitled Land within the RMD Water Service Area in accordance with the Schedule of Fees.

b. The Due Date for payment of the ERU Building Credit Fee to be paid to the District for the RMD/ERU Building Credit in relation to each Entitled Land shall be either (i) not later than the time at which a building permit is obtained for each Entitled Land on which a building is to be constructed, (ii) or no later than the time at which an ERU Water Connection is required for an Entitled Land on which only landscaping is to be installed. The amount of each ERU Building Credit Fee due hereunder shall be at the rate in effect at the time of payment pursuant to the Schedule of Fees.

c. The revenues generated by the ERU Building Credit Fee will be accounted for separately from other revenues of the District under a fund or funds established on behalf of the Enterprise. The ERU Building Credit Fee revenue will be used solely for the purpose of paying interest and or principal on the Bonds and other legally permitted expenses of the Enterprise, as more fully provided in the Bond Indentures.

d. The Board has determined, and does hereby determine, that the ERU Building Credit Fee is calculated in order fund costs associated with the acquisition of the ERU Water Credits necessary to provide water service to Entitled Land within the RMD Water Service Area, and reasonably distributes the burden of defraying such costs in a manner based on the benefits received by persons paying the ERU Building Credit Fees and receiving water services.

3. ERU PUBLIC IRRIGATION WATER CREDIT FEE.

a. A one-time ERU Irrigation Credit Fee is hereby established and imposed upon the portions of the Reunion Public Area within the RMD Water Service Area requiring irrigation water service connections in accordance with the Schedule of Fees.

b. The Due Date for payment of the ERU Irrigation Credit Fee to the District for an ERU Irrigation Credit shall be not later than the time at which at which an ERU Water Connection is required for any particular portion of the Reunion Public Areas requiring irrigation. The amount of each ERU Irrigation Credit Fee due hereunder shall be at the rate in effect at the time of payment pursuant to the Schedule of Fees.

c. The revenues generated by the ERU Irrigation Credit Fee will be accounted for separately from other revenues of the District under a fund or funds established on behalf of the Enterprise. The ERU Irrigation Credit Fee revenue will be used solely for the purpose of paying interest and or principal on the Bonds and other legally permitted expenses of the Enterprise, as more fully provided in the Bond Indentures.

d. The Board has determined, and does hereby determine, that the ERU Irrigation Credit Fee is calculated in order fund costs associated with the acquisition of the ERU Water Credits necessary to provide irrigation water services to the Reunion Public Areas within the RMD Water Service Area, and reasonably distributes the burden of defraying such costs in a manner based on the benefits received by persons paying the ERU Irrigation Credit Fees and receiving water services.

4. ADMINISTRATIVE FEE.

a. An Administrative Fee is hereby established and imposed, which shall be due and payable in relation to each Assignment, regardless of the number of RMD/ERU Building Credits or RMD/ERU Irrigation Credits being assigned at such time.

b. The Due Date for payment of the Administrative Fee shall the same as the Due Date for the correlating ERU Building Credit Fee(s) or ERU Irrigation Credit Fee(s) payable in relation to the Association. The amount of the Administrative Fee due hereunder shall be at the rate in effect at the time of payment pursuant to the Schedule of Fees.

c. The revenues generated by the Administrative will be accounted for separately from other revenues of the District under a fund or funds established on behalf of the Enterprise. The Administrative Fee revenue will be used solely for the purpose of paying the costs related to the effectuation of an Assignment, as more fully set forth in Seciton 9 of this Resolution.

d. The Board has determined, and does hereby determine, that the Administrative Fee is calculated in order fund costs associated with the acquisition of the ERU Water Credits necessary to provide water service to Entitled Land within the RMD Water Service Area, and reasonably distributes the burden of defraying such costs in a manner based on the benefits received by persons paying the ERU Building Credit Fees or ERU Irrigation Credit Fees and receiving water services.

5. EXCLUSIONS TO THIS RESOLUTION. The provisions of this Resolution shall NOT be applicable in the following circumstances:

a. Notwithstanding anything in this Resolution to the contrary, neither this Resolution nor any obligation to pay any Water Credit Fee or Administrative Fee shall apply to, bind, limit, or restriction Brighton School District 27-J, the City of Commerce City, SACWSD, or the South Adams County Fire Department.

b. Notwithstanding anything in this Resolution, and as specifically provided in the Bond Indentures, (A) RMD has granted a security in the RMD/ERU Building Credits and RMD/ERU Irrigation Credits to the Bond Trustee and (B) on the occurrence of certain Events of Default (and as defined and provided in the Bond Indentures), the Bond Trustee has the right to (1) accelerate the Bonds and hold a Bulk Sale (as defined in the Bond Indentures) and (2) cause a transfer of such RMD/ERU Building Credits and RMD/ERU Irrigation Credits from RMD to the Bond Trustee or its designee as provided in the Bond Indentures. A transfer of the RMD/ERU Building Credits and RMD/ERU Irrigation Credits resulting from a Bulk Sale following an Event of Default under the Bond Indentures shall not constitute a violation of the RMD Covenants and Restrictions, as further set forth therein, and there shall be no further obligation to pay the Water Credit Fee or Administrative Fee established hereunder with regard to property designated at the time of the Bulk Sale or afterwards by the Transferee and the provisions of this Resolution shall not apply. Upon designation of the property to which the Water Credit Fees purchased as part of a Bulk Sale shall apply, the District shall release such property from the lien established under this Resolution upon payment of the Recordation Fee, as defined herein.

6. REMEDIES FOR NON PAYMENT OF RMD/ERU BUILDING WATER CREDIT FEE. In addition to any and all remedies set forth in the RMD Covenants and Restrictions, pursuant to § 29-1-1102(3), C.R.S., any ERU Building Credit Fee and/or correlating Administrative Fee not paid in full within thirty (30) days from the Due Date will be assessed a late fee in the amount of Fifteen Dollars ($15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding RMD/ERU Building Water Credit Fee and/or Administrative Fee, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. RMD may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by RMD and/or its consultants in connection with the foregoing.

7. PAYMENT. Payment for all fees, rates, tolls, penalties, charges, interest and attorney fees shall be made by check or equivalent form acceptable to RMD, made payable to "Reunion Metropolitan District" and sent to the address indicated on the Fee Schedule. The District may change the payment address from time and time and such change shall not require an amendment to this Resolution. The District shall from time to time adopt policies and procedures related to the process associated with payments, collection and enforcement, which may be modified as the deemed necessary in the sole discretion of the District, which shall not require amendment to this Resolution. Confirmation of the payment address and a copy of the current

policies and procedures may be obtained from the District Manager, Clifton Larson Allen, 303-779-5710, districtmanager@reunionmetro.org.

8. LIEN. The fees imposed hereunder, together with any and all late fees, interest, penalties and costs of collection, including any and all remedies set forth in the RMD Covenants and Restrictions, shall, until paid, constitute a statutory, perpetual lien on and against the private property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as RMD, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land. This Resolution shall be recorded in the offices of the Clerk and Recorder of Adams County, Colorado.

9. RELEASE FROM LIEN. Upon payment of the Water Credit Fee(s) and the Administrative Fee related to the Assignment of the applicable RMD/ERU Building Credit(s) or RMD/ERU Irrigation Credit(s), and receipt of a consent to such Assignment of the related RMD/ERU Building Credit or RMD/ERU Irrigation Credit from SACWSD indicating an Assignment of the RMD/ERU Building Credit or RMD/ERU Irrigation Credit from RMD to the Reunion Owner (the "**Consent to Assignment**"), RMD shall file the Releases and direct the Trustee to file the UCC Filing, both as further defined below. The Reunion Owner shall be fully responsible for payment of the applicable transfer fee to SACWSD for the Assignment. RMD shall cause the following upon receipt of the executed Consent to Assignment for the applicable RMD/ERU Building Credit or RMD/ERU Irrigation Credit:

a. Direct the Trustee to file an amendment with the Colorado Secretary of State to the UCC Financing Statement to reflect a partial termination of the security interest for the ERUs purchased by the Reunion Owner (the "**UCC Filing**"): and,
b. Direct General Counsel to the District to record a partial release of property from the RMD Covenants and Restrictions and a partial release of property from the lien established under this District Fee Resolution (the "**Releases**"). The Reunion Owner paying the Water Credit Fee shall be responsible for designating the property to which the Water Credit Fee is to be applied and until such time, RMD shall have no obligation to undertake the Releases; and
c. Transfer the Water Credit Fee to the Trustee as set forth in the Bond Indentures.

10. SEVERABILITY. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

11. THE PROPERTY. This Resolution shall apply to all property within the RMD Water Service Area as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference, and any additional property included into the RMD Water Service Area after the date of this Resolution.

12. EFFECTIVE DATE. This Resolution shall become effective _____, 2021.

[Remainder of Page Intentionally Left Blank. Signature Page to Follow.]

ADOPTED this ____ day of _____, 2021.

REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, acting by and through its Reunion Metropolitan District Water Activity Enterprise

_____
Officer of the District

ATTEST:

_____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys At Law

_____
General Counsel to the District

Signature page to Resolution Concerning the Imposition of an Water Credit Fee

EXHIBIT A

RMD WATER SERVICE AREA

EXHIBIT B
SCHEDULE OF FEES
Effective _____, 2021

Schedule of Fees	
ERU Building Credit Fee	The ERU Building Credit Fee for calendar year 2021 shall be $9,300. The ERU Building Credit Fee shall increase 2.5% per year through 2025, and 1.5% per year through 2035, and 1% per year thereafter through 2050 in following amounts: 2021 $9,300 2022 $9,533 2023 $9,771 2024 $10,015 2025 $10,265 2026 $10,419 2027 $10,576 2028 $10,734 2029 $10,895 2030 $11,059 2031 $11,225 2032 $11,393 2033 $11,564 2034 $11,737 2035 $11,913 2036 $12,033 2037 $12,153 2038 $12,274 2039 $12,397 2040 $12,521 2041 $12,646 2042 $12,773 2043 $12,901 2044 $13,030 2045 $13,160 2046 $13,291 2047 $13,424 2048 $13,559 2049 $13,694 2050 $13,831

ERU Irrigation Credit Fee	The ERU Irrigation Credit Fee for calendar year 2021 shall be $6,850. The ERU Irrigation Credit Fee shall increase 2.5% per year through 2025, and 1.5% per year through 2035, and 1% per year thereafter through 2050 in following amounts: 2021 $6,850 2022 $7,021 2023 $7,197 2024 $7,377 2025 $7,561 2026 $7,675 2027 $7,790 2028 $7,906 2029 $8,025 2030 $8,145 2031 $8,268 2032 $8,392 2033 $8,518 2034 $8,645 2035 $8,775 2036 $8,863 2037 $8,951 2038 $9,041 2039 $9,131 2040 $9,223 2041 $9,315 2042 $9,408 2043 $9,502 2044 $9,597 2045 $9,693 2046 $9,790 2047 $9,888 2048 $9,987 2049 $10,087 2050 $10,187
Administrative Fee shall be $650	

PAYMENTS: Payment for each fee shall be made payable to the Reunion Metropolitan District and sent to the following address for receipt by the Due Date:

Reunion Metropolitan District
c/o Clifton Larsen Allen LLP
8390 E Crescent Parkway, Suite 300
Greenwood Village, CO 80111

Reunion Metropolitan District
Acting by and through its Water Activity Enterprise
ERU Water Credit Fee Transfer Procedures
June 10, 2021

Payment and Release Process – Private Water Credit Fees

1. The Builder will submit payment for ERUs directly to the District Manager along with documentation that details the property for which the ERUs will be used along with other information that is required by SACWSD for the assignment of the ERUs from the Enterprise to the Builder (the "Assignment"). The payment shall include the ERU Credit Fee and the District Administration Fee (the "Payment").

2. The District Manager will issue a receipt for the Payment received and hold the Payment in a segregated Enterprise account until a consent to the Assignment (a "Consent to Assignment") has been executed by SACWSD.

3. The District Manager will notify the Trustee of the receipt of the Payment and request preparation of an amendment to the UCC Financing Statement to reflect a partial termination of the security interest for the ERUs purchased by the Builder (the "UCC Filing"). The UCC Filing will identify the (a) number of ERUs released from the security interest, and (b) the Builder that purchased the ERUs. The UCC Filing will be held by the District Manager pending receipt of the executed Consent to Assignment.

4. The District Manager will notify General Counsel to the District of the receipt of the Payment and request preparation of a partial release of property from the ERU Declaration and a partial release of property from the lien established under the District Fee Resolution (the "Releases"). The Releases will be held by the District Manager pending receipt of the executed Consent to Assignment.

5. The Builder will be responsible for payment of the Transfer Fee due to SACWSD.
    a. With the exception of the Transfer Fee, all other fees shall be included with the Payment of the ERUs and will be included under the ERU Fee Resolution.
    b. The Transfer Fee shall be paid directly to SACWSD by the Builder and not to the District.

6. The District Manager will deliver the Consent to Assignment form to SACWSD (with copy to Builder) and the Builder shall remit the Transfer Fee directly to SACWSD.

7. Upon execution of the Consent to Assignment by SACWSD, the District Manager will provide a copy of the executed Consent to Assignment to the Trustee and will transfer the amount of the ERU Credit Fee to the Trustee for deposit into the pledged revenue account. At the time of the transfer of the ERU Credit Fee, the District Manager shall take the following additional actions:
    a. Release the UCC Filing to the Trustee and direct that it be filed with the Colorado Secretary of State.
    b. Release the Releases to General Counsel and direct they be recorded with the County Clerk and Recorder.

8. To the extent a Payment is made before the Builder is able to identify property for the use of the ERUs, the District Manager will complete the Consent to Assignment without identifying the property. The District Manager will require preparation and filing of the UCC Filing, but not the Releases, which will be held pending identification of the property. The District Manager will deliver the Consent to Assignment form to SACWSD detailing the number of ERUs being assigned. Upon receipt of the executed Consent to Assignment, the Payment will be transferred to the Trustee.

Payment and Release Process – Public Irrigation Water Credit Fee

1. The District or a Reunion District ("RMD") will submit payment for ERUs directly to the District Manager along with documentation that details the property for which the ERUs will be used along with other information that is required by SACWSD for the assignment of the ERUs from the Enterprise to RMD (the "Assignment"). The payment shall include the ERU Credit Fee and the District Administration Fee (the "Payment").

2. The District Manager will issue a receipt for the Payment received and hold the Payment in a segregated Enterprise account until a consent to the Assignment (a "Consent to Assignment") has been executed by SACWSD.

3. The District Manager will notify the Trustee of the receipt of the Payment and request preparation of an amendment to the UCC Financing Statement to reflect a partial termination of the security interest for the ERUs purchased by RMD (the "UCC Filing"). The UCC Filing will identify the (a) number of ERUs released from the security interest, (b) the specific RMD entity that purchased the ERUs, and (c) the property for which the ERUs have been released. The UCC Filing will be held by the District Manager pending receipt of the executed Consent to Assignment.

4. The District Manager will notify General Counsel to the District of the receipt of the Payment and request preparation of a partial release of property from the ERU Declaration and a partial release of property from the lien established under the District Fee Resolution (the "Releases"). The Releases will be held by the District Manager pending receipt of the executed Consent to Assignment.

5. RMD will be responsible for payment of the Transfer Fee due to SACWSD.
    a. With the exception of the Transfer Fee, all other fees shall be included with the Payment of the ERUs and will be included under the ERU Fee Resolution.
    b. The Transfer Fee shall be paid directly to SACWSD by RMD and not to the District.

6. The District Manager will deliver the Consent to Assignment form to SACWSD (with copy to RMD) and RMD shall remit the Transfer Fee directly to SACWSD.

7. Upon execution of the Consent to Assignment by SACWSD, the District Manager will provide a copy of the executed Consent to Assignment to the Trustee and will transfer the amount of the ERU Credit Fee to the Trustee for deposit into the pledged revenue account. At the time of the transfer of the ERU Credit Fee, the District Manager shall take the following additional actions:
    a. Release the UCC Filing to the Trustee and direct that it be filed with the Colorado Secretary of State.

b. Release the Releases to General Counsel and direct they be recorded with the County Clerk and Recorder.

Tracking and Enforcement Process

1. The District Manager will maintain a separate tracking schedule for Private Water Credit Fee ERUs and for Public Irrigation Water Credit Fee ERUs. The tracking schedules will have a predetermined numbering system based on the number of ERUs purchased through the Series 2021 bond transaction.

2. Upon each Assignment, the District Manager will populate the tracking schedule with the name of the Builder or RMD entity, the date paid, the date assigned, and the property address.
    a. If the property address is not available, the District Manager will populate the tracking schedule with the name of the Builder or RMD entity and will add addresses as permits are pulled or property is identified, provided those properties weren't otherwise identified in prior ERU purchases.

3. At the close of each month, the District Manager will obtain a listing of building permits pulled within the County and compare to ensure that ERUs were assigned for any property in which a building permit was pulled.
    a. Immediately after the Series 2021 bond closing, there will likely be building permits on the list for properties in which ERUs were previously assigned. The District Manager will work with the Developer to ensure no ERU assignments were bypassed.
    b. If it is determined that ERUs purchased from Reunion are used in communities outside Reunion, the District Manager will work with General Counsel to contact the Builder to resolve pursuant to remedies identified in the Declaration and Fee Resolution (including but not necessarily limited to liquidated damages).

4. At the close of each month, the District Manager will reconcile the tracking schedule to the ERU Fees received to ensure the number of Assignments match the number and amount of Payments received.

5. The District will do a quarterly reconciliation with SACWSD to compare the number of ERUs remaining per the District's records to SACWSD's records.

STATE OF COLORADO	)	
	)	
ADAMS COUNTY	)	ss
	)	
REUNION METROPOLITAN DISTRICT	)	
	)	

I, the Secretary or Assistant Secretary of the Reunion Metropolitan District, Commerce City, Colorado (the "**District**"), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the "**Resolution**") adopted by the Board of Directors (the "**Board**") of the District, acting by and through its Reunion Metropolitan District Water Activity Enterprise (the "**Issuer**"), at a special meeting held at 5:00 p.m. on June 10, 2021, at the Reunion Recreation Center, 17910 East Parkside Drive North, Commerce City, Colorado, and via teleconference at the following link:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_YTI5YTY2ZGYtNWYzYy00YWZmLTk1NmYtMzZiODkxNjRkYTUw%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d

Or call in (audio only)
+1 720-547-5281,,506037547# United States, Denver
Phone Conference ID: 506 037 547#

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with §11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	**Yes**	**No**	**Absent**	**Abstaining**
Kelly Leid, President	_____	_____	_	_____
Brett Price, Vice President	_____	_____	_	_____
Bruce Rau, Treasurer	_____	_____	_	_____
Teresa Kershisnik, Assistant Secretary	_____	_____	_	_____

Timothy Roberts, Assistant Secretary

5. The Resolution was duly approved by the Board, signed by the President of the Issuer, sealed with the District's seal, attested by the Secretary or Assistant Secretary of the Issuer and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District on this 10th DAY OF JUNE, 2021.

By _____
Secretary or Assistant Secretary

[SEAL]

NOTICE OF SPECIAL MEETING
REUNION METROPOLITAN DISTRICT
COMMERCE CITY, COLORADO

NOTICE IS HEREBY GIVEN that the Board of Directors ("**Board**") of Reunion Metropolitan District ("**District**"), Commerce City, Colorado, acting by and through its Reunion Metropolitan District Water Activity Enterprise (the "**Issuer**"), will meet in a public special meeting at 5:00 p.m. on June 10, 2021, at the Reunion Recreation Center, 17910 East Parkside Drive North, Commerce City, Colorado.

There will be at least one person present at the physical location posted on this notice. However, due to concerns regarding the spread of the coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this Board meeting will also be held by video conference call. If you would like to attend this meeting via video conference call, please use the following information:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_YTI5YTY2ZGYtNWYzYy00YWZmLTk1NmYtMzZiODkxNjRkYTUw%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%2278e91a46-bdcc-4fe5-980c-8ff3dcc70755%22%7d

Or call in (audio only)
+1 720-547-5281,,506037547# United States, Denver
Phone Conference ID: 506 037 547#

At this meeting, it is anticipated that the Board will make a final determination to issue special revenue indebtedness. Specifically, the Issuer will consider adoption of a resolution authorizing the issuance of its Special Revenue Bonds, Series 2021A (the "**Senior Bonds**") and its Subordinate Special Revenue Bonds, Series 2021B (the "**Subordinate Bonds**" and, together with the Senior Bonds, the "**Bonds**"), in the combined aggregate principal amount of $56,000,000, which amount is subject to increase or decrease as determined by the Board, for the purposes of funding the acquisition of certain ERU water rights credits. A portion of the proceeds of the Series 2021A Senior Bonds will also be used to: (a) fund capitalized interest on the Bonds, (b) fund the Reserve Fund to the Reserve Requirement, and (c) pay other costs in connection with the issuance of the Senior Bonds and the Subordinate Bonds.

Such resolution will also approve the related Indentures of Trust between the District and UMB Bank, n.a., Preliminary and Final Limited Offering Memoranda, Continuing Disclosure Agreement, Bond Purchase Agreement, and the execution of certain other documents relating to the Bonds; and in in connection therewith, the Board may consider approving, ratifying and confirming the execution of certain other documents; making determinations and findings as to other matters related to such financing transaction; authorizing incidental action; and repealing prior inconsistent actions.

Pursuant to the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance

of such Bonds may be commenced more than thirty days after the authorization of such Bonds pursuant to the aforementioned resolution.

The Board will also take up such other business as may be before the Board. The meeting is open to the public.

Pursuant to the provisions of the Supplemental Public Securities Act, one or more members of the Board may participate in this meeting and may vote on the foregoing matters through the use of a conference telephone or other telecommunications device.

This notice is given by order of the Board of Directors of the District.

/S/ **REUNION METROPOLITAN DISTRICT, ACTING BY AND THROUGH ITS REUNION METROPOLITAN DISTRICT WATER ACTIVITY ENTERPRISE, COMMERCE CITY, COLORADO**

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY REUNION METROPOLITAN DISTRICT, COMMERCE CITY, COLORADO, (THE "DISTRICT") ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE (IN SUCH CAPACITY, REFERRED TO HEREIN AS THE "ISSUER") OF ITS SPECIAL REVENUE BONDS, SERIES 2021A, AND SUBORDINATE SPECIAL REVENUE BONDS, SERIES 2021B, FOR THE PURPOSE OF FINANCING THE PURCHASE PRICE OF CERTAIN ERU WATER CREDITS, FUNDING THE RESERVE FUND FOR AND CAPITALIZED INTEREST ON THE SERIES 2021A BONDS AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST (SENIOR), AND AN INDENTURE OF TRUST (SUBORDINATE); AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado (the "**State**") duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended ("**C.R.S.**"); and

WHEREAS, the District was originally organized as Buffalo Hills Metropolitan District by Order and Decree of the District Court in and for Adams County, Colorado issued on December 1, 2000, recorded in the real property records of Adams County, Colorado (the "**County**") on December 27, 2000; and

WHEREAS, the name of the District was changed to Reunion Metropolitan District by Order and Decree of the District Court in and for the County issued on June 20, 2001, recorded in the real property records of the County on June 20, 2001; and

WHEREAS, the District is authorized by Title 32, Article 1, C.R.S. (the "**Act**"), to furnish certain public facilities and services, including, but not limited to, water improvements, including to acquire water rights and prepaid tap fees, within and without the boundaries of the District, in accordance with the Service Plan for the District approved by the City Council of Commerce City, Colorado (the "**City**") on August 21, 2000, as amended by a First Amendment thereto approved by the City Council of the City on August 6, 2001 (as further amended or restated from time to time, the "**Service Plan**"); and

WHEREAS, the District is located entirely within the boundaries of South Adams County Water and Sanitation District ("**South Adams**"); and

WHEREAS, all property within the District will receive water and wastewater service from South Adams, and fees and charges for connection and use of water and wastewater facilities are required to be paid to South Adams as required by the Rules and Regulations of South Adams (the "**Rules and Regulations**"); and

WHEREAS, pursuant to the Rules and Regulations, as a condition to receiving water and wastewater service from South Adams, a property owner must enter into a water resources

agreement by which the property owner is to dedicate water rights, water storage, or related facilities or the equivalent thereof sufficient to provide water service to the subject property, and such water resources agreement may allocate to the property owner ERU water rights credits, which represent partial payment of the water resources component of the connection fees for a like number of ERU water connections, and which ERU water rights credits generally consist of (a) an ERU potable water rights credit, and (b) an ERU irrigation water rights credit; and

WHEREAS, Shea Homes Limited Partnership ("**Shea**"), a prior owner of property within the District, and South Adams entered into the FRICO Participants Water Resources Agreement, dated as of November 2, 2001, as amended by an Amendment thereto dated as of November 12, 2002, and a Second Amendment thereto dated as of October 15, 2018 (collectively, the "**FRICO Water Resources Agreement**"), pursuant to which Shea had the opportunity to receive certain ERU water rights credits and purchase ERU water connections to be used in connection with certain lands within the Reunion Development in the City (the "**Development**"); and

WHEREAS, in 2017, Shea and Clayton Properties Group II, Inc. (the "**Developer**") consummated a series of transactions relating to the sale of fee interests and the assignment of certain option rights in and to certain property within the Development and the transfer of certain rights and associated water resources credits for the Developer to connect such property to South Adam's water system, specifically, Shea assigned all of its right, title, and interest in the following: (a) the FRICO Water Resources Agreement; and (b) certain ERU water rights credits; and

WHEREAS, as of the date hereof, the Developer currently owns certain ERU water rights credits for use within the Development that have been made available for purchase by the Issuer; and

WHEREAS, the Board of Directors of the District (the "**Board**") (acting by and through its Water Activity Enterprise) has determined that it is necessary to acquire certain ERU water rights credits (the "**ERU Water Credits**") to sell for the use and benefit of properties within the Development in the City (the "**Project**"); and

WHEREAS, pursuant to a resolution adopted by the Board on January 14, 2021 (the "**Enterprise Resolution**"), the Board has: (i) established the Reunion Metropolitan District Water Activity Enterprise (the "**Water Activity Enterprise**"), representing the activities comprising the operation of all of the District's water facilities and properties for the Development, 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; (ii) determined that the purpose of the Water Activity Enterprise is to pursue, or continue as applicable, the District's water activities as defined in Section 37-45.1-101, *et seq*., C.R.S. (the "**Water Enterprise Act**"), which shall include the acquisition and sale of ERU Water Credits under the provisions of any applicable water resources agreement; and (iii) determined that the Water Activity Enterprise is a government-owned business authorized to issue its own revenue bonds and receiving under ten percent (10%) of annual revenue in grants from all Colorado state and local governments, combined, and is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the District is authorized by Section 32-1-1101(1)(d) of the Act, and the Water Enterprise Act and Part 4 of Article 35 of Title 31, C.R.S., to issue revenue bonds authorized by action of the Board (acting by and through its Water Activity Enterprise) without the approval of the electors of the District, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, the District is authorized pursuant to Section 32-1-1001(1)(f), C.R.S. to acquire, dispose of and encumber real and personal property; and

WHEREAS, the Board is acting hereunder as the governing body of the Issuer; and

WHEREAS, it is proposed that the Issuer will enter into an ERU Purchase Agreement (the "**ERU Purchase Agreement**") with the Developer, whereby the Issuer would purchase the ERU Water Credits at a purchase price to be established therein (the "**ERU Purchase Price**"); and

WHEREAS, to the extent that the pledge of the ERU Water Credits pursuant to the Indentures, as further evidence and noticed in such UCC Statement, constitutes indebtedness of the District requiring electoral authorization, the District has obtained authorization therefor at a special election of the qualified electors of the District, duly called and held on Tuesday, May 5, 2020 (the "**Election**"), in accordance with law and pursuant to due notice, at which a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, Ballot Issue C pertaining to the issuance of District indebtedness up to the principal amount of $80,000,000 for the purpose of providing certain water improvements and facilities, including water rights; and

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

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

WHEREAS, the Board has previously determined and hereby determines that the Project expected to be financed with proceeds of the Bonds were generally contemplated by the Service Plan and are in the nature of community improvements intended for the general direct or indirect benefit of the planned residential community within the District; and

WHEREAS, for the purpose of financing a portion of the ERU Purchase Price, the Board (acting by and through its Water Activity Enterprise) hereby determines to issue its Special Revenue Bonds, Series 2021A (the "**Senior Bonds**") and its Subordinate Special Revenue Bonds, Series 2021B (the "**Subordinate Bonds**" and, together with the Senior Bonds, the "**Bonds**"), in the combined aggregate principal amount of up to $56,000,000; and

WHEREAS, the Senior Bonds shall be equally and ratably secured by certain revenues to be received by the Issuer and pledged under an Indenture of Trust (Senior) (the "**Senior Indenture**") by and between the Issuer and UMB Bank, n.a., as trustee (the "**Trustee**"), and shall

be payable solely from the sources set forth in the Senior Indenture, including the Pledged Revenue (as defined therein); and

WHEREAS, the Subordinate Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (Subordinate) (the "**Subordinate Indenture**") by and between the Issuer and the Trustee, and shall be payable solely from the sources set forth in the Subordinate Indenture, including the Subordinate Pledged Revenue (as defined therein); and

WHEREAS, the Service Plan limits the aggregate issuance of revenue or general obligation bonds that may be issued by the District (including bonds issued by the District acting by and through its water Activity Enterprise) to $280,000,000, excluding refundings; and

WHEREAS, the aggregate amount of the Bonds, together with any other revenue or general obligation bonds previously incurred by the District (if any), excluding any portion constituting a refunding, will not exceed the $280,000,000 limitation of the Service Plan; and

WHEREAS, the Bonds shall be issued pursuant to, and in full conformance with, the provisions of Title 32, Article 1, Part 11, C.R.S., the Water Activity Act, the Service Plan, and all other laws thereunto enabling; and

WHEREAS, the Board (acting by and through its Water Activity Enterprise) specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Senior Bonds shall be special revenue obligations of the Issuer, and shall be payable solely from the Pledged Revenue (as defined in the Senior Indenture); and

WHEREAS, the Subordinate Bonds shall be subordinate special revenue obligations of the Issuer, and shall be payable solely from the Subordinate Pledged Revenue (as defined in the Subordinate Indenture); and

WHEREAS, the Bonds initially shall be issued in denominations of $500,000 each, and in integral multiples above $500,000 of not less than $1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, there has been presented at or prior to this meeting of the Board a proposal from Piper Sandler & Co., Denver, Colorado (the "**Underwriter**"), to purchase the Bonds in accordance with the terms and conditions set forth in a Bond Purchase Agreement (the "**Bond Purchase Agreement**"), a form of which has been presented to the Board at this meeting; and

WHEREAS, after consideration, the Board has determined that the financing of the Project, the sale of the Bonds to the Underwriter upon the terms and conditions presented to the Board and set forth in the Bond Purchase Agreement (a final form of which will be approved by the Sale Delegate (defined below) subject to the limitations of the authority delegated to the Sale Delegate set forth herein) is in the best interests of the Issuer and the taxpayers thereof; and

WHEREAS, there has been presented at or prior to this meeting of the Board substantially final forms of the following (all as defined herein): the Senior Indenture, the Subordinate Indenture, the Continuing Disclosure Agreement, the Bond Purchase Agreement, and the Post-Issuance Tax Compliance Policy; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S. to execute and deliver the Bond Purchase Agreement and make other determinations regarding the Bonds; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, the Senior Indenture and the Subordinate Indenture, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

WHEREAS, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the President of the Issuer to determine certain provisions of the Bonds to be set forth in the Bond Purchase Agreement, in accordance with the provisions of this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors of the Board were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REUNION METROPOLITAN DISTRICT, COMMERCE CITY, COLORADO:

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

"*Act*" means the "Special District Act," being Title 32, Article 1, C.R.S.

"*Bonds*" means the Senior Bonds and the Subordinate Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

"*Continuing Disclosure Agreement*" means the Continuing Disclosure Agreement to be dated as of the date of issuance of the Bonds, by and among the District, the Developer and the Trustee.

"*Developer*" means Clayton Properties Group II, Inc., a Colorado corporation.

"*ERU Purchase Agreement*" means the ERU Purchase Agreement, between the Issuer and the Developer, pursuant to which the ERU Water Credits will be purchased by the Issuer.

"*ERU Water Credits*" means, the ERU water rights credits conveyed to the Issuer pursuant to the ERU Purchase Agreement.

"*Financing Documents*" means, collectively, this Resolution, the Senior Indenture, the Subordinate Indenture, the Continuing Disclosure Agreement, the Bond Purchase Agreement, and the Tax Certificate.

"*Issuer*" means the Reunion Metropolitan District, Commerce City, Colorado, Acting by and through its Water Activity Enterprise.

"*Limited Offering Memorandum*" means the final Limited Offering Memorandum relating to the offer and sale of the Bonds.

"*Post-Issuance Tax Compliance Policy*" means the Post-Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Certificate.

"*Preliminary Limited Offering Memorandum*" means the Preliminary Limited Offering Memorandum relating to the offer and sale of the Bonds.

"*Project*" means the acquisition of the ERU Water Credits.

"*Resolution*" means this Resolution which authorizes the issuance of the Bonds and the execution of the Senior Indenture and the Subordinate Indenture, including any amendment or supplement hereto.

"*Sale Delegate*" means the President of the Issuer.

"*Senior Bonds*" means the Issuer's Special Revenue Bonds, Series 2021A, dated their date of delivery.

"*Subordinate Bonds*" means the Issuer's Special Revenue Bonds, Series 2021B, dated their date of delivery.

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

"*Tax Certificate*" means the Tax Certificate of the District in a form approved by bond counsel to the District governing issues relating to the Bonds under the Code.

"*Underwriter*" means Piper Sandler & Co., of Denver, Colorado, the original purchaser of the Senior Bonds and the Subordinate Bonds.

"*Water Enterprise Act*" means Title 37, Article 45.1, C.R.S.

Section 2. Approval and Authorization of Financing Documents. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter

into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President of the Issuer and the Secretary or Assistant Secretary of the Issuer are hereby authorized and directed to execute and attest the Financing Documents and to affix the seal of the District thereto, and the President, Treasurer, Secretary or Assistant Secretary of the Issuer and other appropriate officers of the Issuer are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the financing of the Project (to the extent of proceeds available therefor), including to authorize the payment of net proceeds of the Senior Bonds, after payment of the Underwriter's discount in accordance with the Bond Purchase Agreement, for costs of issuance of the Bonds, to fund the Reserve Fund and to fund a portion of interest on the Senior Bonds, in addition to the other uses contemplated by the Senior Indenture and the Subordinate Indenture. The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer(s) of the Issuer executing the same in order to carry out the purposes of this Resolution, subject to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

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

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President, Treasurer, Secretary or Assistant Secretary of the Issuer or other appropriate officer of the Issuer in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the Issuer of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization of Bonds. In accordance with the Constitution of the State of Colorado; the Act; the Water Enterprise Act; the Supplemental Act; the Election; and all other laws of the State of Colorado thereunto enabling, there shall be issued the Bonds for the purposes of funding costs of the Project, paying costs of issuance of the Bonds and providing for, if necessary, from the proceeds of the Senior Bonds, capitalized interest for payment of a portion of the interest on the Senior Bonds and the funding of a Reserve Fund, all as further provided in the Senior Indenture and the Subordinate Indenture. The Senior Bonds shall constitute special revenue obligations and the Subordinate Bonds shall constitute subordinate special revenue obligations as provided in the Senior Indenture and the Subordinate Indenture, respectively, secured by the respective Trust Estates as defined and more particularly provided therein.

Section 4. Bond Details. The Senior Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Bond Purchase Agreement and dated the date of delivery of the Senior Bonds. The Subordinate Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Bond Purchase Agreement and dated the date of delivery of the Subordinate Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Bond Purchase Agreement, the Senior Indenture and the Subordinate Indenture, as applicable. The Bonds shall be issued in Authorized Denominations (as defined in the Senior Indenture and the Subordinate Indenture, as applicable), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Senior Indenture and the Subordinate Indenture.

Section 5. Delegation and Parameters.

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, and are not inconsistent with the Act, the Supplemental Act or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to execute the Bond Purchase Agreement in accordance with such determinations. Upon the execution of the Bond Purchase Agreement, the Senior Indenture and the Subordinate Indenture, the matters described in (i) and (ii) above and set forth in the Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Bond Purchase Agreement and/or the Senior Indenture and the Subordinate Indenture, as applicable, shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

(i) the rates of interest on the Bonds;

(ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Senior Bonds subject to mandatory sinking fund redemption and the years in which such Senior Bonds will be subject to such redemption;

(iii) the prices at which the Bonds will be sold;

(iv) the principal amounts of the Bonds;

(v) the dates on which principal and interest shall be paid;

(vi) the amount of principal maturing in any particular year; and

(vii) the existence and amount of any capitalized interest or reserve funds.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Bond Purchase Agreement after the date that is 180 days after the date of adoption of this Resolution and in no event may the Bonds be issued after such date, absent further authorization by the Board;

(ii) the final maturity date of the Bonds shall not exceed December 15, 2049;

(iii) the combined aggregate principal amount of the Bonds shall not exceed $56,000,000;

(iv) the net effective interest rate borne by the Senior Bonds shall not exceed 18.00%;

(v) the net effective interest rate borne by the Subordinate Bonds shall not exceed 18.00%;

(vi) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed; and

(vii) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Election.

Section 6. Permitted Amendments to Bond Resolution. Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Senior Indenture and the Subordinate Indenture, respectively, as provided in the Senior Indenture and the Subordinate Indenture.

Section 7. Appointment of Issuer Representatives. The President of the Board is hereby appointed as an Issuer Representative, as defined in the Senior Indenture and the Subordinate Indenture. A different Issuer Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 8. Disposition and Investment of Proceeds; Tax Covenants. The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the Issuer or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Senior Indenture and the Subordinate Indenture, as applicable). It is hereby covenanted and agreed by the Issuer that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

Section 9. Post-Issuance Tax Compliance Policy. The Board hereby approves and adopts the Post-Issuance Tax Compliance Policy and designates the person so identified therein as the "Responsible Person."

Section 10. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the Issuer, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 11. Limited Offering Memorandum. The completion of a Preliminary Limited Offering Memorandum and its use and distribution in connection with the sale of the Bonds is hereby authorized and approved. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Limited Offering Memorandum if deemed necessary by the Underwriter in connection with its marketing of the Bonds. The Board hereby authorizes the preparation and distribution of a final Limited Offering Memorandum. The Limited Offering Memorandum shall contain such corrections and additional or updated information so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President of the Issuer is hereby authorized to execute copies of the Limited Offering Memorandum on behalf of the Issuer.

Section 12. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein and in the Senior Indenture and the Subordinate Indenture, respectively, shall be governed by Section 11-57-208, C.R.S., this Resolution, the Senior Indenture and the Subordinate Indenture. The revenues pledged for the payment of the Bonds, as received by or otherwise credited to the Issuer or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the Issuer and the obligation to perform the contractual provisions made herein and in the Senior Indenture and the Subordinate Indenture shall have priority over any or all other obligations and liabilities of the Issuer. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Section 13. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., if a member of the Board, or any officer or agent of the Issuer acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal,

interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the Issuer, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 14. Conclusive Recital. Pursuant to Section 11-57-210, C.R.S., the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 15. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty (30) days after the authorization of such securities.

Section 16. Ratification and Approval of Prior Actions. All actions heretofore taken by the consultants to or officers of the Issuer and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds, or the execution of any documents in connection with the Bonds, are hereby ratified, approved, and confirmed.

Section 17. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners and the Issuer and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Senior Indenture and the Subordinate Indenture.

Section 18. Repealer. All orders, bylaws, and resolutions of the Issuer, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 19. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 20. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 21. Electronic Signatures. In the event that any individual or individuals who are authorized to execute or consent to this Resolution on behalf of the Issuer are not able to be physically present to manually sign this Resolution or any of the other Financing Documents, such individual or individuals are hereby authorized to execute this Resolution and any other Financing Document electronically via facsimile or email signature pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Resolution shall carry the full legal force and effect of any original, handwritten signature.

Section 22. Confirmation of Seal; Electronic Production and Reproduction. The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any Issuer resolution, proceeding or other document (including this Resolution, the Bonds and any Financing Document) to "affix" the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use for the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

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ADOPTED AND APPROVED this 10TH DAY OF JUNE, 2021.

(S E A L)

REUNION METROPOLITAN DISTRICT, COMMERCE CITY, COLORADO, acting by and through its Reunion Metropolitan District Water Activity Enterprise

_____
President

ATTESTED:

_____
Secretary or Assistant Secretary

INDENTURE OF TRUST

(SENIOR)

DATED AS OF [INDENTURE MONTH] 1, 2021

between

REUNION METROPOLITAN DISTRICT
COMMERCE CITY, COLORADO

(it being acknowledged that the obligations of the District hereunder are undertaken by the District Acting By and Through Its Water Activity Enterprise)

and

UMB BANK, N.A.
DENVER, COLORADO
AS TRUSTEE

relating to

SPECIAL REVENUE BONDS,
SERIES 2021A
IN THE AGGREGATE PRINCIPAL AMOUNT OF
$[SERIES A PAR]

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This **INDENTURE OF TRUST (SENIOR)** (the "**Indenture**") dated as of [Indenture Month] 1, 2021, by and between **REUNION METROPOLITAN DISTRICT**, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the "**District**"), and **UMB BANK, N.A.**, a banking institution authorized to accept and execute trusts of the character herein set out, having an office and corporate trust offices in Denver, Colorado, as trustee (the "**Trustee**"); provided that the obligations of the District hereunder are undertaken by the District acting by and through its Water Activity Enterprise (in such capacity, referred to herein as the "**Issuer**").

R E C I T A L S

WHEREAS, capitalized terms used but not otherwise defined in these Recitals shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado (the "**State**") duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended ("**C.R.S.**"); and

WHEREAS, the District was originally organized as Buffalo Hills Metropolitan District by Order and Decree of the District Court in and for Adams County, Colorado issued on December 1, 2000, recorded in the real property records of Adams County, Colorado (the "**County**") on December 27, 2000; and

WHEREAS, the name of the District was changed to Reunion Metropolitan District by Order and Decree of the District Court in and for the County issued on June 20, 2001, recorded in the real property records of the County on June 20, 2001; and

WHEREAS, the District is authorized by Title 32, Article 1, C.R.S. (the "**Act**"), to furnish certain public facilities and services, including, but not limited to, water improvements, including to acquire water rights and prepaid tap fees, within and without the boundaries of the District, in accordance with the Service Plan for the District approved by the City Council of Commerce City, Colorado (the "**City**") on August 21, 2000, as amended by a First Amendment thereto approved by the City Council of the City on August 6, 2001 (as further amended or restated from time to time, the "**Service Plan**"); and

WHEREAS, the District is located entirely within the boundaries of South Adams County Water and Sanitation District ("**South Adams**"); and

WHEREAS, all property within the District will receive water and wastewater service from South Adams, and fees and charges for connection and use of water and wastewater facilities are required to be paid to South Adams as required by the Rules and Regulations of South Adams (the "**Rules and Regulations**"); and

WHEREAS, pursuant to the Rules and Regulations, as a condition to receiving water and wastewater service from South Adams, a property owner must enter into a water resources agreement by which the property owner is to dedicate water rights, water storage, or related facilities or the equivalent thereof sufficient to provide water service to the subject property, and

such water resources agreement may allocate to the property owner ERU water rights credits, which represent partial payment of the water resources component of the connection fees for a like number of ERU water connections, and which ERU water rights credits generally consist of (a) an ERU potable water rights credit, and (b) an ERU irrigation water rights credit; and

WHEREAS, Shea Homes Limited Partnership ("**Shea**"), a prior owner of property within the District, and South Adams entered into the FRICO Participant Water Resources Agreement, dated as of November 2, 2001, as amended by an Amendment thereto dated as of November 12, 2002, and a Second Amendment thereto dated as of October 15, 2018 (collectively, the "**FRICO Participant Water Resources Agreement**"), pursuant to which Shea had the opportunity to receive certain ERU water rights credits and purchase ERU water connections to be used in connection with certain lands within the Reunion Development in the City (the "**Development**"); and

WHEREAS, in 2017, Shea and Clayton Properties Group II, Inc. (the "**Developer**") consummated a series of transactions relating to the sale of fee interests and the assignment of certain option rights in and to certain property within the Development and the transfer of certain rights and associated water resources credits for the Developer to connect such property to South Adam's water system, specifically, Shea assigned all of its right, title, and interest in the following: (a) the FRICO Participant Water Resources Agreement; and (b) certain ERU water rights credits; and

WHEREAS, as of the date hereof, the Developer currently owns the following amount of ERU water rights credits for use within the Development that have been made available for purchase by the Issuer: 7,236 ERU water rights credits; and

WHEREAS, the Board of Directors of the District (the "**Board**") (acting by and through its Water Activity Enterprise) has determined that it is necessary to acquire certain ERU water rights credits (as more particularly defined herein, the "**RMD/ERU Water Credits**") to sell for the use and benefit of properties within the Development in the City (as more particularly defined herein, the "**Project**"); and

WHEREAS, pursuant to a resolution adopted by the Board on January 14, 2021 (the "**Enterprise Resolution**"), the Board has: (i) established the Reunion Metropolitan District Water Activity Enterprise (the "**Water Activity Enterprise**"), representing the activities comprising the operation of all of the District's water facilities and properties for the Development, 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; (ii) determined that the purpose of the Water Activity Enterprise is to pursue, or continue as applicable, the District's water activities as defined in Section 37-45.1-101, *et seq*., C.R.S. (the "**Water Enterprise Act**"), which shall include the acquisition and sale of RMD/ERU Water Credits under the provisions of any applicable water resources agreement; and (iii) determined that the Water Activity Enterprise is a government-owned business authorized to issue its own revenue bonds and receiving under ten percent (10%) of annual revenue in grants from all Colorado state and local governments, combined, and is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the District is authorized by Section 32-1-1101(1)(d) of the Act, and the Water Enterprise Act and Part 4 of Article 35 of Title 31, C.R.S., to issue revenue bonds authorized by action of the Board (acting by and through its Water Activity Enterprise) without the approval of the electors of the District, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, the District is authorized pursuant to Section 32-1-1101(1)(f), C.R.S. to acquire, dispose of and encumber real and personal property; and

WHEREAS, pursuant to an ERU Purchase Agreement (the "**ERU Purchase Agreement**") dated _____, 2021, between the Issuer and the Developer, the Issuer is purchasing 7,236 RMD/ERU Water Credits at a purchase price of $_____ the ("**ERU Purchase Price**"); and

WHEREAS, pursuant to its Rules and Regulations and a Resolution of the Board of South Adams regarding Assignments and Transfers of Interests in Water Connection Allocations and Water Resources Participation Agreements, South Adams has consented to the assignment and sale of the above-described RMD/ERU Water Credits to the Issuer; and

WHEREAS, for the purpose of financing a portion of the ERU Purchase Price, the Board (acting by and through its Water Activity Enterprise) has previously determined and hereby determines to issue its Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] (the "**Bonds**"); and

WHEREAS, for the purpose of financing or reimbursing an additional portion of the ERU Purchase Price, on the date of issuance of the Bonds, the Board (acting by and through its Water Activity Enterprise) intends to issue its Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] (the "**2021B Subordinate Bonds**"), pursuant to an Indenture of Trust (Subordinate) dated as of [Indenture Month] 1, 2021 (the "**2021B Subordinate Indenture**"), by and between the District and UMB Bank, n.a., as trustee; and

WHEREAS, the Service Plan limits the aggregate issuance of revenue or general obligation bonds that may be issued by the District (including bonds issued by the District acting by and through its water Activity Enterprise) to $280,000,000, excluding refundings; and

WHEREAS, the aggregate amount of the Bonds, together with any other revenue or general obligation bonds previously incurred by the District (if any), excluding any portion constituting a refunding, will not exceed the $280,000,000 limitation of the Service Plan; and

WHEREAS, the Bonds shall be issued pursuant to, and in full conformance with, the provisions of Title 32, Article 1, Part 11, C.R.S., the Water Activity Act, the Service Plan, and all other laws thereunto enabling; and

WHEREAS, the Board (acting by and through its Water Activity Enterprise) specifically elects to apply all of the provisions of the Supplemental Act to the Bonds; and

WHEREAS, the Bonds shall be special revenue obligations of the Issuer, and shall be payable solely from the Pledged Revenue (as defined herein); and

WHEREAS, the Pledged Revenue is expected to consist primarily of revenue resulting from fees imposed by the Issuer in connection with the sale of RMD/ERU Water Credits; and

WHEREAS, the Bonds are further secured by a pledge of the RMD/ERU Water Credits owned by the Issuer pursuant to this Indenture, and

WHEREAS, notice of the lien of this Indenture on the RMD/ERU Water Credits is evidenced by a UCC-1 financing statement filed by the Trustee on _____, 2021 naming the Issuer, as debtor, and the Trustee for the benefit of the Owners (as defined herein), as secured party (as more particularly defined herein, the "**UCC Statement**"); and

WHEREAS, to the extent that the pledge of the RMD/ERU Water Credits pursuant to this Indenture, as further evidence and noticed in such UCC Statement, constitutes indebtedness of the District requiring electoral authorization, the District has obtained authorization therefor at a special election of the qualified electors of the District, duly called and held on Tuesday, May 5, 2020 (the "**Election**"), in accordance with law and pursuant to due notice, at which a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, Ballot Issue C pertaining to the issuance of District indebtedness up to the principal amount of $80,000,000 for the purpose of providing certain water improvements and facilities, including water rights; and

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

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

WHEREAS, the Bonds initially shall be issued in denominations of $500,000 each, and in integral multiples above $500,000 of not less than $1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when executed by the Issuer and authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to make this Indenture a valid agreement of the Issuer, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Issuer, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium if any, and interest on the Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all of the covenants and conditions in the Bonds, the Bond Resolution, and this Indenture of Trust, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant and assign to the Trustee, and to its successors in trust, and to them and their assigns forever, the following (said property being referred to herein as the "**Trust Estate**"):

GRANTING CLAUSE FIRST:

The Pledged Revenue, the Revenue Fund, the Senior Bond Fund, the Senior Project Fund, the Reserve Fund, the Surplus Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of this Indenture (except the Rebate Fund and the Bulk Sale Escrow Fund), and a security interest therein; and

GRANTING CLAUSE SECOND:

The RMD/ERU Water Credits, including all moneys received therefrom;

GRANTING CLAUSE THIRD:

All right, title, and interest of the Issuer in any and all other revenue of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the Issuer or by anyone on its behalf as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, as their respective interests may appear; and the Trust Estate granted herein is also granted for the equal benefit, of all present and future Owners of the Bonds as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds, and as to the Pledged Revenue (excluding the Pledged Revenue described in clause (d) of the definition thereof), on a parity with the lien thereon of any Parity Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

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

"*Additional Obligations*" means all obligations of the Issuer payable from or constituting a lien or encumbrance upon any part of the Pledged Revenue; provided that notwithstanding the foregoing, the term "Additional Obligations" does not include obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements guarantee payment of principal or interest on any Parity Bonds or Subordinate Obligations, (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the Parity Bonds or Subordinate Obligations has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority as the Parity Bonds or Subordinate Obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements.

"*Administrative Expenses*" means an amount reasonably determined by the Issuer as being necessary to pay the Issuer's expenses reasonably incurred in connection with the administration and operation of the Issuer, including accounting fees, audit expenses, legal fees, insurance premiums, management expenses, board member compensation, and generally all expenses, under which generally accepted accounting practices are properly allocable to administration; however,

only such expenses as are reasonably and properly necessary to the efficient administration and operation of the Issuer and permitted under the Act shall be included, but not in excess of the following: (i) for calendar year 2021, the amount of $10,000; (ii) for each calendar year from 2022 to 2026, an additional 2.5% per year; (iii) for each calendar year from 2027 through 2036, an additional 1.5% per year; and (iv) for each calendar year from 2037 through 2051, an additional 1.0% per year.

"*Authorized Denominations*" means, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date;

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000; and

(c) the Authorized Denominations shall be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the Issuer has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., and any rule or order promulgated thereunder, or any successor statute (and any rule or order promulgated under such successor statute), or has taken other actions which permit the Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act or any successor statute.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

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

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

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

"*Bonds*" means the Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] dated as of the date of issuance, and issued by the Issuer pursuant to this Indenture and the Bond Resolution.

"*Bond Year*" means the period commencing on the date of issuance of the Bonds through and including December 1, 2021, and, thereafter, the period from December 2 of any calendar year through and including December 1 of the following calendar year.

"*Bulk Sale*" shall have the meaning assigned it in Section 8.13(b) hereof.

"*Bulk Sale Escrow Fund*" means the "Reunion Metropolitan District, Acting by and through its Water Activity Enterprise, Special Revenue Bonds, Series 2021, Bulk Sale Escrow Fund," established by Section 3.02 hereof.

"*Bulk Sale Proceeds*" means the amounts received by the Trustee as a result of the Trustee's exercise of remedies under the Colorado UCC and the sale of any RMD/ERU Water Credits in accordance with Section 8.13 hereof.

"*Bulk Sale Purchaser*" means the purchaser of any RMD/ERU Water Credits sold pursuant to Section 8.13 hereof.

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

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

"*Certified Public Accountant*" means a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State.

"*City*" means Commerce City, Colorado.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

"*Colorado Governmental Immunity Act*" means Title 24, Article 10, Part 1, C.R.S.

"*Colorado Municipal Bond Supervision Act*" means Title 11, Article 59, C.R.S.

"*Colorado UCC*" means Title 4, C.R.S.

"*Consent Party*" means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond, or if so designated in writing by a Participant, the Beneficial Owner of such Bonds.

"*Costs of Issuance Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Costs of Issuance Fund," established by Section 3.02 hereof.

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

"*County*" means Adams County, Colorado.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"*Debt Service*" means, for any particular Interest Payment Date, an amount equal to the sum of (i) all interest payable on such Interest Payment Date on the Bonds and any Permitted Refunding Bonds, plus (ii) the principal and premium amount payable on such Interest Payment Date (if any) on the Bonds and any Permitted Refunding Bonds, excluding any principal amounts due on such Interest Payment Date which have previously been prepaid.

"*Depository*" means any securities depository that the Issuer may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

"*Developer*" means Clayton Properties Group II, Inc., a Colorado corporation and its successors and assigns.

"*Development*" means the Reunion Development in the City.

"*District*" means Reunion Metropolitan District, Commerce City, Colorado.

"*District Administrative Fee*" means any applicable fee, other than the Water Credit Fees, required to be paid to the Issuer pursuant to the Water Credit Fees Resolution, including accounting and legal fees, filing fees, or recording fees paid to release the lien of the UCC Statement with respect to RMD/ERU Water Credits sold or to release the lien of the Restrictive Covenant from a parcel.

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

"*ERU Building Credit Fee*" means the fee imposed under the Water Credit Fees Resolution for the sale of RMD/ERU Building Credits.

"*ERU Irrigation Credit Fee*" means the fee imposed under the Water Credit Fees Resolution for the sale of RMD/ERU Irrigation Credits.

"*ERU Purchase Agreement*" means the ERU Purchase Agreement, dated _____, 2021, between the Issuer and the Developer, pursuant to which the RMD/ERU Water Credits were purchased by the Issuer.

"*ERU Remedy Revenues*" means any revenues received as a result of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution after deduction of any reasonable cost incurred in the collection of such revenues.

"*Event of Default*" means any one or more of the events set forth in Section 8.01 hereof.

"*Excess Revenues Amount*" means:

(a) for any Excess Revenues Transfer Date occurring on the 1st Business Day of May, an amount equal to (i) the amount of revenues then on deposit in the Revenue Fund after application of the Pledged Revenues as provided in FIRST through SIXTH of Section

3.05 hereof, less (ii) the amount of interest to become due and payable on the Bonds and any Parity Bonds on June 1 in the succeeding Bond Year; and

(b) for any Excess Revenues Transfer Date occurring on the 1st Business Day of November, an amount equal to (i) the amount of revenues then on deposit in the Revenue Fund after application of the Pledged Revenues as provided in FIRST through SIXTH of Section 3.05 hereof, less (ii) the amount of principal and interest (including principal due as a result of mandatory sinking fund redemption) to become due and payable on the Bonds and any Parity Bonds in the succeeding Bond Year; and

"*Excess Revenues Transfer Date*" means the 1st Business Day of each May and November.

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

"*Fiscal Year*" means the 12-month period ending December 31 of each calendar year.

"*Indenture*" means this Indenture of Trust (Senior) as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"*Interest Payment Date*" means June 1 and December 1 of each year, commencing December 1, 2021 and continuing for so long as the Bonds are Outstanding.

"*Issuer*" means the Reunion Metropolitan District, Commerce City, Colorado, Acting by and through its Water Activity Enterprise.

"*Issuer Representative*" means any member of the Board (acting by and through its Water Activity Enterprise) or the person or persons at the time designated to act on behalf of the Issuer by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Issuer by its President and attested by its Secretary, and any alternate or alternates designated as such therein.

"*LCF*" means, collectively, DIBC Buffalo Hills Ranch, LLC; FFP-DIA, LLC; and DIBC 96th And Potomac, LLC.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations from the Issuer to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

"*Mandatory Excess Revenues Redemption Date*" means June 1 and December 1 of each year, commencing December 1, 2021.

"*Mandatory Redemption Account*" means the Mandatory Redemption Account of the Senior Bond Fund, created for the purposes set forth herein.

"*Mandatory Redemption Price*" shall have the meaning assigned it in Section 5.01(c) hereof.

"*Maximum Surplus Amount*" means an amount equal to the lesser of $_____ or 10% of the principal amount of the Bonds then Outstanding, such amounts shall be calculated on each Interest Payment Date and on the date of any optional redemption after the application of all amounts payable pursuant to this Indenture on such dates.

"*Minimum Water Credit Fee Revenues Amount*" means the sum of (i) all Debt Service due on the next succeeding Interest Payment Date, (ii) any payable but unpaid Trustee Fees as of the next succeeding Interest Payment Date, and (iii) with respect to each Water Credit Fee Revenue Calculation Date occurring between June 1 and November 1 of each year, the amount of the Administrative Expenses for the succeeding Fiscal Year.

"*Net Bulk Sale Proceeds*" means the Bulk Sale Proceeds, less all Trustee Sale Costs.

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

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

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

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

"*Parity Bond Fund*" means any fund or account established for the current payment of the principal of, premium if any, and interest on any Parity Bonds.

"*Parity Bonds*" means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof on parity with the lien thereon of the Bonds, and designated by the Issuer, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Parity Bond hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04 hereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuer, and shall be designated in such resolutions, indentures or other documents as constituting Parity Bonds hereunder.

"*Parity Reserve Fund*" means any fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bonds.

"*Parity Reserve Fund Transfer*" means the transfer of moneys from a Parity Reserve Fund to any Parity Bond Fund to pay the principal of or interest on any Parity Bonds (other than to redeem all Parity Bonds or at final maturity).

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

"*Permitted ERU Irrigation Use*" means use by the District or a metropolitan district organized pursuant to the Act for water service for irrigation of public areas located in the District's water service area.

"*Permitted Investments*" means any investment or deposit the Issuer is permitted to make under then applicable law.

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

(a) Such refunding obligations are issued solely for the purpose of refunding all or any part of the Bonds or any other Parity Bonds and paying costs in connection therewith, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the Issuer's scheduled Debt Service in *any* year from the scheduled Debt Service in effect prior to the issuance of such refunding obligations (excluding from such calculation of Debt Service amounts, if any, on deposit in the Reserve Fund and the Surplus Fund anticipated to be available for payment of Debt Service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, obligations issued for refunding all or any part of the Bonds or any other Parity Bonds which have any scheduled payment dates in any year which is after the maturity of the bonds being refunded shall be deemed to increase the Issuer's Debt Service in any year.

(c) Such refunding obligations are payable on the same day or days of the calendar year as the Bonds and any other Parity Bonds being refunded.

(d) A Parity Reserve Fund is created for the security of such Permitted Refunding Bonds in an amount equal to 10% of the outstanding principal amount of such Permitted Refunding Bonds, such Parity Reserve Fund to function in substantially the same manner as the Reserve Fund for the Bonds, which Parity Reserve Fund shall be fully funded as of the date of issuance of the Permitted Refunding Bonds from the proceeds of the Permitted Refunding Bonds or from any other source other than Pledged Revenue.

(e) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Bonds and any other Parity Bonds being refunded.

"*Pledged Revenue*" means the following, net of any costs of collection (to the extent not previously deducted by definition):

(a) all Water Credit Fee Revenues;

(b) all Net Bulk Sale Proceeds;

(c) all ERU Remedy Revenues; and

(d) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Senior Bond Fund.

"*Project*" means the acquisition of the RMD/ERU Water Credits.

"*Project Costs*" means the Issuer's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the ERU Purchase Price;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

(e) the costs, fees, and expenses of printers, engineers, financial consultants, accountants, legal advisors, or other agents or employees;

(f) the costs of publishing, reproducing, posting, mailing, or recording documents;

(g) the costs of contingencies or reserves;

(h) the costs of issuing the Bonds;

(i) the costs of amending this Indenture, the 2021B Subordinate Indenture, the Bond Resolution, or any other instrument relating to the Bonds, the 2021B Subordinate Bonds, or the Project;

(j) the costs of repaying any short-term financing and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(k) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;

(l) the costs of organizing the District; and

(m) all other lawful costs as determined by the Board.

"*Property Owners*" means, collectively, the Developer; Shea; LCF; and any other person or entity designated as a Property Owner by written certificate furnished to the Trustee by the Developer.

"*Rebatable Arbitrage*" means, with respect to the Bonds, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"*Rebate Calculation Date*" means, with respect to the Bonds, the Interest Payment Date next preceding the fifth (5th) anniversary of the issue date of such Bonds, each fifth (5th) anniversary of the initial rebate calculation date for such Bonds, and the date of retirement of the last Bond.

"*Rebate Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Rebate Fund," established by Section 3.02 hereof.

"*Record Date*" means the 15th day of the calendar month next preceding each Interest Payment Date.

"*Regulations*" and all references thereto shall mean and include applicable final, proposed, and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made thereafter.

"*Required Rebate Deposit*" means the amount due to the Internal Revenue Service no later than sixty (60) days after each Rebate Calculation Date pursuant to Section 148(f)(3) of the Code.

"*Reserve Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Reserve Fund," established by Section 3.02 hereof.

"*Reserve Fund Transfer*" means a transfer from the Reserve Fund to the Senior Bond Fund pursuant to Section 3.08(a) hereof.

"*Reserve Requirement*" means an amount equal to the lesser of $[RESERVE REQUIREMENT] or 10% of the principal amount of the Bonds then Outstanding, such amounts shall be calculated on each Interest Payment Date and on the date of any optional redemption, after the application of all amounts payable pursuant to this Indenture on such dates.

"*Restrictive Covenant*" means the Declaration of ERU Covenants and Restrictions, dated _____, 2021 made by the Developer.

"*Revenue Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Revenue Fund," established by Section 3.02 hereof.

"*RMD/ERU Building Credits*" means the 5,953 RMD/ERU Water Credits designated for use in providing private potable or irrigation water service to private property and buildings.

"*RMD/ERU Irrigation Credits*" means the 1,283 ERU water rights credits for Permitted ERU Irrigation Uses.

"*RMD/ERU Water Credits*" means the 7,236 ERU water rights credits conveyed to the Issuer pursuant to the ERU Purchase Agreement, comprised of the RMD/ERU Irrigation Credits and the RMD/ERU Building Credits.

"*Senior Bond Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Senior Bond Fund," established by Section 3.02 hereof for the purpose of paying the principal of, premium if any, and interest on the Bonds.

"*Senior Project Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A, Senior Project Fund," established by the provisions hereof for the purpose of paying the Project Costs.

"*Service Plan*" means the Service Plan for the District approved by the City Council of the City on August 21, 2000 (as the same may be further amended or restated from time to time).

"*Shea*" means Shea Homes Limited Partnership.

"*South Adams*" means South Adams County Water and Sanitation District, Adams County, Colorado.

"*Special Record Date*" means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to this Indenture.

"*State*" means the State of Colorado.

"*Subordinate Obligations*" means the 2021B Subordinate Bonds and any other bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, and designated by the Issuer, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Subordinate Obligation hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04(d) hereof. Any Subordinate Obligations hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuer.

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

"*Surplus Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Special Revenue Bonds, Series 2021A Surplus Fund," established by the provisions hereof for the purposes set forth herein.

"*Tax Certificate*" means the certificate to be signed by the Issuer relating to the requirements of Sections 103 and 141-150 of the Code, and any amendment or modification of any such certificate, instrument or instructions that is accompanied by an opinion of Bond Counsel stating that the amendment or modification will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

"*Trust Estate*" means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses hereof.

"*Trustee*" means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee hereunder, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture.

"*Trustee Fees*" means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties hereunder (and under the 2021B Subordinate Indenture and any other indenture entered into by the Issuer in connection with Parity Bonds or Subordinate Obligations), as the same become due and payable, as described in Section 9.02 hereof, but not in excess of $5,500 annually per bond issue then outstanding, commencing in calendar year 2021; provided, however, that (i) the foregoing $5,500 shall be reduced to $4,500 for the 2021B Subordinate Bonds (resulting in a total of $10,000 for the Bonds and the 2021B Subordinate Bonds, collectively); and (ii) this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in Section 9.02 hereof, which expenses shall be payable by the Issuer in accordance with the provisions thereof, or Trustee Sale Costs.

"*Trustee Sale Costs*" means all reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing of RMD/ERU Water Credits, and includes reasonable fees of Counsel and legal expenses incurred by the Trustee in conjunction with the Bulk Sale.

"*UCC Notice Date*" shall mean the date the notice required by Section 8.13(c) hereof is sent.

"*UCC Statement*" means the UCC-1 financing statement filed by the Trustee on _____, 2021 naming the Issuer, as debtor, and the Trustee for the benefit of the Owners, as secured party, including as amended by the filing of any amendments thereto.

"*Underwriter*" means Piper Sandler & Co., of Denver, Colorado, the original purchaser of the Bonds.

"*Water Activity Enterprise*" means the District's Water Activity Enterprise established by the Enterprise Resolution.

"*Water Credit Fee Revenue Calculation Date*" means March 1 and September 1 of each year, commencing September 1, 2021.

"*Water Credit Fee Revenue Shortfall*" means, with respect to any particular Water Credit Fee Revenue Calculation Date, the amount (if any) by which the Minimum Water Credit Fee Revenues Amount exceeds the amounts on deposit in the Senior Bond Fund and the Surplus Fund.

"*Water Credit Fee Revenues*" means all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold pursuant to the Water Credit Fees Resolution.

"*Water Credit Fees*" means collectively, the ERU Building Credit Fee and the ERU Irrigation Credit Fee. For the avoidance of doubt, Water Credit Fees do not include the District Administrative Fee or any transfer fees imposed by South Adams.

"*Water Credit Fees Resolution*" means the Resolution of the Board, acting by and through its Water Activity Enterprise, adopted on _____, 2021.

"*2021B Subordinate Bonds*" means the Issuer's Subordinate Special Revenue Bonds, Series 2021B, issued in the aggregate principal amount of $[SERIES B PAR] dated as of the date of issuance and issued by the Issuer pursuant to the 2021B Subordinate Indenture.

"*2021B Subordinate Indenture*" means the Indenture of Trust (Subordinate) dated as of [Indenture Month] 1, 2021, by and between the Issuer and UMB Bank, n.a., as trustee, pursuant to which the 2021B Subordinate Bonds are issued.

Section 1.02 Interpretation. In this Indenture, unless the context otherwise requires:

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

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word "person" or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Indenture;

(d) articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated;

(e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(f) in no event shall the term "available" when used to modify revenue described herein be interpreted to mean that the Trustee or the Issuer has any discretion to determine that only a portion of such revenue shall be applied as provided herein; and

(g) all exhibits referred to herein are incorporated herein by reference.

Section 1.03 Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (a) the principal of and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (b) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

Section 1.04 Exclusion of Bonds Held by the Issuer. In determining whether the Consent Parties with respect to the requisite principal amount of the Outstanding Bonds have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds for which the Issuer is the Consent Party shall be disregarded and deemed not to be Outstanding.

Section 1.05 Certificates and Opinions.

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

Section 1.06 Acts of Consent Parties.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Consent Parties may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Consent Party in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in subsection (b) hereof shall be sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the Issuer.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Consent Parties with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive and binding upon all present and future Owners and Consent Parties if the Consent Parties with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Consent Party (notwithstanding whether such action was also taken by any other Owner or Consent Party) shall bind the Owner and the Consent Party, and the Owner of and Consent Party with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

Section 1.07 Indenture to Constitute Contract. This Indenture shall constitute a contract among the Issuer, the Trustee, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding hereunder.

ARTICLE II

THE BONDS

Section 2.01 Authorization, Terms, Payment, and Form of Bonds.

(a) In accordance with the Constitution of the State; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; Part 4 of Article 35 of Title 31, C.R.S.; Section 37-45.1-101 et seq., C.R.S.; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes hereinafter stated. The aggregate principal amount of the Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed $[SERIES A PAR], except as provided in Section 2.06 and Section 2.09 hereof.

(b) The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the Issuer shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "RA-."

(c) The Bonds shall be dated as of the date of issuance, and shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the rates per annum, set forth in the following table, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available therefor semiannually on each June 1 and December 1, commencing on December 1, 2021:

Principal Amount	Maturity Date	Interest Rate

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

(e) Interest payments shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the

Owner of such Bond and the Trustee; provided that the Issuer shall not be required to make funds available to the Trustee prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

(f) To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid, subject to Section 7.03 hereof. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the interest rate then borne by the Bond.

(g) Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. The Issuer may cause a copy of the text of the opinion of Bond Counsel to be printed on the Bonds. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02 Purpose of Issuance of Bonds. The Bonds are being issued for the purpose of: (a) paying the Project Costs, (b) funding capitalized interest on the Bonds, (c) funding the Reserve Fund to the Reserve Requirement, and (d) paying other costs in connection with the issuance of the Bonds and the 2021B Subordinate Bonds.

Section 2.03 Trustee as Paying Agent and Bond Registrar.

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The Issuer shall cause the Underwriter to provide the Trustee with an initial registry of the Owners within a reasonable time prior to delivery of the Bonds. The Issuer shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the Issuer.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively, "transfer") the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in

the Midwest, New York, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) The Issuer shall furnish the Trustee with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the Issuer in the manner set forth herein.

(e) In the event the Issuer receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

Section 2.04 Execution of Bonds; Signatures. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the President of the Issuer, sealed with a manual impression or facsimile of its corporate seal, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the Issuer before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05 Persons Treated as Owners. The Issuer and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the Issuer nor the Trustee shall be affected by notice to the contrary.

Section 2.06 Lost, Stolen, Destroyed, or Mutilated Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, provide such indemnification satisfactory to the Trustee, and present such proof of ownership and loss as may be required by the Trustee. If lost, stolen, destroyed or mutilated, (a) the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same series, date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07 Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, directed by the Issuer and in accordance with a written certificate of the Issuer. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the Issuer as to the names of the purchasers and the amount of such purchase price.

Section 2.08 Trustee's Authentication Certificate. The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit A attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09 Registration, Exchange, and Transfer of Bonds.

(a) The Trustee shall act as bond registrar and maintain the books of the Issuer for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The Issuer and Trustee shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date, or (ii) during the period beginning at the opening of business on a date 25 days prior to the

date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.10 Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.11 Non-Presentment of Bonds. In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Senior Bond Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the Issuer to the Owner or Owners thereof for the payment of such Bonds, shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the owner or owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, this Indenture. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of three years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the Issuer the funds theretofore held by it for payment of such Bond and payment of such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

Section 2.12 Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the Issuer nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any

Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The Issuer and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the Issuer pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the Issuer or, if the Issuer determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Issuer that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III

REVENUES AND FUNDS

Section 3.01 Source of Payment of Bonds. The Bonds shall constitute special revenue obligations of the Issuer payable from the Pledged Revenue as provided herein. Principal of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. The Bonds are secured by a lien on the Pledged Revenue on parity with the lien thereon of any Parity Bonds issued hereafter.

Section 3.02 Creation of Funds and Accounts. There are hereby created and established the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of this Indenture:

(a) the Revenue Fund;

(b) the Senior Project Fund;

(c) the Senior Bond Fund, and therein the Mandatory Redemption Account;

(d) the Reserve Fund;

(e) the Surplus Fund;

(f) the Costs of Issuance Fund;

(g) the Rebate Fund; and

(h) the Bulk Sale Escrow Fund.

Section 3.03 Initial Credits. Immediately upon issuance of the Bonds and from the proceeds thereof (after payment of the Underwriter's discount), the Trustee shall make the following credits:

(a) to the Senior Bond Fund, the amount of $_____, representing capitalized interest on the Bonds;

(b) to the Reserve Fund, the amount of $[RESERVE REQUIREMENT] (the Reserve Requirement);

(c) to the Costs of Issuance Fund, the amount of $_____; and

(d) to the Senior Project Fund, the amount of $_____.

Section 3.04 Senior Project Fund.

(a) ***In General***. The Senior Project Fund shall be maintained by the Trustee in accordance with the terms of this Section 3.04.

(b) ***Draws from Senior Project Fund***. So long as no Event of Default shall have occurred and be continuing, amounts in the Senior Project Fund shall be released by the Trustee to the Issuer in accordance with requisitions submitted to the Trustee in substantially the form set forth in Exhibit B hereto, signed by the Issuer Representative and certifying that all amounts drawn will be applied to the payment of Project Costs. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The execution of any requisition by the Issuer Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

(c) ***Termination of Senior Project Fund***. Upon the receipt by the Trustee of a resolution of the Issuer determining that all Project Costs have been paid, any balance remaining in the Senior Project Fund shall be credited to the Senior Bond Fund. The Senior Project Fund shall terminate at such time as no further moneys remain therein.

Section 3.05 Application of Pledged Revenue; Revenue Fund. The Issuer is to cause all Pledged Revenue to be deposited with the Trustee promptly upon receipt. The Trustee shall

credit all Pledged Revenue as received to the Revenue Fund (excluding the Pledged Revenue described in clause (b) of the definition thereof, which is to be applied pursuant to Section 8.13(e) hereof and excluding the Pledged Revenue described in clause (d) of the definition thereof, which is to be deposited directly to the Senior Bond Fund). IN NO EVENT IS THE ISSUER PERMITED TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE OR TO APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS SET FORTH IN THIS INDENTURE. Except as otherwise provided below, the Trustee shall, on the 1st Business Day of each month, apply moneys credited to the Revenue Fund in the following order of priority. For purposes of the following, (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other; (b) with respect to the priorities established below, no Pledged Revenue shall flow to a lower priority until all of the higher priorities have been fully funded; and (c) when credits are required to go to funds or accounts which are not held by the Trustee under this Indenture, the Trustee may rely upon the written instructions of the Issuer with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the credit of the Rebate Fund, in an amount equal to any deposits required to be made therein pursuant to Section 3.10 hereof;

SECOND: To the Issuer, in the amount budgeted by the Issuer to pay Administrative Expenses for the coming Fiscal Year;

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

FOURTH: To the credit of the Senior Bond Fund, the amounts required by Section 3.06(a) hereof, and to the credit of any Parity Bond Fund, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds for the then current Bond Year;

FIFTH: To the credit of the Reserve Fund the amount, if any, necessary for the amounts therein to equal the Reserve Requirement, and to the credit of any Parity Reserve Fund, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds;

SIXTH: To the credit of the Surplus Fund and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bond, the amount necessary for amounts on deposit in the Surplus Fund to equal the Maximum Surplus Amount and for amounts on deposit in any similar account securing Parity Bonds to equal the amount required by the resolution or other enactment authorizing issuance of such Parity Bonds; and

SEVENTH: On each Excess Revenues Transfer Date (i.e., the 1st Business Day of each May and November), to the Mandatory Redemption Account and to the credit of any other similar fund or account established for the mandatory redemption of any Parity Bond, the applicable Excess Revenues Amount.

EIGHTH: subject to the final paragraph of this Section, to the credit of any fund or account as may be designated by the Issuer in writing to the Trustee to be used for the payment of any Subordinate Obligations.

The Issuer covenants that Pledged Revenue shall be available for application in EIGHTH in a particular Bond Year ONLY after all of the amounts required in FIRST through SEVENTH have been fully funded and such deposits will accomplish the full repayment or defeasance of the Bonds and the Parity Bonds in such Bond Year.

Section 3.06 Senior Bond Fund.

(a) There shall be credited to the Senior Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Senior Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms hereof), will be sufficient to pay the principal of, premium if any, and interest on the Bonds which has or will become due in the Bond Year in which the credit is made, including as a result of mandatory sinking fund redemption in accordance with Section 5.01(b) hereof.

(b) Subject to paragraph (f) below with respect to the Mandatory Redemption Account, moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds, in the following order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as follows:

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

SECOND: to the payment of the principal of and premium, if any, on the Bonds, due at final maturity or as a result of mandatory sinking fund redemption.

(c) In the event that available moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) are insufficient for the payment of the principal of, premium if any, and interest due on the Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST: the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond; and

SECOND: the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts on the next Interest Payment Date, such payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be redeemed pro rata from the Bonds the principal of which is due and owing on the due date.

(d) On each Interest Payment Date, the Trustee is to apply amounts on deposit in the Senior Bond Fund to the payment of principal, if any, and interest on the Bonds then due.

(e) On the 25th day prior to each Mandatory Excess Revenues Redemption Date, the Trustee shall determine the amounts on deposit in the Mandatory Redemption Account available for application to redemption of the Bonds in accordance with Section 5.01(c) hereof, taking into account any requirements of Section 5.02 hereof with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Excess Revenues Redemption Date as a result of amounts credited to the Mandatory Redemption Account, as provided in Section 5.02 hereof.

(f) On each Mandatory Excess Revenues Redemption Date, the Trustee is to apply amounts on deposit in the Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price due on such date.

(g) Moneys credited to the Senior Bond Fund may be invested or deposited as provided in Section 6.01 hereof.

(h) The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to Section 5.01(c) hereof and paragraph (f) of this Section 3.06.

Section 3.07 Surplus Fund.

(a) The Surplus Fund shall be held, disbursed, and administered by the Trustee, and moneys therein shall be used solely in accordance with this Section. The Surplus Fund shall secure the Bonds (and only the Bonds) in accordance with the provisions hereof.

(b) The Surplus Fund shall not be funded with Bond proceeds, but shall be funded solely from deposits of Pledged Revenue as provided in Section 3.05 hereof entitled "Application of Pledged Revenue," and except to the extent Pledged Revenue is available under Section 3.05 the Issuer has no obligation to fund the Surplus Fund in any amount.

(c) In the event the amounts credited to the Senior Bond Fund (not including amounts to be transferred thereto from the Reserve Fund) are insufficient to pay the principal of, premium if any, or interest on the Bonds when due, the Trustee shall transfer from the Surplus Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund (prior to any transfers from the Reserve Fund) will be sufficient to make such payments when due; and in the event the amounts in the Senior Bond Fund (prior to any transfers from the Reserve Fund) and the Surplus Fund are insufficient to pay all principal, premium if any, and interest on the Bonds on any due date, the Trustee shall nonetheless transfer all of the moneys in the Surplus Fund to the Senior Bond Fund for the purpose of making partial payments as provided in Section 3.06 hereof entitled "Senior Bond Fund" with respect to the Bonds. Amounts in the Surplus Fund shall not be used to redeem less than all of the Bonds being called pursuant to any optional redemption or mandatory excess revenues redemption provisions hereof, but shall be used

to pay Bonds coming due as a result of any mandatory sinking fund redemption provisions hereof.

(d) Moneys credited to the Surplus Fund may be invested or deposited by the Trustee at the written direction of the Issuer in Permitted Investments only and in accordance with the laws of the State. The investment of moneys credited to the Surplus Fund shall, however, be subject to the covenants and provisions of Section 6.02 hereof. Investments in the Surplus Fund shall be valued by the Trustee at market value at least quarterly. Interest income from the investment or reinvestment of moneys credited to the Surplus Fund shall remain in and become part of the Surplus Fund if the Surplus Fund balance is less than the Maximum Surplus Amount.

(e) Immediately following each Interest Payment Date and the date of any optional redemption, the Trustee shall calculate the Maximum Surplus Amount and at such time if the Surplus Fund balance exceeds such Maximum Surplus Amount, and if at any other time that the Trustee determines that the Surplus Fund balance exceeds the applicable Maximum Surplus Amount, such excess amounts shall be transferred by the Trustee to the Senior Bond Fund on or before the next Interest Payment Date.

(f) It is intended that amounts in the Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer from the Reserve Fund.

(g) If at any time the amounts on deposit in the Surplus Fund (if any) and the Reserve Fund are sufficient to pay, whether by redemption or at maturity, all principal, premium, if any, and interest on the Bonds that will accrue to the redemption date or final maturity date, all amounts on deposit in the Surplus Fund and the Reserve Fund shall be transferred to the Senior Bond Fund and used to pay the principal of, premium, if any, and interest on the Bonds at the times and in the amounts required for the payment of the principal of, premium, if any, and interest on the Bonds.

(h) Any amounts on deposit in the Surplus Fund on the final maturity date of the Bonds shall be applied to the payment of the Bonds. The availability of such amount shall be taken into account in determining the amount of Pledged Revenue required to be credited in accordance with FOURTH through in Section 3.05 in the final Bond Year.

Section 3.08 Reserve Fund.

(a) Moneys in the Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. The Trustee shall transfer moneys from the Reserve Fund to the Senior Bond Fund to pay the principal of or interest on the Bonds to the extent moneys on deposit in the Senior Bond Fund are insufficient therefor on any Interest Payment Date. It is intended that amounts in the Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer of moneys from the Reserve Fund to the Senior Bond Fund.

(b) There shall be deposited to the Reserve Fund from the proceeds of the Bonds, an amount equal to the Reserve Requirement for the Bonds. The Reserve Fund, if

drawn and if the majority of the Owners of the Bonds direct the Trustee not take any actions pursuant to Section 8.13 hereof with respect to the Bulk Sale, will be replenished to the Reserve Requirement as set forth in Section 3.05 FIFTH. The Reserve Fund shall be funded and maintained, with cash or Permitted Investments, or any combination of the foregoing.

(c) Moneys credited to the Reserve Fund may be invested or deposited by the Trustee at the written direction of the Issuer in Permitted Investments only and in accordance with the laws of the State. The investment of moneys credited to the Reserve Fund shall, however, be subject to the covenants and provisions of the Section hereof entitled "Tax Matters." Investments in the Reserve Fund shall be valued by the Trustee at market value at least quarterly. Interest income from the investment or reinvestment of moneys credited to the Reserve Fund shall remain in and become part of the Reserve Fund if the Reserve Fund balance is less than the Reserve Requirement for the Bonds.

(d) Immediately following each Interest Payment Date and the date of any optional redemption, the Trustee shall calculate the Reserve Requirement and at such time if the Reserve Fund balance exceeds such Reserve Requirement, and if at any other time that the Trustee determines that the Reserve Fund balance exceeds the applicable Reserve Requirement for the Bonds, such excess amounts shall be transferred by the Trustee to the Senior Bond Fund on or before the next Interest Payment Date.

(e) If at any time the amounts on deposit in the Reserve Fund and the Surplus Fund (if any) are sufficient to pay, whether by redemption or at maturity, all principal, premium, if any, and interest on the Bonds that will accrue to the redemption date or final maturity date, all amounts on deposit in the Reserve Fund and the Surplus Fund shall be transferred to the Senior Bond Fund and used to pay the principal of, premium, if any, and interest on the Bonds at the times and in the amounts required for the payment of the principal of, premium, if any, and interest on the Bonds.

(f) Amounts on deposit in the Reserve Fund on the final maturity date of the Bonds shall be applied to the payment of the Bonds on such date. The availability of such amount shall be taken into account in determining the amount of Pledged Revenue required to be credited in accordance with FOURTH in Section 3.05 in the final Bond Year.

Section 3.09 Costs of Issuance Fund. The Costs of Issuance Fund shall be maintained by the Trustee. All moneys on deposit in the Costs of Issuance Fund shall be applied by the Trustee at the direction of the Issuer in accordance with the closing memorandum prepared by the Underwriter, which summarizes the approved costs of issuance, to the payment of costs in connection with the issuance of the Bonds and the 2021B Subordinate Bonds, including, without limitation, printing costs, CUSIP fees, regulatory fees, the fees and expenses of bond counsel, general counsel, underwriter's counsel and other counsel, the fees and expenses of the Issuer's accountant, manager, special consultants, and other professionals, and the costs of the Trustee, and other costs and expenses of the Issuer relating to the issuance of the Bonds and the 2021B Subordinate Bonds. The Trustee may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Any amounts remaining

in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Bonds shall be transferred by the Trustee into the Senior Bond Fund.

Section 3.10 Rebate Fund.

(a) The Rebate Fund shall be maintained by the Trustee. The Rebate Fund shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for the Bonds, as verified in writing by Certified Public Accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by such Certified Public Accountant's or professional's determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to the Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. There shall be deposited into the Rebate Fund the Required Rebate Deposit, if any, pursuant to Section 3.05 hereof or the Issuer shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by a Certified Public Accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations, and certifications required by this Section 3.10 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations, and certifications required by this Section 3.10.

(d) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 3.10. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 3.10 may be amended or deleted without the consent of the Consent Parties or notice, upon receipt by the Issuer and the Trustee of an

opinion of Bond Counsel that such amendment or deletion will not adversely affect the excludability from gross income for federal tax purposes of interest on the Bonds.

Section 3.11 The Bulk Sale Escrow Fund.

(a) The Bulk Sale Escrow Fund shall be maintained by the Trustee. The Bulk Sale Escrow Fund shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Bulk Sale Escrow Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture.

(c) All Bulk Sale Proceeds received by the Issuer shall be deposited into the Bulk Sale Escrow Fund.

(d) Upon consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser, the Trustee shall release all amounts in the Bulk Sale Escrow Fund for application in accordance with Section 8.13(e) hereof.

(e) In the event that South Adams confirms it will not assign the RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall return all Bulk Sale Proceeds to the Bulk Sale Purchaser.

Section 3.12 Trustee's Fees, Charges, and Expenses. The Issuer shall pay the Trustee's fees for services rendered hereunder in accordance with its then-current schedule of fees and reimburse the Trustee for all advances, legal fees, and other expenses reasonably or necessarily made or incurred by, in, or about the execution of the trust created by this Indenture and in or about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever, unless such liabilities resulted from the negligence or willful misconduct of the Trustee.

Section 3.13 Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for moneys paid to Trustee for its fees and expenses, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the extent otherwise specifically provided in Article VII, and Section 8.05 hereof, the Issuer shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

Section 3.14 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of Pledged Revenue and funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Pledged Revenue pledged to the payment of the Bonds 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 on parity with the lien thereon of the Parity Bonds (if any), excluding the Pledged Revenue described in clause (d) of the definition thereof. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any

kind in tort, contract, or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Section 3.15 Release of Lien. Within Seven (7) Business Days of receipt by the Trustee of certification by the Issuer, in the form attached as Exhibit F hereto, that the conditions of the Water Credit Fees Resolution have been met, the Trustee shall file an amendment to the UCC Statement releasing the number of ERU Water Credits for which such Water Credit Fees were paid and stating the total number of ERU Water Credits which remain subject to the lien of the Indenture.

ARTICLE IV

COVENANTS OF ISSUER

Section 4.01 Performance of Covenants, Authority. The Issuer covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the constitution and laws of the State, including, particularly and without limitation, the Act, to issue the Bonds and to execute this Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable obligations of the Issuer according to the terms thereof.

Section 4.02 Reserved.

Section 4.03 Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, and pledging unto the Trustee all and singular the Trust Estate.

Section 4.04 Additional Obligations.

(a) The Issuer shall not incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien of the Bonds.

(b) Any Additional Obligations of the Issuer shall be issued as Parity Bonds or Subordinate Obligations. The Issuer shall not issue or incur any Additional Obligations except as provided in this Section, and only the Issuer (and not the District) is permitted to issue or incur Additional Obligations having a lien upon the Pledged Revenue. The issuance of the 2021B Subordinate Bonds in accordance with the 2021B Subordinate Indenture is permitted.

(c) The Issuer may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the Issuer in its absolute discretion.

(d) Subject to paragraph (c) above with respect to Permitted Refunding Bonds, the Issuer may issue Additional Obligations constituting Parity Bonds or Subordinate Obligations if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then Outstanding.

(e) The Issuer may issue Additional Obligations constituting Subordinate Obligations without the consent of the Consent Parties and the terms of such Subordinate Obligations shall be as provided in the documents pursuant to which they are issued, provided that each of the following conditions shall apply to the Subordinate Obligations:

(i) the failure to make a payment when due on the Subordinate Obligations shall not constitute an event of default thereunder; and

(ii) the Subordinate Obligations shall be payable as to both principal and interest only after the payment or defeasance of the full amount of the Bonds.

(f) A written certificate by the President or Treasurer of the Issuer that the conditions set forth herein are met shall conclusively determine the right of the Issuer to authorize, issue, sell, and deliver Additional Obligations in accordance herewith.

(g) Nothing herein shall affect or restrict the right of the Issuer to issue or incur obligations that are not Additional Obligations hereunder.

(h) Notwithstanding any other provision contained herein, under no circumstances shall the Issuer issue Additional Obligations in excess of that authorized by the District's Service Plan, as the same may be amended from time to time.

Section 4.05 Additional Covenants and Agreements. The Issuer hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The Issuer will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Bonds, and will continue to operate and manage the Issuer and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the Issuer will cause the District to perform an audit to of the records relating to the District's revenues and expenditures, and the Issuer shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the Issuer will cause the District to prepare and adopt a budget. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The Issuer will cause the District to carry general liability, public officials liability, and such other forms of insurance coverage on insurable District and Issuer

property, as applicable, upon the terms and conditions, and in such amount, as in the judgment of the Issuer will protect the Issuer and its operations.

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

(e) In the event that an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act (including any rules or orders promulgated thereunder) becomes available that permits the issuance or reissuance of the Bonds in denominations of $1,000 or integral multiples thereof, and if requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds, the Issuer shall, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend this Indenture as may be required in connection therewith, and issue or reissue the Bonds in denominations of $1,000 or integral multiples thereof.

(f) Beside the lien of this Indenture and the 2021B Subordinate Indenture (and any indenture relating to Parity Bonds or Subordinate Obligations) evidenced by the UCC Statement, the Issuer will not grant a security interest in or otherwise encumber the RMD/ERU Water Credits.

(g) The Issuer will not sell more than 1,283 RMD/ERU Water Credits for Permitted ERU Irrigation Uses.

(h) The Issuer shall use all commercially reasonable efforts to timely sell the RMD/ERU Water Credits in accordance with the terms of the Water Credit Fees Resolution.

(i) The Issuer will enforce the Water Credit Fees Resolution and any remedies available to the Issuer thereunder, will enforce the collection of all Water Credit Fees in such time and manner as the Issuer reasonably determines will be most efficacious in collecting the same, will apply the Water Credit Fees as required under the Water Credit Fees Resolution, and will not reduce the amount of the Water Credit Fees, or amend or supplement the Water Credit Fees Resolution in any way which would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

(j) The Issuer shall take no action that would cause the Water Activity Enterprise to fail to qualify as an enterprise under Article X, Section 20 of the Colorado Constitution unless it receives an opinion of Bond Counsel to the effect that termination of such status will not reduce or delay the collection or disbursement of Pledged Revenues or otherwise adversely affect the Owners of the Bonds.

(k) Except sales of the RMD/ERU Water Credits pursuant to the Water Fee Credit Resolution and Section 8.13 hereof, the Issuer will not sell, convey or otherwise dispose of all or any part of the Project to any Person unless (a) Bond Counsel has delivered

a written opinion to the effect that such sale or other disposal will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any Bonds that will be outstanding after such sale or other disposal or the exemption of any such Bonds and the transfer of and income from any such Bonds from all taxation and assessments in the State, and (b) a Financial Consultant has delivered a certificate to the effect that such sale or other disposal will not adversely affect the Issuer's ability to collect the Pledged Revenue or pay the Bonds when due, or materially affect the rights of Owners of the Bonds. This shall not limit the power of the Issuer to dispose of surplus property or to enter into contracts with respect to the lease or operation of all of any part of the Project (subject to any covenants of the Issuer set forth in the Tax Certificate).

(l) The Issuer will enforce the Restrictive Covenant and any remedies available to the Issuer thereunder and will not consent to an amendment or supplement to the Restrictive Covenant which would materially adversely affect in any way the Owners of the Bonds, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

(m) The Issuer shall not impose any rates, tolls, fees, penalties, or other charges, or engage in any other action or omission that may materially impair future development or that could adversely affect the amount of Pledged Revenue or delay the timing of the Issuer's transfer to the Trustee promptly upon receipt thereof.

(n) The Issuer shall not directly or indirectly, and shall not consent to the District directly or indirectly, acquiring other water rights or acquiring, constructing, or operating any water system facility that will compete with the demand for the RMD/ERU Water Credits or otherwise materially adversely affect the rights of the Owners of the Bonds.

ARTICLE V

PRIOR REDEMPTION

Section 5.01 Prior Redemption.

(a) ***Optional Redemption***. The Bonds are subject to redemption prior to maturity, at the option of the Issuer, as a whole or in integral multiples of $1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the Issuer shall determine and pro rata within maturities), on _____ 1, 20__, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
_____ 1, 20__ to _____ [31], 20__	3.00%
_____ 1, 20__ to _____ [31], 20__	2.00
_____ 1, 20__ to _____ [31], 20__	1.00
_____ 1, 20__ and thereafter	0.00

(b) ***Mandatory Sinking Fund Redemption***. The Bonds are also subject to mandatory sinking fund redemption, in part, pro rata, on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount	Year of Redemption (December 1)	Redemption Amount

* final maturity, not a sinking fund redemption

On or before 45 days prior to each sinking fund installment date as set forth above, the Trustee shall select for redemption, pro rata, from the Outstanding Bonds, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions shall be applied in the chronological order of sinking fund installment dates. In the event that there are not sufficient moneys in the Senior Bond Fund to pay the full amount due in accordance with the foregoing on any sinking fund installment date, the Trustee shall redeem as many Bonds as possible on such date in integral multiples of $1,000, and any redemption amount for which funds are not available to redeem Bonds shall be added to the redemption amount for the immediately succeeding sinking fund installment date.

(c) ***Mandatory Excess Revenues Redemption***. The Bonds are subject to mandatory excess revenues redemption in part, in integral multiples of $1,000, in the chronological order of sinking fund installment dates thereof on each Mandatory Excess Revenues Redemption Date to the extent of moneys on deposit, if any, in the Mandatory Redemption Account 25 days prior to the applicable Mandatory Excess Revenues Redemption Date and subject to any minimum requirements with respect to the principal amount of Bonds to be redeemed as set forth in Section 5.02 hereof, at a redemption price (the "**Mandatory Redemption Price**") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date.

(d) ***Borrowed Moneys***. The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to Section 5.01(c) hereof.

Section 5.02 Redemption Procedure and Notice.

(a) As long as the Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of such Bonds and if less than all of the Bonds of a maturity are called for prior redemptions, the particular Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures. However, so long as the Bonds are registered in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect. If the DTC operational arrangements do not allow for the redemption for the Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Bonds will be selected for redemption in accordance with DTC procedures. In the event a Bond is of a denomination larger than $1,000, a portion of such Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Bond shall be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $1,000. In the event a portion of any Bond is redeemed, the Trustee shall, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the Issuer by the Trustee. Failure to give such notice by mailing to any Owner or by electronic means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the Issuer. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

ARTICLE VI

INVESTMENTS

Section 6.01 Investments.

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, upon receipt by the Trustee of written direction of the Issuer Representative, in Permitted Investments only. The Trustee may conclusively rely upon the Issuer Representative's written instruction as to both the suitability and legality of the directed investments. If the Issuer fails to provide written directions concerning investment of moneys held by the Trustee, the Trustee shall, in accordance with this subsection, invest and reinvest the moneys in a money market fund which is a Permitted Investment, subject to any other requirements of this Section 6.01. Any such investments shall mature, be redeemable at the option of the owner thereof, pay interest or, in the case of money market funds, shall be available for withdrawal, no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee under the Indenture shall be credited to the fund or account from which the moneys invested were derived.

(b) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. The Trustee is not required to issue confirmations of Permitted Investments for any month in which a monthly statement is rendered by the Trustee. The Trustee will not issue a monthly statement for any fund or account if no activity occurred in such fund or account during such month. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Issuer Representative shall confirm that the investment transactions identified therein accurately reflect the investment directions of the Issuer Representative, unless the Issuer Representative notified the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

Section 6.02 Tax Matters.

(a) The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The Issuer shall not use or permit the use of any proceeds of Bonds or any funds of the Issuer, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the Issuer shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Issuer shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time the Issuer is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the Issuer under this Indenture, the Issuer shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) The Issuer specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(d) The covenants contained in this Section shall continue in effect until all Bonds are fully paid, satisfied, and discharged.

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01 Discharge of the Lien of the Indenture.

(a) If the Issuer shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the Issuer under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 7.01 if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in

trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with Section 6.02 hereof; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Bonds when due.

(e) The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the Issuer for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

Section 7.02 Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

Section 7.03 Discharge Upon Disposition of All RMD/ERU Water Credits. Notwithstanding any other provision in this Indenture, in the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under this Indenture, the Restrictive Covenant and the Water Credits Fees Resolution, the Bonds and the lien of this Indenture securing payment thereof shall

be deemed discharged, the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01 Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The Issuer fails to pay the principal of or interest on the Bonds when due;

(b) The Issuer fails or refuses to apply the Pledged Revenue as required by this Indenture;

(c) A Reserve Fund Transfer or a Parity Reserve Fund Transfer;

(d) The Issuer defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Indenture or the Bond Resolution and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; or

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

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

Section 8.02 Remedies on Occurrence of Event of Default.

(a) Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(i) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of

the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the Issuer; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

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

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

(iv) *Acceleration*. For an Event of Default under Section 8.01(a) or (c) hereof, the Trustee shall (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) declare all principal and interest on the Bonds due and payable.

(b) No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

(c) If any Event of Default under Section 8.01(a), (b) or (c) shall have occurred and if requested by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to Section 8.03 hereof; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof.

(d) The Bonds shall be subject to acceleration upon the occurrence of an Event of Default under Section 8.01(a) or (c) hereof (unless directed otherwise by the Owners pursuant to Section 8.03 hereof). Other than for an Event of Default under Section 8.01(a) or (c) hereof, acceleration of the Bonds shall not be an available remedy for an Event of Default.

Section 8.03 Majority of Consent Parties May Control Proceedings. The Consent Parties of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture (including any actions to be taken by the Trustee pursuant to Section 8.13 hereof with

respect to the Bulk Sale), or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

Section 8.04 Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which under that Section it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Section 8.05 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and costs of any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate accounts or accounts created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds has been paid in full. Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section 8.05 and all expenses and fees of the Trustee have been paid, any balance remaining in any of the funds held hereunder shall be paid to the Issuer.

Section 8.06 Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 8.07 Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Issuer, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf.

Section 8.08 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09 No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 8.10 Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(b) hereof. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the Issuer, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12 Notice of Default; Opportunity to Cure Defaults.

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors, of all Events of Default of which the Trustee is by Section 9.01(h) required to take notice, or if notice of an Event of Default is given as provided in said section, within 90 days after the Trustee has knowledge of the occurrence of such default

or Event of Default unless such default or Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under subsection 8.01(d) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the Issuer, and the Issuer shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Section 8.13 Provisions Relating to Calculation of Water Credit Fee Revenue Shortfall and Bulk Sale Procedure.

(a) *Calculation of Water Credit Fee Revenue Shortfall*. On each Water Credit Fee Revenue Calculation Date, the Trustee shall or shall cause to be: (i) calculate(d) the amounts on deposit in the Senior Bond Fund and the Surplus Fund; (ii) determine(d) whether a Water Credit Fee Revenue Shortfall exists; and (iii) send a written notice (by electronic means) to the Issuer and the Property Owners, in the form attached as Exhibit C hereto, indicating (i) whether the Minimum Water Credit Fee Revenues Amount has been met or (ii) the amount of the Water Credit Fee Revenue Shortfall.

(b) *Commencement of Bulk Sale Upon Occurrence of Certain Events of Default*. Upon the occurrence of an Event of Default under Section 8.01(a) or (c) above, the Trustee shall: (i) provide written notice thereof to the Issuer, the Property Owners, the Owners of the Bonds and registered owners of any Parity Bonds, and to the MSRB (as more particularly provided in the Continuing Disclosure Agreement) in the form attached as Exhibit D hereto, and (ii) promptly take such actions as the Trustee, being advised by Counsel and any consultant engaged by the Trustee to advise on such matters, shall deem most expedient and in the interests of the Owners in accordance with the provisions of the Colorado UCC, to (A) (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) declare all principal and interest on the Bonds, any Parity Bonds, and any Subordinate Obligations due and payable and (B) commence sale proceedings in a commercially reasonable manner and pursuant to this Section 8.13 with respect to all RMD/ERU Water Credits (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) (the "**Bulk Sale**").

(c) *Notice of Bulk Sale.*

(i) At least twenty (20), but not earlier than thirty (30) days prior to the UCC Notice Date, the Trustee shall request (in a commercially reasonable manner)

information concerning financing statements indexed under the Issuer's name with the office of the Colorado Secretary of State.

(ii) The UCC Notice Date shall occur only after an Event of Default under Section 8.01(a) or (c) above and at least ten (10) days prior to the earliest time of the Bulk Sale.

(iii) On the UCC Notice Date, the Trustee shall provide written notice, in the form attached as Exhibit E hereto, to: (A) the Issuer; (B) the Owners of the Bonds; (C) the registered owners of any Parity Bonds or Subordinate Obligations; (D) any person from which the Trustee has received (prior to the UCC Notice Date) an authenticated notification of a claim of an interest in the RMD/ERU Water Credits; (E) any other secured party or lienholder that, ten (10) days before the UCC Notice Date, held a security interest or other lien on the RMD/ERU Water Credits by the filing of a financing statement; and (F) any other secured party that ten (10) days before the UCC Notice Date, held a security interest in the RMD/ERU Water Credits perfected by compliance with a statute, regulation or treaty described in Section 4-9-311(a) of the Colorado UCC.

(d) *Timing and Manner of Bulk Sale*. No sooner than ten (10) days after the UCC Notice Date, the Trustee shall conduct the Bulk Sale. The Bulk Sale shall in all respects, including the method, manner, time, place, and other terms, be conducted in a commercially reasonable manner. Upon the completion of the Bulk Sale, the Trustee shall execute a transfer statement with respect to the RMD/ERU Water Credits sold pursuant to the Bulk Sale in accordance with Section 4-9-619 of the Colorado UCC for delivery to South Adams.

(e) *Application of Proceeds of Bulk Sale*. All Bulk Sale Proceeds shall immediately be deposited in the Bulk Sale Escrow Fund. Upon release from the Bulk Sale Escrow Fund in accordance with Section 3.11 hereof, the Trustee shall first apply the Bulk Sale Proceeds to pay the Trustee Sale Costs; thereafter, the Trustee shall immediately apply (i) all Net Bulk Sale Proceeds received pursuant to paragraph (b) and (ii) all moneys in funds and accounts held by the Trustee under this Indenture (except the Rebate Fund) in the following order of priority:

FIRST: To the credit of the Rebate Fund, in an amount equal to any deposits required to be made therein pursuant to Section 3.10 hereof;

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

THIRD: To the Owners, for payment of interest due and payable in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) ratably, without preference or priority of any kind, according to the amounts due and payable on such Bond;

FOURTH: To the Owners, for the payment of the principal of and premium, if any, on the Bonds, ratably, without preference or priority of any kind, according to the amounts due and payable on the Bonds for principal until paid in full;

FIFTH: To the payment of amounts due and payable in connection with any Subordinate Obligations until paid in full; and

SIXTH: To the Issuer, to be used for any lawful purpose.

The Trustee may fix a record date and payment date for any payment to Owners pursuant to this Section. At least fifteen (15) days before such record date, the Trustee shall mail to each Owner and the Issuer a notice that states the record date, the payment date and the amount to be paid.

(f) *Release of Lien.* Within seven (7) Business Days after consent to assignment by South Adams of such RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall file an amendment to the UCC Statement releasing the number of RMD/ERU Water Credits for which such Net Bulk Sale Proceeds were paid, and stating the total number of RMD/ERU Water Credits which remain subject to the lien of the Indenture.

(g) *Actions of Trustee; Consultants*.

(i) The Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof for all actions taken pursuant to this Section 8.13.

(ii) The Trustee shall be entitled to engage such Counsel, accountants, experts and consultants as it reasonably determines are necessary and appropriate to carry out its duties under this Section 8.13, and to retain from any amounts received as a result of the Trustee's exercise of remedies under the Colorado UCC and the Bulk Sale, the Trustee Sale Costs.

ARTICLE IX

CONCERNING TRUSTEE

Section 9.01 Acceptance of Trusts and Duties of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under

the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in Section 9.01(g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an Opinion of Counsel, but the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon the advice or an opinion of Counsel chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of originally filed Uniform Commercial Code financing statements) and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer, except as herein set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture or the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual capacity or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee. The Trustee shall not be accountable for the use or application by the Issuer of the proceeds of any of the Bonds or of any money paid to or upon the order of the Issuer under any provision of this Indenture.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Issuer by the Issuer Representative or the Issuer's President or such other person as may be designated for such purpose as provided hereunder or by a certified resolution of the Issuer as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made of any of the payments to the Trustee required to be made hereby, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability to invest any moneys received hereunder except as provided in Article VI hereof.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the Issuer pertaining to the Bonds and the Pledged Revenue, and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the Issuer.

(m) The Trustee shall not be required to advance its own funds, and before taking any action under this Indenture, other than the payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorneys' fees, and to protect it against all liability, except liability which has been adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

Section 9.02 Fees and Expenses of the Trustee. The Trustee shall be entitled to payment and reimbursement of its fees and expenses for ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services, including legal fees and expenses. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The Trustee reserves the right to renegotiate its current fees for ordinary services to correspond with changing economic conditions, inflation, and changing requirements relating to the Trustee's ordinary services. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall have a lien upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred and unpaid, but subject to the right of prior payment of the principal and interest on the Bonds when due. The Trustee's right to compensation and indemnification shall survive the satisfaction and discharge of this Indenture or the Trustee's resignation or removal hereunder and payment in full of the Bonds.

Section 9.03 Resignation or Replacement of Trustee.

(a) The Trustee may resign, subject to the appointment of a successor, by giving 30 days' notice of such resignation to the Issuer and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date

specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an instrument in writing, executed by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Issuer so long as it is not in default hereunder; otherwise by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact appointed; provided however, that even if the Issuer is in default hereunder it may appoint a successor until a new successor shall be appointed by the Issuer or the Owners as herein authorized. The Issuer, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to the address shown on the registration books maintained by the Trustee, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Issuer or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as applicable.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital surplus of not less than $50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the Issuer is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those instruments shall be made, executed, acknowledged, and delivered by the Issuer on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

Section 9.04 Conversion, Consolidation, or Merger of Trustee. Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

Section 9.05 Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the approval of any expert for any of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

Section 9.06 Consent to Restrictive Covenant. By acceptance of the trusts imposed upon it by this Indenture, the Trustee agrees and is hereby instructed by the Issuer to sign the consent of the Trustee attached to the Restrictive Covenant.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01 Supplemental Indentures Not Requiring Consent. Subject to the provisions of this Article, the Issuer and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law;

(b) To make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds;

(c) To subject to this Indenture additional revenues, properties, or collateral;

(d) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and

(e) To qualify this Indenture under the Trust Indenture Act of 1939.

Section 10.02 Supplemental Indentures Requiring Consent.

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Issuer, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

(c) If at any time the Issuer shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given by mailing such notice by certified or registered first class mail to each Owner of a Bond to the address shown on the registration books of the Trustee or by electronic means to DTC or its successors, at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, the Issuer may execute and deliver such supplemental indenture and no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03 Execution of Supplemental Indenture. The Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the Issuer shall receive and shall be fully protected in relying upon an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee and the Issuer, to the effect that: (a) the supplement will not adversely affect the exclusion from gross income for federal income tax purposes, of the interest paid or to be paid on the Bonds; (b) the Issuer is permitted by the provisions hereof to enter into the supplement; and (c) the supplement is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to matters permitted by Section 1.05 hereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Issuer, the Trustee, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, and the Owners of the Bonds.

Section 11.02 Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 11.03 Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State.

Section 11.04 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.05 Notices; Waiver.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person, by electronic mail or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:	Reunion Metropolitan District c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Telephone: (303) 858-1800 Email: kbear@wbapc.com Attention: Kristen Bear
Trustee:	UMB Bank, n.a. Corporate Trust and Escrow Services 1670 Broadway Denver, Colorado 80202 Telephone: (816) 860-7520 Email: jacque.schwartz@umb.com Attention: Jacque Schwartz

The Developer:	Clayton Properties Group II, Inc. 4908 Tower Road Denver, Colorado 80249 Attention: James Hayes and Bruce Rau
With a Copy to:	Spencer Fane LLP 1700 Lincoln Street, Suite 2000 Denver, Colorado 80203 Attention: Charles Leeder
Shea:	Shea Homes Limited Partnership 9380 Station Street, Suite 600 Lone Tree, Colorado 80124 Attention: Chetter Latcham
With Copies to:	J.F. Shea Co., Inc. 9380 Station Street, Suite 600 Lone Tree, Colorado 80124 Attention: Jeffrey H. Donelson, Regional Counsel
	Brownstein Hyatt Farber Schreck, LLP 410 Seventeenth Street, Suite 2200, Denver, Colorado 80202 Attention: Robert Kaufmann
LCF:	L.C. Fulenwider, Inc. 1125 17th Street, Suite 2500 Denver, Colorado 80202 Attention: L.C. Fulenwider, III
With a Copy to:	Robinson Waters & O'Dorisio, P.C. 1099 18th Street, Suite 2600 Denver, Colorado 80202 Attention: John W. O'Dorisio, Jr., Esq.

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.06 Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a

Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.07 Application of Supplemental Act. The Board specifically elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 11.08 Pledged Revenue Subject to Immediate Lien. The creation, perfection, enforcement, and priority of the pledge of Pledged Revenue, the RMD/ERU Water Credits, and the funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Trust Estate pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Section 11.09 No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Issuer acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the Issuer, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 11.10 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11.11 Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than 30 days after the authorization of the Bonds.

Section 11.12 Electronic Execution and Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Signatures appear on following page]

IN WITNESS WHEREOF, Reunion Metropolitan District, Commerce City, Colorado, Acting By and Through Its Water Activity Enterprise, has caused this Indenture to be executed on its behalf by its President and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, UMB Bank, n.a., Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.

(S E A L)

REUNION METROPOLITAN DISTRICT,
Commerce City, Colorado

_____
President

ATTESTED:

_____
Secretary or Assistant Secretary

UMB BANK, N.A., as Trustee

_____
Authorized Officer

EXHIBIT A

TO

INDENTURE OF TRUST

[FORM OF BOND]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A LIMITED PURPOSE TRUST COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA
STATE OF COLORADO

No. RA-__ $_____

REUNION METROPOLITAN DISTRICT
COMMERCE CITY, COLORADO
LIMITED TAX GENERAL OBLIGATION BOND
SERIES 2021A

Interest Rate	**Maturity Date**	**Original Issue Date**	**CUSIP**
_____%	December 1, 20___	_____, 2021	

REGISTERED OWNER: CEDE & CO.
Tax Identification Number:

PRINCIPAL AMOUNT: _____ Thousand and 00/100 U.S. Dollars

Reunion Metropolitan District, Acting By and Through its Water Activity Enterprise, a special district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the Issuer promises to pay interest on such principal amount (computed on the basis of a 360 day year of twelve 30 day months) from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 1, 2021, in which event this Bond shall bear interest from its date of delivery, at the interest rate per annum specified above, payable semiannually on June 1 and December 1 each year, commencing on December 1, 2021, until the principal amount is paid at maturity or upon prior redemption.

To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the immediately succeeding paragraph. To the extent interest on this Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the Issuer shall not be obligated to pay more than the amount permitted by law in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed defeased and no longer Outstanding upon the payment by the Issuer of such amount.

IT IS ACKNOWLEDGED THAT IN THE EVENT THAT ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THE BONDS REMAINS UNPAID AFTER THE APPLICATION OF ALL PLEDGED REVENUE AVAILABLE THEREFOR AFTER DISPOSITION OF ALL RMD/ERU WATER CREDITS AND EXHAUSTION OF ANY APPLICABLE REMEDIES AVAILABLE TO THE TRUSTEE UNDER THIS INDENTURE, THE RESTRICTIVE COVENANT AND THE WATER CREDITS FEES RESOLUTION, THE BONDS AND THE LIEN OF THE INDENTURE SECURING PAYMENT THEREOF SHALL BE DEEMED DISCHARGED. IN SUCH EVENT THE OWNERS WILL HAVE NO RECOURSE TO THE ISSUER OR ANY PROPERTY OF THE ISSUER FOR THE PAYMENT OF ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THE BOND REMAINING UNPAID.

The Bonds are issued pursuant to that certain Indenture of Trust (Senior) (the "Indenture") dated as of [Indenture Month] 1, 2021, between the District and UMB Bank, n.a., as trustee (the "Trustee"). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Indenture.

The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of the Trustee. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the Issuer maintained by or on behalf of the Issuer by the Trustee at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"), and shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to such registered owner at his address as it appears on such registration books. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Trustee as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "Special Record Date") established for the payment of any unpaid interest. Notice of the Special Record Date and the date fixed for the payment of unpaid interest shall be given by first class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond is one of a series aggregating $[SERIES A PAR] par value, all of like date, tenor, and effect, issued by the Board of Directors of Reunion Metropolitan District, City of Commerce, State of Colorado, Acting By and Through Its Water Activity Enterprise, for the purpose of paying the costs of providing certain public improvements within and without the

District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, Part 11, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; Part 4 of Article 35 of Title 31, C.R.S.; Section 37-45.1-101 et seq., C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution and the Indenture. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the Issuer, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado.

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of certain moneys held under the Indenture and the "Pledged Revenue," as defined by the Indenture. The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Indenture.

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the Indenture and in the resolution of the Issuer authorizing the issuance of this Bond and in the Service Plan for creation of the District. This Bond does not constitute a debt, financial obligation or liability of the City, the County, the State or any political subdivision of the State (other than the Issuer) and neither the City, the County, the State nor any political subdivision of the State (other than the Issuer) is liable for payment of the principal of, premium if any, and interest on the Bond.

The Bonds are subject to redemption prior to maturity as provided in the Indenture. The Bonds will be redeemed only in integral multiples of $1,000. In the event a Bond is of a denomination larger than $1,000, a portion of such Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $1,000. In the event a portion of this Bond is redeemed, the Trustee shall, without charge to the registered owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice of prior redemption shall be given by mailing a copy of the redemption notice or by electronic means to DTC or its successors, not less than 20 days prior to the date fixed for

redemption, to the registered owner of this Bond at the address shown on the registration books maintained by or on behalf of the District by the Trustee, in the manner set forth in the Indenture. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The Issuer and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date or (b) during the period beginning at the opening of business on a date 25 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The Issuer and the Trustee may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District or the Trustee.

This Bond may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Trustee of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Trustee shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN TESTIMONY WHEREOF, the Board of Directors of Reunion Metropolitan District, Acting By and Through Its Water Activity Enterprise, has caused this Bond to be signed by the manual or facsimile signature of its President, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary thereof, all as of the Original Issue Date set forth above.

[SEAL]

REUNION METROPOLITAN DISTRICT,
Acting By and Through Its Water Activity Enterprise

By _____
President

Attested:

By _____
Secretary or Assistant Secretary

CERTIFICATE OF AUTHENTICATION

Date of Registration and Authentication:

_____

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____ _____ (Social Security or Federal Employer Identification Number of Assignee) _____ (Name and Address of Assignee) the within Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

SIGNATURE OF REGISTERED OWNER:

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

_____

(Bank, Trust Company, or Firm)

EXHIBIT B

TO

INDENTURE OF TRUST

[FORM OF SENIOR PROJECT FUND REQUISITION]

Requisition No. ____

$[SERIES A PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Special Revenue Bonds
Series 2021A

The undersigned certifies that s/he is an Issuer Representative under that certain Indenture of Trust (Senior) dated as of [Indenture Month] 1, 2021 (the "**Indenture**") between Reunion Metropolitan District, Commerce City, Colorado (the "**District**") and UMB Bank, n.a., as trustee (the "**Trustee**").

All capitalized terms used in this requisition ("**Requisition**") shall have the respective meanings assigned in the Indenture.

The undersigned Issuer Representative hereby makes a requisition from the Senior Project Fund held by the Trustee under the Indenture, and in support thereof states:

1. The amount requisitioned is $_____.

2. The name and address of the person, firm, or corporation to whom payment is due or has been made is as follows:

_____
_____

3. Payment is due to the above person for (describe nature of the obligation):

_____.

4. The above payment obligation has been properly incurred, is a proper charge against the Senior Project Fund, and has not been the basis of any previous withdrawal. The disbursement requested herein will be used solely for the payment of Project Costs.

5. The costs for which the disbursement is requested herein are authorized by the Service Plan and constitute Project Costs.

6. With respect to the Project financed or refinanced with the disbursement requested herein, based upon information available to the Issuer, including any applicable report of the Engineer, the Issuer has found and determined that such Project is in the nature of improvements for which the Issuer is authorized to issue indebtedness in accordance with the Service Plan, and the payment of such costs of the Project is in furtherance of the purposes for which the District was formed.

7. No Event of Default has occurred and is continuing under the Indenture.

8. Disbursement instructions are attached hereto.

9. With respect to this requested disbursement, the Issuer (i) certifies it has reviewed any wire instructions set forth in this Requisition to confirm such wire instructions are accurate, (ii) to the extent permitted by law and without waiving any rights or privileges under the Colorado Governmental Immunity Act, as may be amended, agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement in accordance with this Requisition, and (iii) agrees they will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with this Requisition.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

_____
Issuer Representative

EXHIBIT C

TO

INDENTURE OF TRUST

FORM OF NOTICE OF WATER CREDIT FEE REVENUE SHORTFALL CALCULATION

$[SERIES A PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Special Revenue Bonds
Series 2021A

This Notice is provided by UMB Bank, n.a., as trustee (the "Trustee") under that certain Indenture of Trust (Senior) dated as of [INDENTURE MONTH] 1, 2021, between the Trustee and Reunion Metropolitan District (the "District"), pursuant to which the District Acting By and Through Its Water Activity Enterprise (the "Issuer") has issued its Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] (the "Bonds").

Capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Indenture.

This Notice is provided with respect to the Water Credit Fee Revenue Calculation Date occurring on _____ 1, 20___.

The Trustee hereby states that, as of such Water Credit Fee Revenue Calculation Date:

(a) The amount on deposit in the Senior Bond Fund is $_____ and the amount on deposit in the Surplus Fund is $_____. [Add similar statement for any applicable Parity Bonds].

(b) The Minimum Water Credit Fee Revenues Amount for such Water Credit Fee Revenues Calculation Date is $_____.

Next Interest Payment Date:	_____ 1, 20__
Interest Due:	
Principal Due:*	
Unpaid Trustee Fees:	
Administrative Expenses for succeeding Fiscal Year (for June-November calculations):	
Minimum Water Credit Fee Revenues Amount (sum of above):	

Amounts in Senior Bond Fund:	
Amounts in Surplus Fund:	
Water Credit Fee Revenue Shortfall:	

* Does not include principal amounts due on such date which were previously redeemed.

(c) [Include the applicable statement.]

[Based on the foregoing, the Trustee has concluded that a Water Credit Fee Revenue Shortfall does not exist with respect to such Water Credit Fee Revenue Calculation Date.]

[Based on the foregoing, the Trustee has concluded that a Water Credit Fee Revenue Shortfall does exist with respect to such Water Credit Fee Revenue Calculation Date, and has further determined that the remaining Water Credit Fee Revenue Shortfall is $_____. In the event that Water Credit Fee Revenues equal to such amount are not received on or before [May/November] 15, 20__, the Trustee will be required to draw on the Reserve Fund, the Trustee will be required to declare all principal and interest on the Bonds due and payable, and commence a bulk sale of RMD/ERU Water Credits in order to pay all principal and interest on the Bonds in accordance with and subject to the limitations of Section 8.13 of the Indenture.]

EXHIBIT D

TO

INDENTURE OF TRUST

FORM OF NOTICE OF INTENT TO COMMENCE SALE PROCEEDINGS

$[SERIES A PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Special Revenue Bonds
Series 2021A

Date: _____

This Notice is provided by UMB Bank, n.a., as trustee (the "Trustee") under that certain Indenture of Trust (Senior) dated as of [INDENTURE MONTH] 1, 2021, between the Trustee and Reunion Metropolitan District (the "District"), pursuant to which the District Acting By and Through Its Water Activity Enterprise (the "Issuer") has issued its Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] (the "Bonds").

Capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Indenture.

This Notice is provided with respect to an Event of Default under Section 8.01(a) or (c) of the Indenture (check as appropriate):

____ (a) The Issuer fails to pay the principal of or interest on the Bonds when due; or

____ (c) A Reserve Fund Transfer or a Parity Reserve Fund Transfer;

In accordance with Section 8.13 of the Indenture, the Trustee intends to take possession of and commence sale proceedings on the RMD/ERU Water Credits in accordance with the provisions of the Colorado UCC and, thereafter, to take such actions as the Trustee, being advised by Counsel and any consultant engaged by the Trustee to advise on such matters, shall deem most expedient and in the interests of the Owners to result in the bulk sale of all RMD/ERU Water Credits, subject to Section 8.03 hereof, in accordance with the provisions of Section 8.13 of the Indenture.

EXHIBIT E

TO

INDENTURE OF TRUST

FORM OF NOTICE OF DISPOSITION OF COLLATERAL

$[SERIES A PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Special Revenue Bonds
Series 2021A

To: Reunion Metropolitan District, Acting By and Through Its Water Activity Enterprise

From: [*Name, address, and telephone number of Trustee*]

Name of Debtor(s): [*Include only if debtor(s) are not an addressee*]

[*For a public disposition:*]

We will sell the Collateral (as hereinafter described), to the highest qualified bidder in public as follows:

Day and Date:

_____

Time:

_____

Place:

_____

[*For a private disposition:*]

We will sell the Collateral (as hereinafter described) privately sometime after [*day and date*].

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell [for a charge of $ _____]. You may request an accounting by calling us at [*telephone number*] or writing us at [*address*].

Description of Collateral:

[*match description to that contained on UCC Statement and state number of RMD/ERU Water Credits to be sold in bulk*]

EXHIBIT F

TO

INDENTURE OF TRUST

REQUEST FOR RELEASE OF LIEN

$[SERIES A PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Special Revenue Bonds
Series 2021A

The undersigned certifies that s/he is the Issuer Representative under that certain Indenture of Trust (Senior) dated as of [INDENTURE MONTH] 1, 2021 (the "Indenture"), between UMB Bank, n.a., as trustee (the "Trustee") and Reunion Metropolitan District (the "District"), Acting By and Through Its Water Activity Enterprise (the "Issuer"). All capitalized terms used in this certificate shall have the respective meanings assigned in the Indenture.

All requirements of the Water Credit Fees Resolution with respect to the purchase of _____ [NUMBER] [RMD/ERU Building Credits][RMD/ERU Irrigation Credits] by _____ [PURCHASER] have been met and attached hereto is a copy of the consent to assignment by South Adams of such RMD/ERU Water Credits to _____ [PURCHASER]. In accordance with Section 3.15 of the Indenture, the Trustee is hereby instructed to file an amendment to the UCC Statement releasing such [RMD/ERU Building Credits][RMD/ERU Irrigation Credits].

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

_____
Issuer Representative

[ATTACH CONSENT TO ASSIGNMENT BY SOUTH ADAMS]

INDENTURE OF TRUST

(SUBORDINATE)

DATED AS OF [Indenture Month] 1, 2021

between

REUNION METROPOLITAN DISTRICT
COMMERCE CITY, COLORADO

(it being acknowledged that the obligations of the District hereunder are undertaken by the District Acting By and Through Its Water Activity Enterprise)

and

UMB BANK, N.A.
DENVER, COLORADO
AS TRUSTEE

relating to

SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B
IN THE AGGREGATE PRINCIPAL AMOUNT OF
$[SERIES B PAR]

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EXHIBIT A FORM OF BOND
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EXHIBIT C FORM OF NOTICE OF INTENT TO COMMENCE SALE PROCEEDINGS

This **INDENTURE OF TRUST (SUBORDINATE)** (the "**Indenture**") dated as of [Indenture Month] 1, 2021, by and between **REUNION METROPOLITAN DISTRICT**, Commerce City, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the "**District**"), and **UMB BANK, N.A.**, a banking institution authorized to accept and execute trusts of the character herein set out, having an office and corporate trust offices in Denver, Colorado, as trustee (the "**Trustee**"); provided that the obligations of the District hereunder are undertaken by the District acting by and through its Water Activity Enterprise (in such capacity, referred to herein as the "**Issuer**").

R E C I T A L S

WHEREAS, capitalized terms used but not otherwise defined in these Recitals shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado (the "**State**") duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended ("**C.R.S.**"); and

WHEREAS, the District was originally organized as Buffalo Hills Metropolitan District by Order and Decree of the District Court in and for Adams County, Colorado issued on December 1, 2000, recorded in the real property records of Adams County, Colorado (the "**County**") on December 27, 2000; and

WHEREAS, the name of the District was changed to Reunion Metropolitan District by Order and Decree of the District Court in and for the County issued on June 20, 2001, recorded in the real property records of the County on June 20, 2001; and

WHEREAS, the District is authorized by Title 32, Article 1, C.R.S. (the "**Act**"), to furnish certain public facilities and services, including, but not limited to, water improvements, including to acquire water rights and prepaid tap fees, within and without the boundaries of the District, in accordance with the Service Plan for the District approved by the City Council of Commerce City, Colorado (the "**City**") on August 21, 2000, as amended by a First Amendment thereto approved by the City Council of the City on August 6, 2001 (as further amended or restated from time to time, the "**Service Plan**"); and

WHEREAS, the District is located entirely within the boundaries of South Adams County Water and Sanitation District ("**South Adams**"); and

WHEREAS, all property within the District will receive water and wastewater service from South Adams, and fees and charges for connection and use of water and wastewater facilities are required to be paid to South Adams as required by the Rules and Regulations of South Adams (the "**Rules and Regulations**"); and

WHEREAS, pursuant to the Rules and Regulations, as a condition to receiving water and wastewater service from South Adams, a property owner must enter into a water resources agreement by which the property owner is to dedicate water rights, water storage, or related

facilities or the equivalent thereof sufficient to provide water service to the subject property, and such water resources agreement may allocate to the property owner ERU water rights credits, which represent partial payment of the water resources component of the connection fees for a like number of ERU water connections, and which ERU water rights credits generally consist of (a) an ERU potable water rights credit, and (b) an ERU irrigation water rights credit; and

WHEREAS, Shea Homes Limited Partnership ("**Shea**"), a prior owner of property within the District, and South Adams entered into the FRICO Participant Water Resources Agreement, dated as of November 2, 2001, as amended by an Amendment thereto dated as of November 12, 2002, and a Second Amendment thereto dated as of October 15, 2018 (collectively, the "**FRICO Participant Water Resources Agreement**"), pursuant to which Shea had the opportunity to receive certain ERU water rights credits and purchase ERU water connections to be used in connection with certain lands within the Reunion Development in the City (the "**Development**"); and

WHEREAS, in 2017, Shea and Clayton Properties Group II, Inc. (the "**Developer**") consummated a series of transactions relating to the sale of fee interests and the assignment of certain option rights in and to certain property within the Development and the transfer of certain rights and associated water resources credits for the Developer to connect such property to South Adam's water system, specifically, Shea assigned all of its right, title, and interest in the following: (a) the FRICO Participant Water Resources Agreement; and (b) certain ERU water rights credits; and

WHEREAS, as of the date hereof, the Developer currently owns the following amount of ERU water rights credits for use within the Development that have been made available for purchase by the Issuer: 7,236 ERU water rights credits; and

WHEREAS, the Board of Directors of the District (the "**Board**") (acting by and through its Water Activity Enterprise) has determined that it is necessary to acquire certain ERU water rights credits (as more particularly defined herein, the "**RMD/ERU Water Credits**") to sell for the use and benefit of properties within the Development (as more particularly defined herein, the "**Project**"); and

WHEREAS, pursuant to a resolution adopted by the Board on January 14, 2021 (the "**Enterprise Resolution**"), the Board has: (i) established the Reunion Metropolitan District Water Activity Enterprise (the "**Water Activity Enterprise**"), representing the activities comprising the operation of all of the District's water facilities and properties for the Development, 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; (ii) determined that the purpose of the Water Activity Enterprise is to pursue, or continue as applicable, the District's water activities as defined in Section 37-45.1-101, *et seq*., C.R.S. (the "**Water Enterprise Act**"), which shall include the acquisition and sale of RMD/ERU Water Credits under the provisions of any applicable water resources agreement; and (iii) determined that the Water Activity Enterprise is a government-owned business authorized to issue its own revenue bonds and receiving under ten percent (10%) of annual revenue in grants from all Colorado state and local governments, combined, and is an enterprise within the meaning of Article X, Section 20 of the Colorado Constitution; and

WHEREAS, the District is authorized by Section 32-1-1101(1)(d) of the Act, and the Water Enterprise Act and Part 4 of Article 35 of Title 31, C.R.S., to issue revenue bonds authorized by action of the Board (acting by and through its Water Activity Enterprise) without the approval of the electors of the District, such bonds to be issued in the manner provided in Part 4 of Article 35 of Title 31, C.R.S.; and

WHEREAS, the District is authorized pursuant to Section 32-1-1101(1)(f), C.R.S. to acquire, dispose of and encumber real and personal property; and

WHEREAS, pursuant to an ERU Purchase Agreement (the "**ERU Purchase Agreement**") dated _____, 2021, between the Issuer and the Developer, the Issuer is purchasing 7,236 RMD/ERU Water Credits at a purchase price of $_____ the ("**ERU Purchase Price**"); and

WHEREAS, pursuant to its Rules and Regulations and a Resolution of the Board of South Adams regarding Assignments and Transfers of Interests in Water Connection Allocations and Water Resources Participation Agreements, South Adams has consented to the assignment and sale of the above-described RMD/ERU Water Credits to the Issuer; and

WHEREAS, for the purpose of financing a portion of the ERU Purchase Price, the Board (acting by and through its Water Activity Enterprise) has previously determined and hereby determines to issue its Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] (the "**Bonds**") to an affiliated entity of the Developer that qualifies as a "financial institution or institutional investor" (as defined in Section 32-1-103(6.5), C.R.S.), in exchange for the extinguishment of the District's reimbursement obligation with respect to an equivalent amount owed to the Developer under the ERU Purchase Agreement; and

WHEREAS, for the purpose of financing or reimbursing an additional portion of the ERU Purchase Price, on the date of issuance of the Bonds, the Board (acting by and through its Water Activity Enterprise) intends to issue its Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] (the "**2021A Senior Bonds**"), pursuant to an Indenture of Trust (Senior) dated as of [Indenture Month] 1, 2021 (the "**2021A Senior Indenture**"), by and between the District and UMB Bank, n.a., as trustee; and

WHEREAS, the Service Plan limits the aggregate issuance of revenue or general obligation bonds that may be issued by the District (including bonds issued by the District acting by and through its water Activity Enterprise) to $280,000,000, excluding refundings; and

WHEREAS, the aggregate amount of the Bonds, together with any other revenue or general obligation bonds previously incurred by the District (if any), excluding any portion constituting a refunding, will not exceed the $280,000,000 limitation of the Service Plan; and

WHEREAS, the Bonds shall be issued pursuant to, and in full conformance with, the provisions of Title 32, Article 1, Part 11, C.R.S., the Water Activity Act, the Service Plan, and all other laws thereunto enabling; and

WHEREAS, the Board (acting by and through its Water Activity Enterprise) specifically elects to apply all of the provisions of the Supplemental Act to the Bonds; and

WHEREAS, the Bonds shall be special revenue obligations of the Issuer, and shall be payable solely from the Subordinate Pledged Revenue (as defined herein); and

WHEREAS, the Subordinate Pledged Revenue is expected to consist primarily of revenue resulting from fees imposed by the Issuer in connection with the sale of RMD/ERU Water Credits remaining after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations (defined herein); and

WHEREAS, the Bonds are further secured by a pledge of the RMD/ERU Water Credits owned by the Issuer pursuant to this Indenture, and

WHEREAS, notice of the lien of this Indenture on the RMD/ERU Water Credits is evidenced by a UCC-1 financing statement filed by the Trustee on _____, 2021 naming the Issuer, as debtor, and the Trustee for the benefit of the Owners (as defined herein), as secured party (as more particularly defined herein, the "**UCC Statement**"); and

WHEREAS, to the extent that the pledge of the RMD/ERU Water Credits pursuant to this Indenture, as further evidence and noticed in such UCC Statement, constitutes indebtedness of the District requiring electoral authorization, the District has obtained authorization therefor at a special election of the qualified electors of the District, duly called and held on Tuesday, May 5, 2020 (the "**Election**"), in accordance with law and pursuant to due notice, at which a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, Ballot Issue C pertaining to the issuance of District indebtedness up to the principal amount of $80,000,000 for the purpose of providing certain water improvements and facilities, including water rights; and

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

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

WHEREAS, the Bonds initially shall be issued in denominations of $500,000 each, and in integral multiples above $500,000 of not less than $1,000 each, and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, the Bonds are being issued only to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S.; and

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when executed by the Issuer and authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to make this Indenture a valid agreement of the Issuer, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Issuer, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium if any, and interest on the Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all of the covenants and conditions in the Bonds, the Bond Resolution, and this Indenture of Trust, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant and assign to the Trustee, and to its successors in trust, and to them and their assigns forever, the following (said property being referred to herein as the "**Trust Estate**"):

GRANTING CLAUSE FIRST:

The Subordinate Pledged Revenue, the Subordinate Bond Fund and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of this Indenture (except the Bulk Sale Escrow Fund), and a security interest therein; and

GRANTING CLAUSE SECOND:

A subordinate lien on the RMD/ERU Water Credits, including all moneys received therefrom;

GRANTING CLAUSE THIRD:

All right, title, and interest of the Issuer in any and all other revenue of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the Issuer or by anyone on its behalf as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, as their respective interests may appear; and the Trust Estate granted herein is also granted for the equal benefit, of all present and future Owners of the Bonds as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds, and as to the

Subordinate Pledged Revenue (excluding the Subordinate Pledged Revenue described in clause (d) of the definition thereof), on a parity with the lien thereon of any Parity Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

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

"*Additional Obligations*" means all obligations of the Issuer payable from or constituting a lien or encumbrance upon any part of the Subordinate Pledged Revenue; provided that notwithstanding the foregoing, the term "Additional Obligations" does not include obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements guarantee payment of principal or interest on any Parity Bonds, Senior Obligations, or Junior Lien Obligations, (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the Parity Bonds, Senior Obligations, or Junior Lien Obligations has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority as the Parity Bonds, Senior Obligations, or Junior Lien Obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements.

"*Administrative Expenses*" means an amount reasonably determined by the Issuer as being necessary to pay the Issuer's expenses reasonably incurred in connection with the administration and operation of the Issuer, including accounting fees, audit expenses, legal fees, insurance premiums, management expenses, board member compensation, and generally all expenses, under which generally accepted accounting practices are properly allocable to administration; however, only such expenses as are reasonably and properly necessary to the efficient administration and operation of the Issuer and permitted under the Act shall be included, but not in excess of the following: (i) for calendar year 2021, the amount of $10,000; (ii) for each calendar year from 2022 to 2026, an additional 2.5% per year; (iii) for each calendar year from 2027 through 2036, an additional 1.5% per year; and (iv) for each calendar year from 2037 through 2051, an additional 1.0% per year.

"*Authorized Denominations*" means, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that:

(a) no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date;

(b) in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000; and

(c) the Authorized Denominations shall be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the Issuer has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., and any rule or order promulgated thereunder, or any successor statute (and any rule or order promulgated under such successor statute), or has taken other actions which permit the Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act or any successor statute.

"*Beneficial Owner*" means any person for which a Participant acquires an interest in the Bonds.

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

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

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

"*Bonds*" means the Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] dated as of the date of issuance, and issued by the District pursuant to this Indenture and the Bond Resolution.

"*Bond Year*" means the period commencing on the date of issuance of the Bonds through and including December 15, 2021, and, thereafter, the period from December 16 of any calendar year through and including December 15 of the following calendar year.

"*Bulk Sale*" shall have the meaning assigned it in Section 8.13(b) hereof.

"*Bulk Sale Escrow Fund*" means the "Reunion Metropolitan District, Acting by and through its Water Activity Enterprise, Special Revenue Bonds, Series 2021, Bulk Sale Escrow Fund," established pursuant to the 2021A Senior Indenture.

"*Bulk Sale Proceeds*" means the amounts received by the Trustee as a result of the Trustee's exercise of remedies under the Colorado UCC and the sale of any RMD/ERU Water Credits in accordance with Section 8.13 hereof.

"*Bulk Sale Purchaser*" means the purchaser of any RMD/ERU Water Credits sold pursuant to Section 8.13 hereof.

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

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

"*Certified Public Accountant*" means a certified public accountant within the meaning of Section 12-2-115, C.R.S., and any amendment thereto, licensed to practice in the State.

"*City*" means Commerce City, Colorado.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

"*Colorado Governmental Immunity Act*" means Title 24, Article 10, Part 1, C.R.S.

"*Colorado Municipal Bond Supervision Act*" means Title 11, Article 59, C.R.S.

"*Colorado UCC*" means Title 4, C.R.S.

"*Consent Party*" means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond, or if so designated in writing by a Participant, the Beneficial Owner of such Bonds.

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

"*County*" means Adams County, Colorado.

"*C.R.S.*" means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"*Depository*" means any securities depository that the Issuer may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

"*Developer*" means Clayton Properties Group II, Inc., a Colorado corporation and its successors and assigns.

"*Development*" means the Reunion Development in the City.

"*District*" means Reunion Metropolitan District, Commerce City, Colorado.

"*District Administrative Fee*" means any applicable fee, other than the Water Credit Fees, required to be paid to the Issuer pursuant to the Water Credit Fees Resolution, including accounting and legal fees, filing fees, or recording fees paid to release the lien of the UCC Statement with respect to RMD/ERU Water Credits sold or to release the lien of the Restrictive Covenant from a parcel.

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

"*ERU Building Credit Fee*" means the fee imposed under the Water Credit Fees Resolution for the sale of RMD/ERU Building Credits.

"*ERU Irrigation Credit Fee*" means the fee imposed under the Water Credit Fees Resolution for the sale of RMD/ERU Irrigation Credits.

"*ERU Purchase Agreement*" means the ERU Purchase Agreement, dated _____, 2021, between the Issuer and the Developer, pursuant to which the RMD/ERU Water Credits were purchased by the Issuer.

"*ERU Remedy Revenues*" means any revenues received as a result of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution after deduction of any reasonable cost incurred in the collection of such revenues.

"*Event of Default*" means any one or more of the events set forth in Section 8.01 hereof.

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

"*Fiscal Year*" means the 12-month period ending December 31 of each calendar year.

"*Indenture*" means this Indenture of Trust (Subordinate) as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

"*Interest Cost*" means, with respect to any relevant obligation or obligations, the total amount of interest to accrue on such obligations (including compounded interest) from the date of calculation to their respective maturities. In all cases Interest Cost shall be computed without regard to any option of redemption prior to the designated maturity dates of the obligations. For any obligation having no maturities prior to the final stated maturity date of the entire series of such obligations and no mandatory sinking fund redemptions (e.g., a "cash-flow bond"), for purposes of this definition, 100% of the then-outstanding principal of that obligation shall be assumed to mature at the final stated maturity date, and no interest shall be assumed to be paid prior to such final stated maturity date (rather, interest shall assume to accrue and compound to such final stated maturity date in accordance with the applicable documents authorizing such obligation).

"*Interest Payment Date*" means December 15 of each year, commencing December 15, 2021 and continuing for so long as the Bonds are Outstanding.

"*Issuer*" means the Reunion Metropolitan District, Commerce City, Colorado, Acting by and through its Water Activity Enterprise.

"*Issuer Representative*" means any member of the Board (acting by and through its Water Activity Enterprise) or the person or persons at the time designated to act on behalf of the Issuer by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the Issuer by its President or Vice President and attested by its Secretary or Assistant Secretary, and any alternate or alternates designated as such therein.

"*Junior Lien Obligations*" means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Subordinate Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, and designated by the Issuer, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Junior Lien Obligation hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04 hereof. Any Junior Lien Obligations hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuer.

"*LCF*" means, collectively, DIBC Buffalo Hills Ranch, LLC; FFP-DIA, LLC; and DIBC 96th And Potomac, LLC.

"*Letter of Representations*" means the Blanket Issuer Letter of Representations from the Issuer to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

"*Mandatory Redemption Date*" shall have the meaning assigned it in Section 5.01(b) hereof.

"*Mandatory Redemption Price*" shall have the meaning assigned it in Section 5.01(b) hereof.

"*Net Bulk Sale Proceeds*" means the Bulk Sale Proceeds, less all Trustee Sale Costs.

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

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

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

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

"*Parity Bonds*" means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Subordinate Pledged Revenue or any part thereof on parity with the lien thereon of the Bonds, and designated by the Issuer, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Parity Bond hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04 hereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuer, and shall be designated in such resolutions, indentures or other documents as constituting Parity Bonds hereunder.

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

"*Permitted ERU Irrigation Use*" means use by the District or a metropolitan district organized pursuant to the Act for water service for irrigation of public areas located in the District's water service area.

"*Permitted Investments*" means any investment or deposit the Issuer is permitted to make under then applicable law.

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

(a) Such refunding obligations are issued solely for the purpose of refunding all or any part of the Bonds or any other Parity Bonds and paying costs in connection

therewith, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the Issuer's scheduled debt service in *any* year from the scheduled debt service in effect prior to the issuance of such refunding obligations. For purposes of the foregoing:

(i) obligations issued for refunding all or any part of the Bonds or any other Parity Bonds which have any scheduled payment dates in any year which is after the maturity of the bonds being refunded shall be deemed to increase the Issuer's debt service in any year; and

(ii) if the Effective Interest Rate of the refunding obligations (calculated as of the date of issuance of such refunding obligations) will be at least 25 basis points *less* than the Effective Interest Rate of the Bonds and any other Parity Bonds being refunded (calculated without giving effect to the refunding of such refunded obligations), then such refunding obligations shall be deemed *not* to increase the District's scheduled debt service in any year.

(c) Such refunding obligations are payable on the same day or days of the calendar year as the Bonds and any other Parity Bonds being refunded.

(d) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Bonds and any other Parity Bonds being refunded.

"*Project*" means the acquisition of the RMD/ERU Water Credits.

"*Project Costs*" means the Issuer's costs properly attributable to the Project or any part thereof, including without limitation:

(a) the ERU Purchase Price;

(b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes, or other municipal or governmental charges lawfully levied or assessed;

(c) administrative and general overhead costs;

(d) the costs of surveys, appraisals, plans, designs, specifications, and estimates;

(e) the costs, fees, and expenses of printers, engineers, financial consultants, accountants, legal advisors, or other agents or employees;

(f) the costs of publishing, reproducing, posting, mailing, or recording documents;

(g) the costs of contingencies or reserves;

(h) the costs of issuing the Bonds;

(i) the costs of amending this Indenture, the 2021A Senior Indenture, the Bond Resolution, or any other instrument relating to the Bonds, the 2021A Senior Bonds, or the Project;

(j) the costs of repaying any short-term financing and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(k) the costs of acquiring any property, rights, easements, licenses, privileges, agreements, and franchises;

(l) the costs of organizing the District; and

(m) all other lawful costs as determined by the Board.

"*Property Owners*" means, collectively, the Developer; Shea; LCF; and any other person or entity designated as a Property Owner by written certificate furnished to the Trustee by the Developer.

"*Record Date*" means the last day of the calendar month next preceding the Interest Payment Date.

"*Refunding Senior Obligations*" means Senior Obligations issued solely for the purpose of refunding all or any portion of the 2021A Senior Bonds, any other Senior Obligations, the Bonds, or any other Parity Bonds; provided, however, that proceeds of such Senior Obligations may also be applied to pay all expenses in connection with such refunding, to fund reserve funds and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding.

"*Restrictive Covenant*" means the Declaration of ERU Covenants and Restrictions, dated _____, 2021 made by the Developer.

"*RMD/ERU Building Credits*" means the 5,953 RMD/ERU Water Credits designated for use in providing private potable or irrigation water service to private property and buildings.

"*RMD/ERU Irrigation Credits*" means the 1,283 ERU water rights credits for Permitted ERU Irrigation Uses.

"*RMD/ERU Water Credits*" means the 7,236 ERU water rights credits conveyed to the Issuer pursuant to the ERU Purchase Agreement, comprised of the RMD/ERU Irrigation Credits and the RMD/ERU Building Credits.

"*Senior Obligations*" means, collectively, the 2021A Senior Bonds, any obligations constituting "Parity Bonds" under the 2021A Senior Indenture, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04 hereof. Any Senior Obligations hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the Issuer, and shall be designated in such resolutions, indentures or other documents as constituting Senior Obligations hereunder.

"*Senior Obligation Bond Fund*" means any fund or account created for the purpose of accumulating revenues to pay, with respect to any Senior Obligations, the current year's principal and interest due thereon, including any scheduled mandatory or cumulative sinking fund payments, and customary periodic fees due with respect to any Senior Obligations (including, but not limited to, fees of a trustee, paying agent, rebate agent, lender and provider of liquidity or credit facility), and any reimbursement due to a provider of liquidity or credit facility securing any Senior Obligations.

"*Senior Obligation Reserve Fund*" means any fund or account created for the purpose of securing the payment of Senior Obligations, which fund or account is fully funded as of the date of issuance of the applicable Senior Obligation; excluding, however, any Senior Obligation Bond Fund and any Senior Obligation Surplus Fund.

"*Senior Obligation Surplus Fund*" means any fund or account created for the purpose of securing the payment of Senior Obligations, which fund or account is not initially fully funded on the date of issuance of the Senior Obligations, but, rather, is to be funded from revenues accumulated after the date of issuance of such Senior Obligations; excluding, however, any Senior Obligation Bond Fund.

"*Service Plan*" means the Service Plan for the District approved by the City Council of the City on August 21, 2000 (as the same may be further amended or restated from time to time).

"*Shea*" means Shea Homes Limited Partnership.

"*South Adams*" means South Adams County Water and Sanitation District, Adams County, Colorado.

"*Special Record Date*" means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to this Indenture.

"*State*" means the State of Colorado.

"*Subordinate Bond Fund*" means the "Reunion Metropolitan District, Acting by and Through Its Water Activity Enterprise, Subordinate Special Revenue Bonds, Series 2021B, Subordinate Bond Fund," established by Section 3.02 hereof for the purpose of paying the principal of, premium if any, and interest on the Bonds.

"*Subordinate Pledged Revenue*" means the following, net of any costs of collection (to the extent not previously deducted by definition):

(a) any of the following remaining after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations;

(i) all Water Credit Fee Revenues;

(ii) all Net Bulk Sale Proceeds;

(iii) all ERU Remedy Revenues; and

(b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

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

"*Tax Certificate*" means the certificate to be signed by the Issuer relating to the requirements of Sections 103 and 141-150 of the Code, and any amendment or modification of any such certificate, instrument or instructions that is accompanied by an opinion of Bond Counsel stating that the amendment or modification will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

"*Trust Estate*" means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses hereof.

"*Trustee*" means UMB Bank, n.a., in Denver, Colorado, in its capacity as trustee hereunder, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture.

"*Trustee Fees*" means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties hereunder (and under any other indenture entered into by the Issuer in connection with Parity Bonds or Junior Lien Obligations), as the same become due and payable as described in Section 9.02(a) hereof, but not in excess of $5,500 annually per bond issue then outstanding; provided however, that (i) the foregoing $5,500 shall be reduced to $4,500 for the Bonds (resulting in a total of $10,000 for the Bonds and the 2021A Senior Bonds, collectively) and (ii) this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in Section 9.02(b) hereof, which expenses shall be payable by the Issuer in accordance with the provisions thereof, or Trustee Sale Costs.

"*Trustee Sale Costs*" means all reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing of RMD/ERU Water Credits, and includes reasonable fees of Counsel and legal expenses incurred by the Trustee in conjunction with the Bulk Sale.

"*UCC Notice Date*" shall mean the date the notice required by Section 8.13(c) hereof is sent.

"*UCC Statement*" means the UCC-1 financing statement filed by the Trustee on _____, 2021 naming the Issuer, as debtor, and the Trustee for the benefit of the Owners, as secured party, including as amended by the filing of any amendments thereto.

"*Underwriter*" means Piper Sandler & Co., of Denver, Colorado, the original purchaser of the Bonds.

"*Water Credit Fee Revenues*" means all amounts received by the Issuer from Water Credit Fees, after release thereof from the Bulk Sale Escrow Fund in accordance with the provisions of the 2021A Senior Indenture and Section 3.07 hereof, as applicable.

"*Water Credit Fees Resolution*" means the Resolution of the Board, acting by and through its Water Activity Enterprise, adopted on _____, 2021.

"*Water Credit Fees*" means collectively, the ERU Building Credit Fee and the ERU Irrigation Credit Fee. For the avoidance of doubt, Water Credit Fees do not include the District Administrative Fee or any transfer fees imposed by South Adams.

"*2021A Senior Bonds*" means the Issuer's Special Revenue Bonds, Series 2021A, in the aggregate principal amount of $[SERIES A PAR] dated as of the date of issuance and issued by the District pursuant to the 2021A Senior Indenture.

"*2021A Senior Indenture*" means the Indenture of Trust (Senior) dated as of [Indenture Month] 1, 2021, by and between the Issuer and UMB Bank, n.a., as trustee, authorizing the issuance of the 2021A Senior Bonds.

Section 1.02. Interpretation. In this Indenture, unless the context otherwise requires:

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

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word "person" or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Indenture;

(d) articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated;

(e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(f) in no event shall the term "available" when used to modify revenue described herein be interpreted to mean that the Trustee or the Issuer has any discretion to determine that only a portion of such revenue shall be applied as provided herein; and

(g) all exhibits referred to herein are incorporated herein by reference.

Section 1.03. Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (a) the principal of and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (b) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

Section 1.04. Exclusion of Bonds Held by the Issuer. In determining whether the Consent Parties with respect to the requisite principal amount of the Outstanding Bonds have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds for which the Issuer is the Consent Party shall be disregarded and deemed not to be Outstanding.

Section 1.05. Certificates and Opinions.

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel,

unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

Section 1.06. Acts of Consent Parties.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Consent Parties may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Consent Party in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in subsection (b) hereof shall be sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the Issuer.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Consent Parties with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive and binding upon all present and future Owners and Consent Parties if the Consent Parties with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Consent Party (notwithstanding whether such action was also taken by any other Owner or Consent Party) shall bind the Owner and the Consent Party, and the Owner of and Consent Party with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in

reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

Section 1.07. Indenture to Constitute Contract. This Indenture shall constitute a contract among the Issuer, the Trustee, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding hereunder.

ARTICLE II

THE BONDS

Section 2.01. Authorization, Terms, Payment, and Form of Bonds.

(a) In accordance with the Constitution of the State; the Supplemental Act; Title 32, Article 1, Part 11, C.R.S.; Part 4 of Article 35 of Title 31, C.R.S.; Section 37-45.1-101 et seq., C.R.S.; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes hereinafter stated. The aggregate principal amount of the Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed $[SERIES B PAR], except as provided in Section 2.06 and Section 2.09 hereof.

(b) The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the Issuer shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by "RB-."

(c) The Bonds shall be dated as of the date of issuance, and shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the rates per annum, set forth in the following table, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Subordinate Pledged Revenue available therefor annually on each December 15, commencing on December 15, 2021:

Principal Amount	**Maturity Date**	**Interest Rate**
$[SERIES B PAR]	[December 15, 2044]	

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

such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

(e) Interest payments shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to the Owners. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Trustee; provided that the Issuer shall not be required to make funds available to the Trustee prior to the dates on which such interest would otherwise be payable hereunder, nor to incur any expenses in connection with such alternative means of payment.

(f) To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid, subject to Section 7.03 hereof. To the extent interest on any Bond is not paid when due, such interest shall compound annually on each Interest Payment Date, at the interest rate then borne by the Bond.

(g) Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. The Issuer may cause a copy of the text of the opinion of Bond Counsel to be printed on the Bonds. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02. Purpose of Issuance of Bonds. The Bonds are being issued for the purpose of paying Project Costs, comprised of paying a portion of amounts due and payable to the Developer under the ERU Purchase Agreement.

Section 2.03. Trustee as Paying Agent and Bond Registrar.

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The Issuer shall cause the Underwriter to provide the Trustee with an initial registry of the Owners within a reasonable time prior to delivery of the Bonds. The Issuer shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the Issuer.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively "**transfer**") the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the Midwest, New York, or American Stock Exchange, or by a bank or trust company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) The Issuer shall furnish the Trustee with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the Issuer in the manner set forth herein.

(e) In the event the Issuer receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

Section 2.04. Execution of Bonds; Signatures. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the President of the Issuer, sealed with a manual impression or facsimile of its corporate seal, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Issuer. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the Issuer before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Persons Treated as Owners. The Issuer and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the Issuer nor the Trustee shall be affected by notice to the contrary.

Section 2.06. Lost, Stolen, Destroyed, or Mutilated Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, provide such indemnification satisfactory to the Trustee, and present such proof of ownership and loss as may be required by the Trustee. If lost, stolen, destroyed or mutilated, (a)

the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same series, date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07. Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, directed by the Issuer and in accordance with a written certificate of the Issuer. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the Issuer as to the names of the purchasers and the amount of such purchase price.

Section 2.08. Trustee's Authentication Certificate. The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit A attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09. Registration, Exchange, and Transfer of Bonds.

(a) The Trustee shall act as bond registrar and maintain the books of the Issuer for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The Issuer and Trustee shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date, or (ii) during the period beginning at the opening of business on a date 25 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.10. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.11. Non-Presentment of Bonds. In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Subordinate Bond Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the Issuer to the Owner or Owners thereof for the payment of such Bonds, shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the owner or owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, this Indenture. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of three years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the Issuer the funds theretofore held by it for payment of such Bond and payment of such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer. The obligations of the Trustee under this Section shall be subject, however, to any

law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

Section 2.12. Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the Issuer nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The Issuer and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the Issuer pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the Issuer or, if the Issuer determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Issuer that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III

REVENUES AND FUNDS

Section 3.01. Source of Payment of Bonds. The Bonds shall constitute special revenue obligations of the Issuer payable from the Subordinate Pledged Revenue as provided herein. Principal of the Bonds, together with the interest thereon and any premium due in connection

therewith, shall be payable from and to the extent of the Subordinate Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Subordinate Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Subordinate Pledged Revenue, but not necessarily an exclusive such lien. The Bonds are secured by a lien on the Subordinate Pledged Revenue on parity with the lien thereon of any Parity Bonds issued hereafter.

Section 3.02. Creation of Funds and Accounts. There are hereby created and established the Subordinate Bond Fund and, therein, the Subordinate Interest Account and the Subordinate Mandatory Redemption Account. Such funds and accounts shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of this Indenture.

Section 3.03. Reserved.

Section 3.04. Reserved.

Section 3.05. Application of Subordinate Pledged Revenue. The Issuer is to cause all Subordinate Pledged Revenue to be deposited with the Trustee promptly upon receipt. The Trustee shall credit all Subordinate Pledged Revenue as received in the following order of priority (excluding the Subordinate Pledged Revenue described in clause (a)(ii) of the definition thereof, which is to be applied pursuant to Section 8.13(e) hereof and excluding the Subordinate Pledged Revenue described in clause (b) of the definition thereof, which is to be deposited directly to the Subordinate Bond Fund). IN NO EVENT IS THE ISSUER PERMITED TO WITHHOLD ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE OR TO APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS SET FORTH IN THIS INDENTURE. For purposes of the following, (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank *pari passu* with each other; (b) with respect to the priorities established below, no Subordinate Pledged Revenue shall flow to a lower priority until all of the higher priorities have been fully funded; and (c) when credits are required to go to funds or accounts which are not held by the Trustee under this Indenture, the Trustee may rely upon the written instructions of the Issuer with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Issuer, in the amount budgeted by the Issuer to pay Administrative Expenses for the coming Fiscal Year, to the extent that such Administrative Expenses have not been fully paid through application of revenues available under the 2021A Senior Indenture or under any resolutions, indentures, or other documents pursuant to which other Senior Obligations have been issued;

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

THIRD: To the credit of the Subordinate Bond Fund and any other fund or account created for the payment of the principal of, premium if any, and interest on Parity Bonds, including any sinking fund, reserve fund, surplus fund or similar fund or account established therefor, pro rata in accordance with the then outstanding principal amounts of the Bonds and any Parity Bonds, all Subordinate Pledged Revenue received until the

funding of all amounts to become due and payable on the Bonds and the Parity Bonds through maturity; and

FOURTH: To the Issuer, for credit to any other fund or account as may be designated by the Issuer in writing to the Trustee, to be used for any lawful purpose, any Subordinate Pledged Revenue received for the remainder of the Bond Year after the payments and accumulations set forth above.

The Issuer covenants that Subordinate Pledged Revenue shall be available for application in FOURTH in a particular Bond Year ONLY after all of the amounts required in FIRST through FOURTH have been fully funded and such deposits will accomplish the full repayment or defeasance of the Bonds and the Parity Bonds in such Bond Year.

Section 3.06. Subordinate Bond Fund. Moneys in the Subordinate Bond Fund shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Bonds, in the following order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as follows.

(a) Subordinate Pledged Revenue required to be credited to the Subordinate Bond Fund in accordance with Section 3.05 hereof shall be credited each Bond Year as received as follows:

FIRST: to the credit of the Subordinate Interest Account, the amount required for amounts on deposit therein to equal the interest due and payable on the Bonds in such Bond Year; and

SECOND: to the credit of the Subordinate Mandatory Redemption Account, all remaining Subordinate Pledged Revenue credited to the Subordinate Bond Fund for such Bond Year.

(b) On each Interest Payment Date, the Trustee is to apply amounts on deposit in the Subordinate Interest Account to the payment of interest on the Bonds (including current interest, accrued but unpaid interest and unpaid compound interest, and including the accrued interest portion of any Mandatory Redemption Price) then due.

(c) On the 25th day prior to each Mandatory Redemption Date, the Trustee shall determine the amounts on deposit in the Subordinate Mandatory Redemption Account available for application to redemption of the Bonds in accordance with Section 5.01(b) hereof, taking into account any requirements of Section 5.02 hereof with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Redemption Date as a result of amounts credited to the Subordinate Mandatory Redemption Account, as provided in Section 5.02 hereof.

(d) On each Mandatory Redemption Date, the Trustee is to apply amounts on deposit in the Subordinate Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price.

(e) Moneys credited to the Subordinate Bond Fund may be invested or deposited as provided in Section 6.01 hereof.

(f) The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to Section 5.01(b) hereof and paragraph (d) of this Section 3.06.

(g) Notwithstanding any of the foregoing, in no event shall any principal, interest or Mandatory Redemption Price be paid on the Bonds until such time as there has been paid in full or defeased the 2021A Senior Bonds and any other Senior Obligations issued by the Issuer.

Section 3.07. The Bulk Sale Escrow Fund.

(a) So long as the 2021A Senior Bonds or any Senior Obligations are outstanding, the provisions of the 2021A Senior Indenture and any indenture securing any Senior Obligations, as applicable, shall control the use of the Bulk Sale Escrow Fund.

(b) The Bulk Sale Escrow Fund shall be maintained by the Trustee. The Bulk Sale Escrow Fund shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(c) All amounts in the Bulk Sale Escrow Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture.

(d) Upon consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser, the Trustee shall release all amounts in the Bulk Sale Escrow Fund for application in accordance with Section 8.13(e) hereof.

(e) In the event that South Adams confirms it will not assign the RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall return all Bulk Sale Proceeds to the Bulk Sale Purchaser.

(f) Notwithstanding any of the foregoing, in no event shall any Water Credit Fees be transferred into the Subordinate Bond Fund until such time as there has been paid in full or defeased the 2021A Senior Bonds and any other Senior Obligations issued by the Issuer.

Section 3.08. Trustee's Fees, Charges, and Expenses. The Issuer shall pay the Trustee's fees for services rendered hereunder in accordance with its then-current schedule of fees and reimburse the Trustee for all advances, legal fees, and other expenses reasonably or necessarily made or incurred by, in, or about the execution of the trust created by this Indenture and in or about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever, unless such liabilities resulted from the negligence or willful misconduct of the Trustee.

Section 3.09. Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for moneys paid to Trustee for its fees and expenses, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the extent otherwise specifically provided in Article VII, and Section 8.05 hereof, the Issuer shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

Section 3.10. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of Subordinate Pledged Revenue and funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Subordinate Pledged Revenue pledged to the payment of the Bonds 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 on parity with the lien thereon of the Parity Bonds (if any), excluding the Subordinate Pledged Revenue described in clause (d) of the definition thereof. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Section 3.11. Release of Lien. Within Seven (7) Business Days of receipt by the Trustee of certification by the Issuer, in the form attached as Exhibit E hereto, that the conditions of the Water Credit Fees Resolution have been met, the Trustee shall file an amendment to the UCC Statement releasing the number of ERU Water Credits for which such Water Credit Fees were paid and stating the total number of ERU Water Credits which remain subject to the lien of the Indenture.

ARTICLE IV

COVENANTS OF ISSUER

Section 4.01. Performance of Covenants, Authority. The Issuer covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the constitution and laws of the State, including, particularly and without limitation, the Act, to issue the Bonds and to execute this Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable obligations of the Issuer according to the terms thereof.

Section 4.02. Reserved.

Section 4.03. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, and pledging unto the Trustee all and singular the Trust Estate.

Section 4.04. Additional Obligations.

(a) Any Additional Obligations of the Issuer shall be issued as Parity Bonds, Senior Obligations or Junior Lien Obligations. The issuance of the 2021A Senior Bonds in accordance with the 2021A Senior Indenture is permitted, notwithstanding any provision of this Section 4.04. The Issuer shall not issue or incur any other Additional Obligations except as provided in this Section, and only the Issuer (and not the District) is permitted to use or incur Additional Obligations having a lien upon the Subordinate Pledged Revenue.

(b) The Issuer may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the Issuer in its absolute discretion.

(c) Subject to paragraph (b) above with respect to Permitted Refunding Bonds, the Issuer may issue Additional Obligations constituting Parity Bonds, Senior Obligations or Junior Lien Obligations if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Bonds then Outstanding.

(d) The Issuer may issue Additional Obligations constituting Senior Obligations without the consent of the Consent Parties provided that the following conditions are satisfied:

(i) the proposed Senior Obligations will constitute Refunding Senior Obligations and, upon issuance of such Refunding Senior Obligations, the total of the Issuer's scheduled debt service on such Refunding Senior Obligations and any other Senior Obligations (to the extent to remain outstanding upon the issuance of such Refunding Senior Obligations) will not exceed in any year the total scheduled debt service on the Senior Obligations outstanding immediately prior to the issuance of such Refunding Senior Obligations (excluding from such calculation of debt service any amount on deposit in a reserve fund anticipated to be available for payment of debt service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, the issuance of Refunding Senior Obligations that have a scheduled payment date in any year that is after the latest maturity date of the Senior Obligations outstanding immediately prior to the issuance of the Refunding Senior Obligations shall be deemed to increase the Issuer's Senior Obligations debt service and shall not be permitted by this clause (i); and

(ii) the Senior Obligation Surplus Fund and Senior Obligation Reserve Fund, if any, securing such Senior Obligations shall not together be required or permitted to be funded in excess of an aggregate amount equal to 20% of the outstanding par amount of such Senior Obligations; and

(iii) the remedies for defaults under such Senior Obligations are substantially the same as the remedies applicable to the Senior Obligations being refunded.

(e) The Issuer may issue Additional Obligations constituting Junior Lien Obligations without the consent of the Consent Parties and the terms of such Junior Lien

Obligations shall be as provided in the documents pursuant to which they are issued, provided that each of the following conditions shall apply to the Junior Lien Obligations:

(i) the failure to make a payment when due on the Junior Lien Obligations shall not constitute an event of default thereunder; and

(ii) the Junior Lien Obligations shall be payable as to both principal and interest only after the payment or defeasance of the full amount of the Bonds.

(f) A written certificate by the President or Treasurer of the Issuer that the conditions set forth herein are met shall conclusively determine the right of the Issuer to authorize, issue, sell, and deliver Additional Obligations in accordance herewith.

(g) Nothing herein shall affect or restrict the right of the Issuer to issue or incur obligations that are not Additional Obligations hereunder.

(h) Notwithstanding any other provision contained herein, under no circumstances shall the Issuer issue Additional Obligations in excess of that authorized by the District's Service Plan, as the same may be amended from time to time.

Section 4.05. Additional Covenants and Agreements. The Issuer hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The Issuer will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Bonds, and will continue to operate and manage the Issuer and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the Issuer will cause the District to perform an audit to of the records relating to the District's revenues and expenditures, and the Issuer shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the Issuer will cause the District to prepare and adopt a budget. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The Issuer will cause the District to carry general liability, public officials liability, and such other forms of insurance coverage on insurable District and Issuer property, as applicable, upon the terms and conditions, and in such amount, as in the judgment of the Issuer will protect the Issuer and its operations.

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

(e) In the event that an exemption from registration for the Bonds under the Colorado Municipal Bond Supervision Act (including any rules or orders promulgated thereunder) becomes available that permits the issuance or reissuance of the Bonds in denominations of $1,000 or integral multiples thereof, and if requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds, the Issuer shall, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend this Indenture as may be required in connection therewith, and issue or reissue the Bonds in denominations of $1,000 or integral multiples thereof.

(f) Beside the lien of the 2021A Senior Indenture and this Indenture (and any indenture relating to Senior Obligations, Parity Bonds, or Junio Lien Obligations) evidenced by the UCC Statement, the Issuer will not grant a security interest in or otherwise encumber the RMD/ERU Water Credits.

(g) The Issuer will not sell more than 1,283 RMD/ERU Water Credits for Permitted Irrigation Uses.

(h) The Issuer shall use all commercially reasonable efforts to timely sell the RMD/ERU Water Credits in accordance with the terms of the Water Credit Fees Resolution.

(i) The Issuer will enforce the Water Credit Fees Resolution and any remedies available to the Issuer thereunder, will enforce the collection of all Water Credit Fees in such time and manner as the Issuer reasonably determines will be most efficacious in collecting the same, will apply the Water Credit Fees as required under the Water Credit Fees Resolution, and will not reduce the amount of the Water Credit Fees, or amend or supplement the Water Credit Fees Resolution in any way which would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

(j) The Issuer shall take no action that would cause the Water Activity Enterprise to fail to qualify as an enterprise under Article X, Section 20 of the Colorado Constitution unless it receives an opinion of Bond Counsel to the effect that termination of such status will not reduce or delay the collection or disbursement of Subordinate Pledged Revenues or otherwise adversely affect the Owners of the Bonds.

(k) Except sales of the RMD/ERU Water Credits pursuant to the Water Fee Credit Resolution and Section 8.13 hereof, the Issuer will not sell, convey or otherwise dispose of all or any part of the Project to any Person unless (a) Bond Counsel has delivered a written opinion to the effect that such sale or other disposal will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any Bonds that will be outstanding after such sale or other disposal or the exemption of any such Bonds and the transfer of and income from any such Bonds from all taxation and assessments in the State, and (b) a Financial Consultant has delivered a certificate to the effect that such sale or other disposal will not adversely affect the Issuer's ability to collect the Subordinate

Pledged Revenue or pay the Bonds when due, or materially affect the rights of Owners of the Bonds. This shall not limit the power of the Issuer to dispose of surplus property or to enter into contracts with respect to the lease or operation of all of any part of the Project (subject to any covenants of the Issuer set forth in the Tax Certificate).

(l) The Issuer will not amend or supplement any of the documents pertaining to the Senior Obligations in any way which (i) alters the amortization of the principal of such Senior Obligations; or (ii) increases the rate or rates of interest borne by the Senior Obligations, except upon the prior written consent of the Consent Parties with respect to 100% in aggregate principal amount of the Bonds.

(m) The Issuer will enforce the Restrictive Covenant and any remedies available to the Issuer thereunder and will not consent to an amendment or supplement to the Restrictive Covenant which would materially adversely affect in any way the Owners of the Bonds, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

(n) The Issuer shall not impose any rates, tolls, fees, penalties, or other charges, or engage in any other action or omission that may materially impair future development or that could adversely affect the amount of Subordinate Pledged Revenue or delay the timing of the Issuer's transfer to the Trustee promptly upon receipt thereof.

(o) The Issuer shall not directly or indirectly, and shall not consent to the District directly or indirectly, acquiring other water rights or acquiring, constructing, or operating any water system facility that will compete with the demand for the RMD/ERU Water Credits or otherwise materially adversely affect the rights of the Owners of the Bonds.

ARTICLE V

PRIOR REDEMPTION

Section 5.01. Prior Redemption.

(a) ***Optional Redemption***. The Bonds are subject to redemption prior to maturity, at the option of the Issuer, as a whole or in integral multiples of $1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the Issuer shall determine and pro rata within maturities), on _____ 1, 20__, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

Date of Redemption	Redemption Premium
_____ 1, 20__ to _____ [31], 20__	3.00%
_____ 1, 20__ to _____ [31], 20__	2.00
_____ 1, 20__ to _____ [31], 20__	1.00
_____ 1, 20__ and thereafter	0.00

(b) ***Mandatory Redemption***. The Bonds are subject to mandatory redemption in part pro rata on December 15 of each year (each a "**Mandatory Redemption Date**"), commencing December 15, 2021, to the extent of moneys on deposit, if any, in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 25 days prior to the applicable Mandatory Redemption Date, and subject to any minimum requirements with respect to the principal amount of Bonds to be redeemed as set forth in Section 5.02 hereof, at a redemption price (the "**Mandatory Redemption Price**") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Bonds pursuant to this paragraph.

Section 5.02. Redemption Procedure and Notice.

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

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the Issuer by the Trustee. Failure to give such notice by mailing to any Owner or by electronic means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the Issuer. All Bonds so called for redemption will cease to bear interest after the specified redemption

date, provided funds for their redemption are on deposit at the place of payment at that time.

ARTICLE VI

INVESTMENTS

Section 6.01. Investments.

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, upon receipt by the Trustee of written direction of the Issuer Representative, in Permitted Investments only. The Trustee may conclusively rely upon the Issuer Representative's written instruction as to both the suitability and legality of the directed investments. If the Issuer fails to provide written directions concerning investment of moneys held by the Trustee, the Trustee shall, in accordance with this subsection, invest and reinvest the moneys in a money market fund which is a Permitted Investment, subject to any other requirements of this Section 6.01. Any such investments shall mature, be redeemable at the option of the owner thereof, pay interest or, in the case of money market funds, shall be available for withdrawal, no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee under the Indenture shall be credited to the fund or account from which the moneys invested were derived.

(b) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. The Trustee is not required to issue confirmations of Permitted Investments for any month in which a monthly statement is rendered by the Trustee. The Trustee will not issue a monthly statement for any fund or account if no activity occurred in such fund or account during such month. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the Issuer Representative shall confirm that the investment transactions identified therein accurately reflect the investment directions of the Issuer Representative, unless the Issuer Representative notified the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

Section 6.02. Tax Matters.

(a) The Issuer shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The Issuer shall not use or permit the use of any proceeds of Bonds or any funds of the Issuer, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the Issuer shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Issuer shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time the Issuer is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the Issuer under this Indenture, the Issuer shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) The Issuer specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(d) The covenants contained in this Section shall continue in effect until all Bonds are fully paid, satisfied, and discharged.

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Discharge of the Lien of the Indenture.

(a) If the Issuer shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the Issuer under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 7.01 if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant. With respect to any accrued and unpaid interest on the Bonds, including any compound interest remaining unpaid, it is acknowledged that such amounts are due and payable immediately at the time of funding any escrow intended to accomplish a defeasance of the Bonds. Upon the funding of an escrow defeasing Bonds in accordance with the provisions of this Section 7.01, the Bonds shall cease to be subject to mandatory redemption in accordance with the provisions of Section 5.01(b), and the principal of the Bonds shall be due and payable only on the designated redemption date(s).

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with Section 6.02 hereof; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Bonds when due.

(e) The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the Issuer for all services rendered by it hereunder and all its reasonable expenses, charges,

and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

Section 7.02. Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

Section 7.03. Discharge Upon Disposition of All RMD/ERU Water Credits. Notwithstanding any other provision in this Indenture, in the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under any indenture securing any Senior Obligations, this Indenture, the Restrictive Covenant and the Water Credits Fees Resolution, the Bonds and the lien of this Indenture securing payment thereof shall be deemed discharged, the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The Issuer fails to pay the principal on the Bonds on the final maturity date;

(b) The Issuer fails or refuses to apply the Subordinate Pledged Revenue as required by this Indenture;

(c) The Issuer fails to pay the principal of or interest on any Senior Obligations when due;

(d) The Issuer transfers money from a Senior Obligation Reserve Fund to a Senior Obligation Bond Fund (other than to redeem all Senior Obligations secured by such Senior Obligation Reserve Fund or at final maturity of such Senior Obligation);

(e) The Issuer defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; or

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

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

Section 8.02. Remedies on Occurrence of Event of Default.

(a) Upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

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

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

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

(iv) *Acceleration*. For an Event of Default under Section 8.01(a) or (c) hereof, the Trustee shall (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) declare all principal and interest on the Bonds due and payable.

(b) No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of this Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

(c) If any Event of Default under Section 8.01(a), (b), or (c) shall have occurred and if requested by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to Section 8.03 hereof; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof.

(d) The Bonds shall be subject to acceleration upon the occurrence of an Event of Default under Section 8.01(a) or (c) hereof (unless directed otherwise by the Owners pursuant to Section 8.03 hereof). Other than for an Event of Default under Section 8.01(a) or (c) hereof, acceleration of the Bonds shall not be an available remedy for an Event of Default.

Section 8.03. Majority of Consent Parties May Control Proceedings. The Consent Parties of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture (including any actions to be taken by the Trustee pursuant to Section 8.13 hereof with respect to the Bulk Sale), or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

Section 8.04. Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which under that Section it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this

Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and costs of any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate accounts or accounts created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds has been paid in full. Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section 8.05 and all expenses and fees of the Trustee have been paid, any balance remaining in any of the funds held hereunder shall be paid to the Issuer.

Section 8.06. Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 8.07. Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Issuer, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 8.10. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such

proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(b) hereof. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the Issuer, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12. Notice of Default; Opportunity to Cure Defaults.

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors, of all Events of Default of which the Trustee is by Section 9.01(h) required to take notice, or if notice of an Event of Default is given as provided in said section, within 90 days after the Trustee has knowledge of the occurrence of such default or Event of Default unless such default or Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under subsection 8.01(d) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the Issuer, and the Issuer shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Section 8.13. Bulk Sale upon Payment Default; Procedure.

(a) *Notice of Insufficient Moneys for Payment*. If on June 1, 2044 there are insufficient moneys in the Subordinate Bond Fund to pay principal and interest on the Bonds on December 15, 2044, the Trustee shall provide written notice thereof to the Issuer and the Property Owners, in the form attached as Exhibit B hereto indicating the amount

of such shortfall and the amount of any applicable Water Credit Fee Revenue Shortfall under the 2021A Senior Indenture (as defined therein).

(b) *Commencement of Bulk Sale Upon Occurrence of Certain Events of Default*. Upon the occurrence of an Event of Default under Section 8.01(a), (c), or (d) above, the Trustee shall: (i) provide written notice thereof to the Issuer, the Property Owners, and the Owners of the Bonds, and the registered owners of any Parity Bonds, in the form attached as Exhibit C hereto, and (ii) promptly take such actions as the Trustee, being advised by Counsel and any consultant engaged by the Trustee to advise on such matters, shall deem most expedient and in the interests of the Owners in accordance with the provisions of the Colorado UCC, to (A) (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) declare all principal and interest on the Bonds and any Parity Bonds due and payable and (B) commence sale proceedings in a commercially reasonable manner and pursuant to this Section 8.13 with respect to all RMD/ERU Water Credits (unless directed otherwise by the Owners pursuant to Section 8.03 hereof) (the "**Bulk Sale**").

(c) *Notice of Bulk Sale.*

(i) At least twenty (20), but not earlier than thirty (30) days prior to the UCC Notice Date, the Trustee shall request (in a commercially reasonable manner) information concerning financing statements indexed under the Issuer's name with the office of the Colorado Secretary of State.

(ii) The UCC Notice Date shall occur only (A) after an Event of Default under Section 8.01(a), (c), or (d) above and (B) at least ten (10) days prior to the earliest time of the Bulk Sale.

(iii) On the UCC Notice Date, the Trustee shall provide written notice, in the form attached as Exhibit D hereto, to: (A) the Issuer; (B) the Owners of the Bonds; (C) the registered owners of any Senior Obligations, Parity Bonds or Junior Lien Obligations; (D) any person from which the Trustee has received (prior to the UCC Notice Date) an authenticated notification of a claim of an interest in the RMD/ERU Water Credits; (E) any other secured party or lienholder that, ten (10) days before the UCC Notice Date, held a security interest or other lien on the RMD/ERU Water Credits by the filing of a financing statement; and (F) any other secured party that ten (10) days before the UCC Notice Date, held a security interest in the RMD/ERU Water Credits perfected by compliance with a statute, regulation or treaty described in Section 4-9-311(a) of the Colorado UCC.

(d) *Timing and Manner of Bulk Sale*. No sooner than ten (10) days after the UCC Notice Date, the Trustee shall conduct the Bulk Sale. The Bulk Sale shall in all respects, including the method, manner, time, place, and other terms, be conducted in a commercially reasonable manner. Upon the completion of the Bulk Sale, the Trustee shall execute a transfer statement with respect to the RMD/ERU Water Credits sold pursuant to the Bulk Sale in accordance with Section 4-9-619 of the Colorado UCC for delivery to South Adams.

(e) *Application of Proceeds of Bulk Sale*. All Bulk Sale Proceeds shall immediately be deposited in the Bulk Sale Escrow Fund. Upon release from the Bulk Sale Escrow Fund in accordance with the provisions of the Senior Indenture and Section 3.11 hereof, as applicable, the Trustee shall first apply the Bulk Sale Proceeds to pay the Trustee Sale Costs and all amounts due in connection with any Senior Obligations; thereafter, the Trustee shall immediately apply (i) all remaining Net Bulk Sale Proceeds received to paragraph (b) and (ii) all moneys in funds and accounts held by the Trustee under this Indenture in the following order of priority:

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

SECOND: To the Owners, for payment of interest due and payable in connection with the Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) ratably, without preference or priority of any kind, according to the amounts due and payable on such Bond;

THIRD: To the Owners, for the payment of the principal of and premium, if any, on the Bonds, ratably, without preference or priority of any kind, according to the amounts due and payable on the Bonds for principal until paid in full;

FOURTH: To the payment of amounts due and payable in connection with any Junior Lien Obligations until paid in full; and

FIFTH: To the Issuer, to be used for any lawful purpose.

The Trustee may fix a record date and payment date for any payment to Owners pursuant to this Section. At least fifteen (15) days before such record date, the Trustee shall mail to each Owner and the Issuer a notice that states the record date, the payment date and the amount to be paid.

(f) *Release of Lien*. Within seven (7) Business Days after consent to assignment by South Adams of such RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall file an amendment to the UCC Statement releasing the number of RMD/ERU Water Credits for which such Net Bulk Sale Proceeds were paid, and stating the total number of RMD/ERU Water Credits which remain subject to the lien of the Indenture.

(g) *Actions of Trustee; Consultants*.

(i) The Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof for all actions taken pursuant to this Section 8.13.

(ii) The Trustee shall be entitled to engage such Counsel, accountants, experts and consultants as it reasonably determines are necessary and appropriate to carry out its duties under this Section 8.13, and to retain from any amounts received as a result of the Trustee's exercise of remedies under the Colorado UCC and the Bulk Sale, the Trustee Sale Costs.

Section 8.14. Limitations on Remedies and Application of Moneys. It is acknowledged that a portion of the Subordinate Pledged Revenue securing payment of the Bonds is subject to the prior lien thereon in favor of the 2021A Senior Bonds and any additional Senior Obligations issued hereafter. Except as to any of the duties the Trustee is required to perform prior to a default, as set forth in this Indenture, the Trustee or any Owner of the Bonds may not take any action hereunder which would unduly prejudice the rights of owners of the Senior Obligations with respect to such Subordinate Pledged Revenue. Furthermore, it is acknowledged that, notwithstanding the occurrence of an Event of Default, no portion of the Subordinate Pledged Revenue that is pledged on a senior basis to the Senior Obligations shall be applied to the payment of any amounts relating to the Bonds until the full satisfaction of all amounts then due with respect to any Senior Obligations (acknowledging that the Senior Obligations shall not be subject to acceleration upon the occurrence of an event of default under the applicable resolution, indenture, or other document pursuant to which any such Senior Obligation is issued).

ARTICLE IX

CONCERNING TRUSTEE

Section 9.01. Acceptance of Trusts and Duties of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in Section 9.01(g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an Opinion of Counsel, but the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon the advice or an opinion of Counsel chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the

Bonds, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of originally filed Uniform Commercial Code financing statements) and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer, except as herein set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture or the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual capacity or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee. The Trustee shall not be accountable for the use or application by the Issuer of the proceeds of any of the Bonds or of any money paid to or upon the order of the Issuer under any provision of this Indenture.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Issuer by the Issuer Representative or the Issuer's President or such other person as may be designated for such purpose as provided hereunder or by a certified resolution of the Issuer as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other

than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made of any of the payments to the Trustee required to be made hereby, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability to invest any moneys received hereunder except as provided in Article VI hereof.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the Issuer pertaining to the Bonds and the Subordinate Pledged Revenue, and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the Issuer.

(m) The Trustee shall not be required to advance its own funds, and before taking any action under this Indenture, other than the payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorneys' fees, and to protect it against all liability, except liability which has been adjudicated to have resulted from its gross negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture, or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

Section 9.02. Fees and Expenses of the Trustee. The Trustee shall be entitled to payment and reimbursement of its fees and expenses for ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services, including legal fees and expenses. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder. The Trustee reserves the right to renegotiate its current fees for ordinary services to correspond with changing economic conditions, inflation, and changing requirements relating to the Trustee's ordinary services. In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the gross negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor. The Trustee shall have a lien upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred and unpaid, but subject to the right of prior payment of the principal and interest on the Bonds when due. The Trustee's right to compensation and indemnification shall survive the satisfaction and discharge of this Indenture or the Trustee's resignation or removal hereunder and payment in full of the Bonds.

Section 9.03. Resignation or Replacement of Trustee.

(a) The Trustee may resign, subject to the appointment of a successor, by giving 30 days' notice of such resignation to the Issuer and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an instrument in writing, executed by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Issuer so long as it is not in default hereunder; otherwise by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact appointed; provided however, that even if the Issuer is

in default hereunder it may appoint a successor until a new successor shall be appointed by the Issuer or the Owners as herein authorized. The Issuer, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to the address shown on the registration books maintained by the Trustee, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Issuer or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as applicable.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital surplus of not less than $50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the Issuer is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those instruments shall be made, executed, acknowledged, and delivered by the Issuer on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

Section 9.04. Conversion, Consolidation, or Merger of Trustee. Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

Section 9.05. Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the

approval of any expert for any of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

Section 9.06. Consent to Restrictive Covenant. By acceptance of the trusts imposed upon it by this Indenture, the Trustee agrees and is hereby instructed by the Issuer to sign the consent of the Trustee attached to the Restrictive Covenant.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent. Subject to the provisions of this Article, the Issuer and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

(a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds;

(b) To subject to this Indenture additional revenues, properties, or collateral;

(c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and

(d) To qualify this Indenture under the Trust Indenture Act of 1939.

Section 10.02. Supplemental Indentures Requiring Consent.

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Indenture of the Issuer, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

(c) If at any time the Issuer shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given by mailing such notice by certified or registered first class mail to each Owner of a Bond to the address shown on the registration books of the Trustee or by electronic means to DTC or its successors, at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, the Issuer may execute and deliver such supplemental indenture and no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03. Execution of Supplemental Indenture. The Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the Issuer shall receive and shall be fully protected in relying upon an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee and the Issuer, to

the effect that: (a) the supplement will not adversely affect the exclusion from gross income for federal income tax purposes, of the interest paid or to be paid on the Bonds; (b) the Issuer is permitted by the provisions hereof to enter into the supplement; and (c) the supplement is a valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to matters permitted by Section 1.05 hereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the Issuer, the Trustee, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, and the Owners of the Bonds.

Section 11.02. Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 11.03. Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State.

Section 11.04. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.05. Notices; Waiver.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person, by electronic mail or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:	Reunion Metropolitan District c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Telephone: (303) 858-1800 Email: kbear@wbapc.com Attention: Kristen Bear
Trustee:	UMB Bank, n.a. Corporate Trust and Escrow Services

1670 Broadway
Denver, Colorado 80202
Telephone: (816) 860-7520
Email: jacque.schwartz@umb.com
Attention: Jacque Schwartz

The Developer: Clayton Properties Group II, Inc.
4908 Tower Road
Denver, Colorado 80249
Attention: James Hayes and Bruce Rau

With a Copy to: Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, Colorado 80203
Attention: Charles Leeder

Shea: Shea Homes Limited Partnership
9380 Station Street, Suite 600
Lone Tree, Colorado 80124
Attention: Chetter Latcham

With Copies to: J.F. Shea Co., Inc.
9380 Station Street, Suite 600
Lone Tree, Colorado 80124
Attention: Jeffrey H. Donelson, Regional Counsel

Brownstein Hyatt Farber Schreck, LLP
410 Seventeenth Street, Suite 2200,
Denver, Colorado 80202
Attention: Robert Kaufmann

LCF: L.C. Fulenwider, Inc.
1125 17th Street, Suite 2500
Denver, Colorado 80202
Attention: L.C. Fulenwider, III

With a Copy to: Robinson Waters & O'Dorisio, P.C.
1099 18th Street, Suite 2600
Denver, Colorado 80202
Attention: John W. O'Dorisio, Jr., Esq.

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the

event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.06. Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.07. Application of Supplemental Act. The Board specifically elects to apply all of the provisions of the Supplemental Act to the Bonds.

Section 11.08. Subordinate Pledged Revenue Subject to Immediate Lien. The creation, perfection, enforcement, and priority of the pledge of Subordinate Pledged Revenue, the RMD/ERU Water Credits, and the funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Trust Estate pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Issuer irrespective of whether such persons have notice of such liens.

Section 11.09. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the Issuer acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the Issuer, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 11.10. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11.11. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than 30 days after the authorization of the Bonds.

Section 11.12. Electronic Execution and Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic

means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Signatures appear on following page]

IN WITNESS WHEREOF, Reunion Metropolitan District, Commerce City, Colorado, Acting By and Through Its Water Activity Enterprise, has caused this Indenture to be executed on its behalf by its President and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, UMB Bank, n.a., Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.

(S E A L)

REUNION METROPOLITAN DISTRICT, Commerce City, Colorado

_____

President

ATTESTED:

_____

Secretary or Assistant Secretary

UMB BANK, N.A., as Trustee

_____

Authorized Officer

EXHIBIT A

TO

INDENTURE OF TRUST

[FORM OF BOND]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A LIMITED PURPOSE TRUST COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA

STATE OF COLORADO

No. RB– $_____

REUNION METROPOLITAN DISTRICT
COMMERCE CITY, COLORADO
SUBORDINATE SPECIAL REVENUE BOND
SERIES 2021B

Interest Rate	Maturity Date	Original Issue Date	CUSIP
_____%	December 15, 2044	_____, 2021	_____

REGISTERED OWNER: CEDE & CO.
Tax Identification Number:

PRINCIPAL AMOUNT: _____ and 00/100 U.S. Dollars

Reunion Metropolitan District , Acting By and Through its Water Activity Enterprise, a special district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the Subordinate Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the Issuer promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 15, 2021, in which event this Bond shall bear interest from its date of delivery, at the interest rate per annum specified above, payable annually on December 15 each year, commencing on December 15, 2021, until the principal amount is paid at maturity or upon prior redemption.

To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the immediately succeeding paragraph. To the extent interest on this Bond is not paid when due, such interest shall compound annually on each Interest Payment

Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the Issuer shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed defeased and no longer Outstanding upon the payment by the Issuer of such amount.

Notwithstanding any of the foregoing, in no event shall any principal, interest or Mandatory Redemption Price be paid on the Bonds until such time as there has been paid in full or defeased the 2021A Senior Bonds and any other Senior Obligations issued by the District.

IT IS ACKNOWLEDGED THAT IN THE EVENT THAT ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THE BONDS REMAINS UNPAID AFTER THE APPLICATION OF ALL SUBORDINATE PLEDGED REVENUE AVAILABLE THEREFOR AFTER DISPOSITION OF ALL RMD/ERU WATER CREDITS AND EXHAUSTION OF ANY APPLICABLE REMEDIES AVAILABLE TO THE TRUSTEE UNDER ANY INDENTURE SECURING SENIOR OBLIGATIONS, THIS INDENTURE, THE RESTRICTIVE COVENANT AND THE WATER CREDITS FEES RESOLUTION, THE BONDS AND THE LIEN OF THE INDENTURE SECURING PAYMENT THEREOF SHALL BE DEEMED DISCHARGED. IN SUCH EVENT THE OWNERS WILL HAVE NO RECOURSE TO THE ISSUER OR ANY PROPERTY OF THE ISSUER FOR THE PAYMENT OF ANY AMOUNT OF PRINCIPAL OF OR INTEREST ON THE BOND REMAINING UNPAID.

The Bonds are issued pursuant to that certain Indenture of Trust (Subordinate) (the "Indenture") dated as of [Indenture Month] 1, 2021, between the District and UMB Bank, n.a., as trustee (the "Trustee"). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Indenture.

The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the principal office of the Trustee. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the Issuer maintained by or on behalf of the Issuer by the Trustee at the close of business on the last day of the calendar month next preceding each Interest Payment Date (the "**Record Date**"), and shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to such registered owner at his address as it appears on such registration books. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Trustee as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the "**Special Record Date**") established for the payment of any unpaid interest. Notice of the Special Record Date and the date fixed for the payment of unpaid interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond is one of a series aggregating $[SERIES B PAR] par value, all of like date, tenor, and effect, issued by the Board of Directors of Reunion Metropolitan District, City of

Commerce, State of Colorado, for the purpose of paying the costs of providing certain public improvements within and without the District, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, Part 11, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution and the Indenture. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the Issuer, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado.

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable solely from and to the extent of certain moneys held under the Indenture and the "Subordinate Pledged Revenue," as defined by the Indenture. The Bonds constitute an irrevocable lien upon the Subordinate Pledged Revenue, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Subordinate Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Indenture.

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the Indenture and in the resolution of the Issuer authorizing the issuance of this Bond and in the Service Plan for creation of the District. This Bond does not constitute a debt, financial obligation or liability of the City, the County, the State or any political subdivision of the State (other than the Issuer) and neither the City, the County, the State nor any political subdivision of the State (other than the District) is liable for payment of the principal of, premium if any, and interest on the Bond.

The Bonds are subject to redemption prior to maturity as provided in the Indenture. The Bonds will be redeemed only in integral multiples of $1,000. In the event a Bond is of a denomination larger than $1,000, a portion of such Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by $1,000. In the event a portion of this Bond is redeemed, the Trustee shall, without charge to the registered owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice of prior redemption shall be given by mailing a copy of the redemption notice or by electronic means to DTC or its successors, not less than 20 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by or on behalf of the District by the Trustee, in the manner set forth in the Indenture. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The Issuer and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date or (b) during the period beginning at the opening of business on a date 25 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The Issuer and the Trustee may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District or the Trustee.

This Bond may be exchanged at the principal office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Trustee of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Trustee shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN TESTIMONY WHEREOF, the Board of Directors of Reunion Metropolitan District, Acting By and Through Its Water Activity Enterprise, has caused this Bond to be signed by the manual or facsimile signature of its President, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary thereof, all as of the Original Issue Date set forth above.

[SEAL]

REUNION METROPOLITAN DISTRICT,
Acting By and Through Its Water Activity Enterprise

By _____
President

Attested:

By _____
Secretary or Assistant Secretary

CERTIFICATE OF AUTHENTICATION

Date of Registration and Authentication:

_____

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____ _____ (Social Security or Federal Employer Identification Number of Assignee) _____ (Name and Address of Assignee) the within Bond and does hereby irrevocably constitute and appoint _____, attorney, to transfer said Bond on the books kept for registration thereof with full power of substitution in the premises.

SIGNATURE OF REGISTERED OWNER:

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature guaranteed:

_____

(Bank, Trust Company, or Firm)

EXHIBIT B

TO

INDENTURE OF TRUST

FORM OF NOTICE OF WATER CREDIT FEE REVENUE SHORTFALL

$[SERIES B PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Subordinate Special Revenue Bonds
Series 2021B

This Notice is provided by UMB Bank, n.a., as trustee (the "Trustee") under that certain Indenture of Trust (Subordinate) dated as of [INDENTURE 1], 2021, between the Trustee and Reunion Metropolitan District (the "District"), pursuant to which the District Acting By and Through Its Water Activity Enterprise (the "Issuer") has issued its Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES B PAR] (the "Bonds").

Capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Indenture.

The Trustee hereby states that, as of June 1, 2044:

(a) There is on deposit in the Subordinate Bond Fund $_____.

(b) The total principal and interest due on the bonds on December 15, 2044 is $_____.

(c) The total shortfall in the Subordinate Bond Fund to make such payment is $_____.

(d) [if applicable][The amount of the Water Credit Fee Revenue Shortfall under the 2021A Senior Indenture (as defined therein) is $_____.

(e) The aggregate shortfall is $_____.]

In the event that Water Credit Fee Revenues equal to $_____ are not received on or before November 15, 2044, there will be a default in the payment of the Bonds and the Trustee will be required to declare all principal and interest on the Bonds due and payable and commence a bulk sale of RMD/ERU Water Credits in order to pay all principal and interest on the Bonds in accordance with and subject to the limitations of Section 8.13 of the Indenture.

EXHIBIT C

TO

INDENTURE OF TRUST

FORM OF NOTICE OF INTENT TO COMMENCE SALE PROCEEDINGS

$[SERIES B PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Subordinate Special Revenue Bonds
Series 2021B

Date: _____

This Notice is provided by UMB Bank, n.a., as trustee (the "Trustee") under that certain Indenture of Trust (Subordinate) dated as of [Indenture Month] 1, 2021, between the Trustee and Reunion Metropolitan District (the "District"), pursuant to which the District Acting By and Through Its Water Activity Enterprise (the "Issuer") has issued its Subordinate Special Revenue Bonds, Series 2021B, in the aggregate principal amount of $[SERIES A PAR] (the "Bonds").

Capitalized terms used herein and not otherwise defined shall have the meanings assigned them in the Indenture.

This Notice is provided with respect to an Event of Default under Section 8.01(a), (c), or (d) of the Indenture (check as appropriate):

_____ (a) The Issuer fails to pay the principal on the Bonds on the final maturity date;

_____ (c) The Issuer fails to pay the principal of or interest on any Senior Obligations when due; or

_____ (d) The Issuer transfers money from a Senior Obligation Reserve Fund to a Senior Obligation Bond Fund (other than to redeem all Senior Obligations secured by such Senior Obligation Reserve Fund or at final maturity of such Senior Obligation).

In accordance with Section 8.13 of the Indenture, the Trustee intends to take possession of and commence sale proceedings on the RMD/ERU Water Credits in accordance with the provisions of the Colorado UCC and, thereafter, to take such actions as the Trustee, being advised by Counsel and any consultant engaged by the Trustee to advise on such matters, shall deem most expedient and in the interests of the Owners to result in the bulk sale of all RMD/ERU Water Credits, subject to Section 8.03 hereof, in accordance with the provisions of Section 8.13 of the Indenture.

EXHIBIT D

TO

INDENTURE OF TRUST

FORM OF NOTICE OF DISPOSITION OF COLLATERAL

$[SERIES B PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Subordinate Special Revenue Bonds
Series 2021B

To: Reunion Metropolitan District, Acting By and Through Its Water Activity Enterprise

From: [*Name, address, and telephone number of Trustee*]

Name of Debtor(s): [*Include only if debtor(s) are not an addressee*]

[*For a public disposition:*]

We will sell the Collateral (as hereinafter described), to the highest qualified bidder in public as follows:

Day and Date:

_____

Time:

_____

Place:

_____

[*For a private disposition:*]

We will sell the Collateral (as hereinafter described) privately sometime after [*day and date*].

You are entitled to an accounting of the unpaid indebtedness secured by the property that we intend to sell [for a charge of $ _____]. You may request an accounting by calling us at [*telephone number*] or writing us at [*address*].

Description of Collateral:

[*match description to that contained on UCC Statement and state number of RMD/ERU Water Credits to be sold in bulk*]

EXHIBIT E

TO

INDENTURE OF TRUST

REQUEST FOR RELEASE OF LIEN

$[SERIES B PAR]
Reunion Metropolitan District,
Acting By and Through Its Water Activity Enterprise
Subordinate Special Revenue Bonds
Series 2021B

[TO BE COMPLETED ONLY AFTER PAYMENT OF ALL 2021A SENIOR BONDS AND SENIOR OBLIGATIONS]

The undersigned certifies that s/he is the Issuer Representative under that certain Indenture of Trust (Subordinate) dated as of [INDENTURE MONTH] 1, 2021 (the "Indenture"), between UMB Bank, n.a., as trustee (the "Trustee") and Reunion Metropolitan District (the "District"), Acting By and Through Its Water Activity Enterprise (the "Issuer"). All capitalized terms used in this certificate shall have the respective meanings assigned in the Indenture.

All requirements of the Water Credit Fees Resolution with respect to the purchase of _____ [NUMBER] [RMD/ERU Building Credits][RMD/ERU Irrigation Credits] by _____ [PURCHASER] have been met and attached hereto is a copy of the consent to assignment by South Adams of such RMD/ERU Water Credits to _____ [PURCHASER]. In accordance with Section 3.11 of the Indenture, the Trustee is hereby instructed to file an amendment to the UCC Statement releasing such [RMD/ERU Building Credits][RMD/ERU Irrigation Credits].

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20__.

_____
Issuer Representative

[ATTACH CONSENT TO ASSIGNMENT BY SOUTH ADAMS]

CONTINUING DISCLOSURE AGREEMENT

REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO

$[PAR-A]
SPECIAL REVENUE BONDS
SERIES 2021A

$[PAR-B]
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

This Continuing Disclosure Agreement (this "Agreement") is entered into as of [CLOSING DATE], 2021, by and between Reunion Metropolitan District, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado (the "Issuer"), Clayton Properties Group II, Inc., a Colorado corporation (the "Developer"), and UMB Bank, N.A., Denver, Colorado, as trustee (the "Trustee") under the Indentures (defined below) relating to the above-captioned bonds (the "Bonds").

Section 1. Purpose. This Agreement is being executed and delivered by the parties hereto for the benefit of the holders of the Bonds and in consideration for the purchase by Piper Sandler & Co. (the "Underwriter") of the Bonds pursuant to the terms of a Bond Purchase Agreement between the Underwriter and the Issuer dated as of [PRICING DATE], 2021.

Section 2. Definitions. Capitalized terms used and not otherwise defined in this Agreement shall have the respective meanings set forth in the Indentures (defined below) and the Limited Offering Memorandum (defined below). The capitalized terms set forth below shall have the following respective meanings for purposes of this Agreement:

"*Audited Financial Statements*" means the most recent annual financial statements for Reunion Metropolitan District, including information about the Enterprise Fund of the Issuer, prepared in accordance with generally accepted accounting principles ("GAAP") for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

"*Bond Resolution*" means the resolution authorizing the issuance of the Bonds adopted by the Board of Directors of the Issuer on [_____], 2021.

"*Indentures*" means the Senior Indenture and the Subordinate Indenture.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of [PRICING DATE], 2021.

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

"*Senior Indenture*" means the Indenture of Trust (Senior) dated as of [_____], 2021, by and between the Trustee and the Issuer relating to the issuance of the Special Revenue Bonds, Series 2021A.

"*Subordinate Indenture*" means the Indenture of Trust (Subordinate) dated as of [_____], 2021, by and between the Trustee and the Issuer relating to the issuance of the Subordinate Special Revenue Bonds, Series 2021B.

Section 3. Procedures for Providing Quarterly Updated Information.

(a) ***Provision of Quarterly Information to Trustee***. The Developer, as to Section 1, and the Issuer, as to all remaining Sections of the Quarterly Report, hereby undertake and agree, respectively, to provide to the Trustee within 45 days after the end of each calendar quarter (being March 31, June 30, September 30, and December 31) (each, a "Quarterly Report Deadline"), commencing with the calendar quarter ending on September 30, 2021, the information set forth in the form of the quarterly report appended as Appendix A hereto (each, a "Quarterly Report"). The Issuer shall further provide the Audited Financial Statements as part of the September 30 Quarterly Report in each year beginning in 2022. The Trustee will provide the information required by Section 3 of the Quarterly Report to the Issuer not later than 10 days after the end of each calendar quarter. The Trustee further agrees that it will cooperate with and assist the Issuer in providing the information required by Section 4 of the Quarterly Report. Any or all of the items required to be updated in Appendix A may be incorporated by reference from other documents, including official statements of debt issues that are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer and the Developer, as applicable, shall clearly identify each such document incorporated by reference.

(b) ***Provision of Reports to the MSRB***. Within 10 days after receipt of each Quarterly Report from the Issuer and the Developer, as applicable, the Trustee shall provide to the MSRB (in an electronic format as prescribed by the MSRB) the Quarterly Report. Each Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) above; provided that the Audited Financial Statements may be submitted separately from the balance of the Quarterly Report due each September 30.

If the Developer or the Issuer fails to provide to the Trustee the information in the Quarterly Report required to be provided by it at least 10 days prior to the applicable Quarterly Report Deadline, then the Trustee shall provide notice to the Developer or the Issuer, as applicable, that its respective portions of the Quarterly Report remain due, and shall indicate in such notice the applicable Quarterly Report Deadline. If the Developer or the Issuer fails to provide to the Trustee the information in the Quarterly Report required to be provided by it by the applicable Quarterly Report Deadline, which results in the Trustee's inability to provide a complete Quarterly Report to the MSRB within 55 days after the end of each calendar quarter (being March 31, June 30, September 30, and December 31) (each, a "Trustee Quarterly Filing Deadline"), then, as soon as practicable after the Trustee Quarterly Filing Deadline, the Trustee shall promptly file such portion of

the Quarterly Report as has been provided to it as of such date, and shall file or cause to be filed a notice in substantially the form attached as Appendix B with the MSRB.

In addition to the foregoing, the Trustee shall, prior to the date of each filing of a Quarterly Report, determine the appropriate electronic format prescribed by the MSRB. After the Trustee files a Quarterly Report, or the notice described in the preceding paragraph with the MSRB, the Trustee shall upon request send a report to the Issuer and the Developer stating the date that such report or notice was filed and listing all the entities to which it was provided.

(c) ***Means of Transmitting Information***. Subject to technical and economic feasibility, the Issuer and the Developer shall employ such methods of information transmission as the Trustee shall reasonably request. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

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

Section 4. Notice of Material Events. Whenever the Issuer obtains actual knowledge of the occurrence of any of the following events, the Issuer shall cause the Trustee to provide, in a timely manner, a notice of such event to the MSRB:

(a) a delinquency in the payment of scheduled debt service of the Bonds;

(b) a non-payment related default under either of the Indentures (if the Issuer deems such default to be material to the Owners), including a description of such default;

(c) a draw on the Reserve Fund or a similar fund securing any Parity Bonds (as defined in the Senior Indenture);

(d) a modification of the rights of the Owners; and

(e) the occurrence or scheduled occurrence of a Bulk Sale under Section 8.13 of the Senior Indenture and/or Section 8.13 of the Subordinate Indenture.

Whenever the Trustee obtains actual knowledge of the occurrence of any of the aforementioned events, the Trustee shall promptly notify the Issuer of such event. For purposes of this paragraph, "actual knowledge" of the Trustee means actual knowledge by an officer of the Trustee having responsibility for matters regarding the Indentures or the Bonds.

Section 5. Termination. The obligations of the Issuer, the Developer, and the Trustee under this Agreement shall terminate at such time as none of the Bonds are Outstanding under the Indentures.

Section 6. Liability for Content of Information Provided. So long as the parties to this Agreement act in good faith, such entities shall not be liable for any errors, omissions or misstatements in the information provided pursuant to this Agreement. Without limiting the foregoing, the Developer makes no representation as to the accuracy of any information provided by the Issuer, the Trustee, or any third party. Without limiting the foregoing, the Issuer makes no representation as to the accuracy of any information provided by the Developer, the Trustee, or any third party.

Section 7. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may only be amended with the consent of the Consent Parties (as defined in the Indentures) or Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Section 8. Failure To Perform. Any failure by the Issuer to perform in accordance with this Agreement shall not constitute an Event of Default under either of the Indentures, and the rights and remedies provided by the Indentures upon the occurrence of an Event of Default shall not apply to any such failure. If the Issuer fails to comply with this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations hereunder. If the Developer fails to comply with this Agreement, the Issuer shall be obligated to provide the information that the Developer is obligated to provide hereunder, to the extent that such information is publicly available. Furthermore, if the Developer fails to comply with this Agreement, the sole remedy therefor shall be an action in mandamus or for specific performance to compel the Developer to comply with its obligations hereunder, to the extent the Issuer has not otherwise satisfied such obligations as provided above.

Section 9. Severability. If any section, paragraph, clause, or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 11. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the Issuer for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Developer, the Trustee, and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement, and the Issuer agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim or liability, but excluding liabilities due to the Trustee's intentional

or negligent acts or omissions. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the Issuer. The Trustee shall not be responsible in any manner for the content of any notice or report (including without limitation the Quarterly Report) prepared by the Developer or the Issuer pursuant to this Agreement. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 14. Electronic Transactions and Execution. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that in the event that any individual or individuals who are authorized to execute or consent to this Agreement, any Quarterly Report, or any Notice of Failure to File Quarterly on behalf of the Issuer, the Developer, or the Trustee, as applicable, are not able to be physically present to manually sign any of the foregoing list of documents, that such individual or individuals are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to the foregoing list of documents shall carry the full legal force and effect of any original, handwritten signature.

Section 15. Counterparts. This Agreement may be executed on counterpart signature pages.

[Remainder of page intentionally left blank]

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

REUNION METROPOLITAN DISTRICT, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado, as Issuer

By _____
Name _____
Title _____

CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation, as Developer

By _____
Name _____
Title _____

UMB BANK, N.A., as Trustee

By _____
Authorized Officer

APPENDIX A

FORM OF QUARTERLY REPORT

REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO

$[PAR-A]
SPECIAL REVENUE BONDS
SERIES 2021A

$[PAR-B]
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

Date of Report:_____, for Quarter ending:_____

All capitalized terms used and not otherwise defined in this report shall have the respective meanings assigned in the Continuing Disclosure Agreement ("Agreement") entered into as of [CLOSING DATE], 2021, by and among Reunion Metropolitan District, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado (the "Issuer"), Clayton Properties Group II, Inc., a Colorado corporation (the "Developer"), and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee") for the Special Revenue Bonds, Series 2021A and the Subordinate Special Revenue Bonds, Series 2021B (together, the "Bonds") or the Limited Offering Memorandum prepared in connection with the offer and sale of the Bonds dated as of [PRICING DATE], 2021. Unless otherwise stated, all information contained herein is the most current information available as of the Date of Report specified above and is provided with respect to development RMD Water Service Area.

Section 1. Development in the RMD Water Service Area [Developer to complete]. *Developer to use reasonable efforts to complete this Section 1 to the extent of information available from public resources. If specific data is not available, the Developer is to use reasonable efforts to provide data similar in nature, to the extent publicly available. For example, if building permit data is not available, construction starts would be similar information; if certificates of occupancy are not available, closings would be similar information.*

(a) ***Building Permits.*** State the number of building permits that have been issued by the City of Commerce City, Colorado (the "City") for property within the RMD Water Service Area:

(i) since the date of the last Quarterly Report: _____; and

(ii) since the issuance of the Bonds: _____.

(b) ***Certificates of Occupancy.*** State the number of certificates of occupancy that have been issued by the City for property within the RMD Water Service Area:

(i) since the date of the last Quarterly Report: _____; and

(ii) since the issuance of the Bonds: _____.

Section 2. Building Permits and Certificates of Occupancy [Issuer to complete only if not otherwise provided by Developer in Section 1]. *Issuer to use reasonable efforts to complete this Section 2 to the extent of information available from public resources. If specific data is not available, the Issuer is to use reasonable efforts to provide data similar in nature, to the extent publicly available. For example, if building permit data is not available, construction starts would be similar information; if certificates of occupancy are not available, closings would be similar information.*

(a) ***Building Permits.*** State the number of building permits that have been issued by the City for property within the RMD Water Service Area:

(i) since the date of the last Quarterly Report: _____; and

(ii) since the issuance of the Bonds: _____.

(b) ***Certificates of Occupancy.*** State the number of certificates of occupancy that have been issued by the City for property within the RMD Water Service Area:

(i) since the date of the last Quarterly Report: _____; and

(ii) since the issuance of the Bonds: _____.

Section 3. Fund Balances [Issuer to complete, based upon information received from the Trustee]. The amount on deposit in each of the following funds is as set forth below:

(a) the amount on deposit in the Revenue Fund is $_____;

(b) the amount on deposit in the Senior Project Fund is $_____;

(c) the amount on deposit in the Senior Bond Fund is $_____, of which the amount on deposit in the Mandatory Redemption Account is $_____.

(d) the amount on deposit in the Surplus Fund is $_____;

(e) the amount on deposit in the Reserve Fund is $_____; and

(f) the amount on deposit in the Subordinate Bond Fund is $_____, of which the amount on deposit in the Subordinate Mandatory Redemption Account is $_____ and the amount on deposit in the Subordinate Interest Account is $_____.

Section 4. Authorized Denominations [Issuer to complete].

(a) The Special Revenue Bonds, Series 2021A are presently outstanding in Authorized Denominations (as defined in the Senior Indenture) of:

_____ $500,000 or any integral multiple of $1,000 in excess thereof; or

_____ Pursuant to paragraph (c) of the definition of Authorized Denominations in the Senior Indenture, the Authorized Denominations were reduced to $1,000 or any integral multiple thereof on _____, _____ [insert date].

(b) The Subordinate Special Revenue Bonds, Series 2021B are presently outstanding in Authorized Denominations (as defined in the Subordinate Indenture) of:

_____ $500,000 or any integral multiple of $1,000 in excess thereof; or

_____ Pursuant to paragraph (c) of the definition of Authorized Denominations in the Subordinate Indenture, the Authorized Denominations were reduced to $1,000 or any integral multiple thereof on _____, _____ [insert date].

Section 5. Outstanding Principal Amounts. [Issuer to complete]

(a) The Special Revenue Bonds, Series 2021A are currently outstanding in the principal amount of $_____.

(b) The Subordinate Special Revenue Bonds, Series 2021B are currently outstanding in the principal amount of $_____.

(i) Water Credit Fee Revenues, Net Bulk Sale Proceeds, and ERU Remedy Revenues are ___ are not ____ available for payment of the Subordinate Special Revenue Bonds, Series 2021B because the Special Revenue Bonds, Series 2021A and any other Senior Obligations are ___ are not ___ paid in full or defeased.

Section 6. Pledged Revenue and ERU Information. [Issuer to complete]

(a) ***Pledged Revenue and Subordinate Pledged Revenue***. [DEFINED TERMS TO BE CONFIRMED PRIOR TO POSTING]

(i) The amount of Water Credit Fee Revenues received by the Issuer since the last Quarterly Report is $_____ comprised of ___ RMD/ERU Building Credits and ____ RMD/ERU Irrigation Credits.

(ii) The amount of Water Credit Fee Revenues received by the Issuer since the issuance of the Bonds is $_____ comprised of ___ RMD/ERU Building Credits and ____ RMD/ERU Irrigation Credits.

(iii) The amount of ERU Remedy Revenues received by the Issuer since the last Quarterly Report is $_____.

(iv) The amount of ERU Remedy Revenues received by the Issuer since the issuance of the Bonds is $_____.

(vi) The Issuer has ___ has not___ sold the maximum permitted amount of 1,283 RMD/ERU Irrigation Credits.

(b) ***ERU Information***. The following information is attached to this Quarterly Report to the extent such information has been requested from and received from South Adams County Water & Sanitation District ("South Adams") pursuant to the Memorandum of Understanding among South Adams, the Developer, and the Issuer:

_____ The monthly report prepared by South Adams for its board that addresses the total number of tap sales (measured by ERU amounts) for the following months _____[*to be provided for months covered by the applicable Quarterly Report]*.

_____ Statement from South Adams as to the number of Subject RMD/ERU Water Credits held in the name of the Issuer.

(c) ***Bulk Sale***.

(i) A Bulk Sale has _____ has not ____ [occurred] or [is scheduled to occur on _____] under Section 8.13 of the Senior Indenture and/or Section 8.13 of the Subordinate Indenture.

(ii) The number of RMD/ERU Water Credits sold in the Bulk Sale [was] or [is planned to be] _____ comprised of: ___ RMD/ERU Building Credits and ____ RMD/ERU Irrigation Credits.

(iii) The number of RMD/ERU Water Credits remaining unsold after the Bulk Sale is _____ comprised of: ___ RMD/ERU Building Credits and ____ RMD/ERU Irrigation Credits. Explain if there are any remaining RMD/ERU Water Credits after the Bulk Sale and the plan for sale of such remaining RMD/ERU Water Credits or if there were RMD/ERU Water Credits that were not included in the Bulk Sale.

(iv) The amount of Net Bulk Sale Proceeds received by the Issuer since the last Quarterly Report is $_____.

Section 7. Attached Quarterly Financial Information [Issuer to complete]. Quarterly information listed below need not be included for the calendar quarter ending December 31 if such information is included in the annual information set forth in Section 7 below. The following information for which the appropriate box is checked is attached to this Quarterly Report:

_____ Unaudited quarterly financial statements for the Reunion Metropolitan District, including the Enterprise Fund, for the period ending _____.

_____ Year-to-date actual budget, compared with adopted budget for the Reunion Metropolitan District, including the Enterprise Fund, as of _____ .

_____ Report(s) of the accountant for the Reunion Metropolitan District, including reports related to the Issuer or the Enterprise Fund, issued since the last Quarterly Report.

_____ Any other report(s) relating to the Reunion Metropolitan District's activities, the Issuer's activities, the Enterprise Fund, or its condition submitted to any governmental agency or prepared for delivery to a third party since the last Quarterly Report.

Section 8. Attached Annual Financial Information [Issuer to complete]. Each of the annual information items set forth below must be provided only once each year. Audited Annual Financial Statements shall be provided with, and no later than, the appropriate Quarterly Report. The following information for which the appropriate box is checked is attached to this Quarterly Report:

_____ Audited Annual Financial Statements for the year ending _____. (Must be provided with the September 30 Quarterly Report).

_____ Unaudited annual financial statements of the Reunion Metropolitan District, including the Enterprise Fund, for the year ending _____. (Must be provided with the March 31 Quarterly Report of the immediately succeeding year).

_____ Annual budget of the Reunion Metropolitan District, including the Enterprise Fund, for fiscal year _____. Such annual budget _____ has _____ has not been adopted by the Board of Directors of the Reunion Metropolitan District. (Must be provided with the December 31 Quarterly Report).

[Remainder of Page Left Intentionally Blank]

The information contained in this Quarterly Report has been obtained from sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness. The information contained in this Quarterly Report is neither intended nor shall be construed as a document updating the Limited Offering Memorandum for the Bonds and is neither intended to, nor shall it be, used by the Owners or Beneficial Owners of the Bonds for the purpose of making a subsequent investment decision with respect to the Bonds.

Receipt of this Quarterly Report by any person or entity shall create no obligation or liability of the Issuer or the Developer.

The undersigned hereby certify, respectively, that they are authorized representatives of the Issuer and the Developer, and further certify that the information contained in the foregoing Quarterly Report (for the Developer, with respect to Section 1 only, and for the Issuer, with respect to the remaining Sections) is, to their actual knowledge, true, accurate and complete. This Quarterly Report may be executed below on counterpart signature pages.

REUNION METROPOLITAN DISTRICT, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado, as Issuer

By _____
Authorized Representative

CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation, as Developer

By _____
Name _____
Title _____

APPENDIX B

**NOTICE OF FAILURE TO FILE
QUARTERLY REPORT**

**REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO**

$[PAR-A]	**$[PAR-B]**
SPECIAL REVENUE BONDS	**SUBORDINATE SPECIAL REVENUE BONDS**
SERIES 2021A	**SERIES 2021B**

Date of Issuance: [_____], 2021 CUSIPS: _____

NOTICE IS HEREBY GIVEN that the (check as appropriate) _____ Issuer _____ Developer has not provided a Quarterly Report with respect to the above-captioned Bonds that was due _____, as required by the Continuing Disclosure Agreement dated [CLOSING DATE], 2021, by and among the Issuer, the Developer, and the Trustee. The (check as appropriate) ___ Issuer ___ Developer anticipates that such Quarterly Report will be filed by _____.

Dated: _____

UMB BANK, N.A., as Trustee

By _____
Name _____
Title _____

Kutak Rock LLP
Draft 06/04/21

BOND PURCHASE AGREEMENT

$[PAR-A]
REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO
SPECIAL REVENUE BONDS
SERIES 2021A

[PRICING DATE], 2021

Board of Directors
Reunion Metropolitan District, acting by and through its Water Activity Enterprise

Ladies and Gentlemen:

Piper Sandler & Co. (the "Underwriter"), as underwriter of the Reunion Metropolitan District, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado, Special Revenue Bonds, Series 2021A (the "Bonds") to be issued by Reunion Metropolitan District, acting by and through its Water Activity Enterprise (the "Issuer") in the aggregate principal amount of $[PAR-A], hereby offers to enter into this Purchase Agreement (the "Purchase Agreement") with you, the Issuer, and upon your acceptance of this offer, this Purchase Agreement will be binding upon you and upon the Underwriter. This offer is made subject to your acceptance of this Purchase Agreement on or before 10:00 p.m., Denver Time, [PRICING DATE], 2021. The Underwriter and the Issuer are entering into this Purchase Agreement in connection with the issuance of the Bonds.

The term "Limited Offering Memorandum" means the offering memorandum, offering circular, prospectus, or other similar document, including any addendum thereto, authorized by the Issuer as the official sales document(s) to be used by the Underwriter to offer the Bonds to others. The term "Preliminary Limited Offering Memorandum" means the Preliminary Limited Offering Memorandum dated [_____], 2021.

The issuance of the Bonds was approved by a resolution adopted by the Issuer's Board of Directors (the "Board") on [_____], 2021 (the "Bond Resolution"), and the Bonds are being issued pursuant to an Indenture of Trust (Senior) to be dated as of [INDENTURE MONTH] 1, 2021 (the "Indenture") by and between the Issuer and UMB Bank, n.a., as trustee (the "Trustee"). Unless otherwise specified, capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Limited Offering Memorandum.

The Underwriter is obligated under Rule G-23 of the Municipal Securities Rulemaking Board (the "MSRB") to disclose to you the following information, which you acknowledge and agree to by signing this Purchase Agreement:

(a) The bond purchase contemplated by this Purchase Agreement will be an arm's-length, commercial transaction between the Issuer and the Underwriter.

(b) The Underwriter is not acting as a municipal advisor, financial advisor or fiduciary with respect to the Issuer.

(c) The Underwriter has not assumed any fiduciary responsibility to the Issuer with respect to the underwriting of the Bonds, and the Issuer has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate.

In addition, the Issuer acknowledges that MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors, while recognizing that the Underwriter has financial and other interests that differ from the interests of the Issuer. The Underwriter hereby discloses to the Issuer that the Underwriter is not required by federal law to act in the Issuer's best interests without regard to the Underwriter's own financial or other interests. The Underwriter does have a duty to purchase securities from the Issuer at a fair and reasonable price, but the Underwriter must balance that duty with its duty to sell the Bonds to investors at prices that are also fair and reasonable.

Section 1. Purchase and Sale.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the Bonds at the purchase price of $_____ (the "Purchase Price"), representing (i) the par amount of the Bonds of $[PAR-A].00, [plus/less [net] original issue premium/discount of $_____], less the Underwriter's discount on the Bonds of $_____.

(b) The Purchase Price for the Bonds is to be paid on the Closing Date (defined below).

(c) The Bonds are special revenue obligations of the Issuer, secured by and payable solely from the secured by and payable from the Pledged Revenue, generally consisting of: (a) all Water Credit Fee Revenues; (b) all Net Bulk Sale Proceeds; (c) all ERU Remedy Revenues; and (d) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Bond Fund. The Bonds are also secured by amounts on deposit in the Reserve Fund and amounts accumulated, if any, in the Surplus Fund. A portion of the interest on the Bonds will be paid from capitalized interest to be funded with proceeds of the Bonds.

(d) The Bonds are being issued as tax-exempt bonds. The Bonds will mature, bear interest, be subject to redemption and be sold at the prices indicated in Exhibit A hereto. The terms of the Bonds otherwise shall be as described more fully in the Indenture.

(e) The Bonds are to be issued on the Closing Date for the purposes of acquiring ERU Water Credits to facilitate the provision of water service to the RMD Water Service Area. A portion of the proceeds of the Bonds will also be used to (i) to fund the Reserve Fund, (ii) to fund a portion of the interest to accrue on the Bonds, and (iii) to fund the costs of issuing the Bonds and the Issuer's Subordinate Special Revenue Bonds, Series 2021B (the "Series 2021B Subordinate Bonds").

(f) At 9:00 a.m., Denver time, [CLOSING DATE], 2021, or such other time and date as shall be agreed upon by the Underwriter and the Issuer (such time and date being herein referred to as the "Closing Date"), the Issuer will deliver the Bonds to the Trustee for the benefit of the Underwriter, through the facilities of The Depository Trust Company ("DTC"), New York, New York, in full book-entry form, duly executed by the Issuer; and upon authentication by the Trustee, the Underwriter will accept delivery of the Bonds and pay the Purchase Price as set forth in Section 1(a) above, in immediately available funds. Such funds are to be applied in accordance with this Purchase Agreement, the Indenture and a closing memorandum prepared by the Underwriter and approved by the Issuer. The Bonds shall be registered in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds.

(g) The Underwriter shall make a bona fide public offering of the Bonds at interest rates not in excess of the initial interest rates as described on the cover page of the Limited Offering Memorandum, defined herein.

(h) The Underwriter shall send, by first-class mail or equally prompt means, a copy of the Limited Offering Memorandum to the MSRB.

Section 2. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Underwriter, as of the date hereof (and to be reaffirmed as of the Closing Date), that:

(a) the Reunion Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing under the Constitution and laws of the State of Colorado, particularly Title 32, Article 1, Colorado Revised Statutes, as amended ("C.R.S."), and the Issuer is an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution and is owned and operated by the District, and the Issuer is authorized, among other things, (i) to issue special revenue bonds, such as the Bonds, for authorized purposes; and (ii) to secure the Bonds in the manner contemplated by the Indenture;

(b) the Issuer has the full right, power and authority to:

(i) issue the Bonds;

(ii) adopt the Bond Resolution;

(iii) adopt the Water Credit Fees Resolution;

(iv) execute, deliver, and perform its obligations under the Bond Resolution, the Indenture, this Purchase Agreement, and the Continuing Disclosure Agreement (as defined in the Limited Offering Memorandum) (the foregoing documents described in Sections 2(i), (ii) and (iii) herein are referred to herein, collectively, as the "Bond Documents");

(v) to execute and deliver such other documents and certificates as are reasonably required by this Purchase Agreement, or as may be reasonably requested

by Bond Counsel (hereafter defined) or the Underwriter to effectuate the issuance of the Bonds (such other documents and certificates are, collectively, the "Closing Documents"); and

(vi) to consummate the transactions contemplated under the Bond Documents, the Closing Documents and the Limited Offering Memorandum, and the Issuer has complied with and is in compliance with all provisions of applicable law in all matters relating to such transactions;

(c) the Board of Directors of the District has duly adopted the Enterprise Resolution and the Issuer has duly authorized (i) the issuance, execution and delivery of the Bonds; (ii) the adoption and performance of the Bond Resolution; (iii) the adoption and performance of the Water Credit Fees Resolution; (iv) the distribution and use by the Underwriter of the Preliminary Limited Offering Memorandum, and the execution, delivery and distribution of the final Limited Offering Memorandum; (v) the execution, delivery and performance of the other Bond Documents and the Closing Documents; and (vi) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments. All required notices have been posted and/or published and all necessary filings have been made to enable the Board to act on the matters described above. All consents or approvals necessary to be obtained by the Issuer in connection with the foregoing have been received and the consents or approvals so received are in full force and effect;

(d) the Issuer has complied with and is in compliance with all provisions of applicable law in all matters relating to the performance of its obligations under the Bond Documents and the Closing Documents and consummation of the transactions contemplated under the Limited Offering Memorandum;

(e) the Issuer is and expects at the Closing Date to be in material compliance with its Service Plan;

(f) as of its date and as of the date hereof, the information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Preliminary Limited Offering Memorandum obtained from sources other than the Issuer is not guaranteed as to accuracy, completeness or fairness, you have no reason to believe, and do not believe, that such information is materially inaccurate or misleading;

(g) as of its date and as of the date Closing Date, the information contained in the Limited Offering Memorandum will be true and correct in all material respects, and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) neither the adoption of the Bond Resolution nor the Water Credit Fees Resolution, nor the execution and delivery of the other Bond Documents and the Closing Documents, nor the consummation of the transactions contemplated herein, therein, or the compliance with the provisions hereof or thereof, constitutes on the part of the Issuer a violation of, or a breach of or default under (i) any resolution, indenture, mortgage, note or other agreement or instrument to which the Issuer is a party or by which it is bound or any statute by which the Issuer is bound; (ii) any provision of the constitution of the State of Colorado; (iii) any existing law, rule, regulation, resolution, ordinance, judgment, order or decree to which the Issuer (or the members of the Board or any of its officers in their respective capacities as such) is subject; or (iv) to the actual knowledge of the Issuer, any provision of the Internal Revenue Code;

(i) the Indenture creates a valid and legally binding pledge by the Issuer of the Pledged Revenue;

(j) other than the Bond Resolution, the Indenture, the indenture of trust executed in connection with the issuance of the Series 2021B Subordinate Bonds, and the related UCC Statement, or as otherwise set forth in the Preliminary Limited Offering Memorandum, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Revenue or any portion thereof;

(k) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Issuer or, to the actual knowledge of the Issuer, threatened, which in any way questions the powers of the Issuer referred to in Section 2(b) above, or the validity of any proceeding taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Bond Documents or the Closing Documents, or which, in any way, could adversely affect the validity or enforceability of the Bond Documents or the Closing Documents, or, to the best knowledge of the Issuer, which in any way questions the excludability from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations;

(l) any certificate signed by any official of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements therein contained;

(m) the Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon;

(n) the Issuer is not aware of any facts or information which would cause it to believe the assumptions or projections set forth in the cash flow projection schedules of CliftonLarsonAllen LLP, Greenwood Village, Colorado, the Projected Development and ERU Absorption Schedules prepared by the Developer, or the Residential Demand Study

prepared by Zonda, Centennial, Colorado, as such documents are attached to the Preliminary Limited Offering Memorandum, are unreasonable; and

(o) the Issuer has not previously entered into any continuing disclosure undertakings pursuant to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934.

Section 3. Covenants and Agreements of the Issuer. The Issuer covenants and agrees with the Underwriter as follows:

(a) the Issuer consents to the use of the Indenture by the Underwriter in the course of complying with the securities or "Blue Sky" laws of any jurisdiction in which the Bonds are sold, subject to the right of the Issuer to withdraw such consent for cause by written notice to the Underwriter;

(b) the Issuer will provide the Underwriter with such information regarding its current financial condition and ongoing operations as the Underwriter may reasonably request;

(c) the Issuer will take any and all steps within its control that are reasonably necessary to cause the Bonds to be issued on and delivered to the Underwriter on the Closing Date, including, but not limited to, the execution and filing with the Internal Revenue Service of any federal tax forms and the execution of any certification reasonably deemed necessary by Bond Counsel (hereafter defined) as a condition to the delivery of an Opinion of Bond Counsel (hereafter defined); provided, however, that the Issuer shall not be required to consent to service of process in any jurisdiction in connection with such qualification of the Bonds under the "Blue Sky" or other securities laws and regulations;

(d) pursuant to the provisions of the Continuing Disclosure Agreement, the Issuer agrees to provide certain financial information on an ongoing basis following the issuance of the Bonds;

(e) the Issuer agrees to prepare and deliver to the Underwriter, or cause the preparation and delivery of, at such address as the Underwriter shall specify and in time to accompany confirms to customers of the Underwriter, but in no event later than the Closing Date, as many copies of the Limited Offering Memorandum (as supplemented and amended from time to time) as the Underwriter shall reasonably request;

(f) the Issuer agrees to cooperate with the Underwriter in the preparation of any supplement or amendment to the Limited Offering Memorandum deemed necessary by the Underwriter on any date subsequent to the execution of this Purchase Agreement;

(g) if at any time prior to the Closing Date, any event occurs with respect to the Issuer as a result of which the Limited Offering Memorandum, as then amended or supplemented, might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter in writing of such event. Any information supplied by the Issuer for inclusion in any

amendments or supplements to the Limited Offering Memorandum will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(h) the Issuer will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution and Indenture, or which would cause the interest on the Bonds to be included in gross income for federal income tax purposes.

Section 4. Conditions to Closing. The obligations of the Underwriter hereunder shall be subject to the performance by the Issuer of its obligations hereunder at or prior to the Closing Date, and to the accuracy of the representations and warranties of the Issuer herein as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) The representations, warranties and covenants of the Issuer contained herein, in the other Bond Documents, and in the Closing Documents shall be true, complete and correct in all material respects as of the Closing Date.

(b) At the Closing Date, (i) the Bonds, the other Bond Documents, and the Closing Documents shall have been duly authorized, executed and delivered by the respective parties thereto, certified copies thereof shall have been delivered to the Underwriter, and said agreements and instruments shall be in full force and effect as valid and binding agreements between or among the parties thereto; and (ii) the Issuer shall perform or have performed its obligations which are required to be performed prior to the Closing Date pursuant to the provisions of the Bond Documents and the Closing Documents.

(c) The terms of the Bonds shall in all instances be as described in the final Limited Offering Memorandum.

(d) At the Closing Date, there shall have been no material adverse change in the financial condition or operations of the Issuer.

(e) At the Closing Date, all official action of the Issuer relating to the Bonds, the other Bond Documents and the Closing Documents shall have been taken and the Bond Resolution, the Water Credit Fees Resolution, the Enterprise Resolution, the Bonds, the other Bond Documents and the Closing Documents shall be in full force and effect in accordance with their respective terms.

(f) At the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) an opinion of Gilmore & Bell, P.C., as bond counsel ("Bond Counsel"), in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Issuer and the Underwriter

concerning, among other matters, the validity and enforceability of the Bonds and the Indenture and addressing certain tax matters relating to the Bonds (the "Opinion of Bond Counsel");

(ii) an opinion of Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Issuer and the Underwriter, stating that (A) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"); (B) it is not necessary in connection with the offering and sale of the Bonds to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (C) a statement regarding the exemption from registration and qualification of the Bonds under State of Colorado securities law: (D) this Purchase Agreement, assuming due authorization, execution and delivery by all parties thereto, constitutes a valid and binding obligation of the Issuer; and (E) that the information contained in the Limited Offering Memorandum under the captions "INTRODUCTION—Purpose of the Bonds," "—Authority for Issuance, "—Security and Sources of Payment for Bonds," "—Additional Obligations," "—Interest Rates; Payment Provisions," "—Prior Redemption," and "—Exchange and Transfer," "THE SERIES 2021A SENIOR BONDS"; "THE SERIES 2021B SUBORDINATE BONDS," and "MISCELLANEOUS—Registration of Bonds" and in Appendix E thereto, insofar as such descriptions purport to describe or summarize provisions of the Bonds or the Indentures, are accurate summaries of such provisions in all material respects; and that the information in the Limited Offering Memorandum italicized information on the cover of the Limited Offering Memorandum and the information under the captions "INTRODUCTION—Tax Status" and "TAX MATTERS" purporting to describe or summarize Bond Counsel's advice to the Issuer in its opinions concerning certain federal tax matters relating to the Bonds has been reviewed by Bond Counsel and is an accurate summary in all material respects; [CONFIRM REFERENCES WITH POSTED PLOM]

(iii) if the Underwriter is not an addressee of the opinions of Bond Counsel described in Sections 2(f)(i) and (ii) above, then the Underwriter will require, in lieu thereof, a reliance letter of Bond Counsel addressed to the Underwriter and dated as of the Closing Date, stating that the Underwriter shall be entitled to rely upon such opinion of Bond Counsel as if it were addressed to the Underwriter;

(iv) a letter from Ballard Spahr LLP, as disclosure counsel to the Issuer ("Disclosure Counsel"), in form and substance satisfactory to the Underwriter, dated as of the Closing Date and addressed to the Issuer and the Underwriter (or the Underwriter shall receive a reliance letter in lieu thereof addressed to the Underwriter and dated as of the Closing Date, stating that the Underwriter shall be entitled to rely upon such opinion of Bond Counsel as if it were addressed to the Underwriter), stating, in substance, that nothing came to the attention of the attorneys in Ballard Spahr LLP rendering legal services in connection with such firm's representation of the Underwriter which leads such firm to believe that the

Preliminary Limited Offering Memorandum, as of its date, and the Limited Offering Memorandum, as of its date and the Closing Date, (except for any financial, demographic, economic, engineering or statistical data; any statements of trends, forecasts, estimates, projections, assumptions, or expressions of opinion; and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, as applicable, as to which such firm will express no view), contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as applicable, in light of the circumstances under which they were made, not misleading;

(v) a letter from Kutak Rock LLP, as counsel to the Underwriter ("Underwriter's Counsel"), in form and substance satisfactory to the Underwriter, dated as of the Closing Date and addressed to the Underwriter, stating, in substance, that nothing came to the attention of the attorneys in Kutak Rock LLP rendering legal services in connection with such firm's representation of the Underwriter which leads such firm to believe that the Preliminary Limited Offering Memorandum, as of its date, and the Limited Offering Memorandum, as of its date and the Closing Date, (except for any financial, demographic, economic, engineering or statistical data; any statements of trends, forecasts, estimates, projections, assumptions, or expressions of opinion; and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, as applicable, as to which such firm will express no view), contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as applicable, in light of the circumstances under which they were made, not misleading;

(vi) [UPDATE AFTER DISCUSSION WITH WBA] an opinion of White Bear Ankele Tanaka & Waldron, general counsel to the District, acting by and through the Issuer ("General Counsel"), in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Issuer and the Underwriter (or, in lieu thereof, with a reliance letter to the Underwriter), (A) relating to the due organization and existence of the District; (B) stating that the Enterprise Resolution has been duly authorized and adopted by the District and that the Bond Resolution has been duly authorized and adopted by the Issuer and addressing the qualification of the members of the Board of the District and the Issuer to serve in such capacity; (C) that the Bond Documents have been duly authorized, executed and delivered by the Issuer; (D) that the Water Credit Fees Resolution has been duly adopted by the District, acting by and through the Issuer, and the Water Credit Fees are enforceable in accordance with the Water Credit Fees Resolution; (E) that the District is not required by law to amend the Service Plan to effectuate the performance of the Issuer's obligations under the Bond Documents; (F) that, to the best of General Counsel's knowledge and with

reasonable inquiry, the issuance, execution, and delivery of the Bonds, and the execution and delivery of the Bond Documents, and the performance by the Issuer of its obligations with respect thereto, will not result in a violation of any applicable judgment, order or decree of any authority of the State of Colorado, and will not result in a breach of, or constitute a default under, any agreement or instrument to which the District or the Issuer is a party; (G) [no lit re: enterprise reso] that, to the best of General Counsel's knowledge, there is no action, suit, or proceeding pending in which the Issuer is a party, nor is there any inquiry or investigation pending against the Issuer by any governmental agency, public agency, or authority which, if determined adversely to the Issuer would have an adverse material effect upon the Issuer's ability to comply with its obligations under the Bond Documents; (H) that the information in the Limited Offering Memorandum under the captions entitled "INTRODUCTION—The District," "—Enterprise Status," "THE DISTRICT," ["FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending—*Enterprise Exemption*" (first sentence of final paragraph only)], ["DEBT STRUCTURE,"] "LEGAL MATTERS—Pending and Threatened Litigation Involving the District," but excluding financial information contained therein, as originally circulated or as of the Closing Date, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) a certificate, dated the Closing Date, of the Issuer executed by the President of the Board of the District and the Issuer to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or the Issuer or, to the knowledge of the Issuer, threatened against or affecting the District and the Issuer (1) affecting the status of the Issuer as a "water activity enterprise" within the meaning of Section 37-45.1-102, C.R.S., and an "enterprise" for purposes of Article X, Section 20 of the Colorado Constitution; (2) to restrain or enjoin the Issuer's participation in, or in any way contest the existence of the Issuer or the powers of the Issuer with respect to the adoption of the Bond Resolution and Water Credit Fees Resolution or the consummation of the transactions contemplated by, or performance of the Issuer's obligations under, the Bond Documents; or (3) which, if successful, would materially and adversely affect the financial condition or operations of the Issuer, or the Issuer's power to issue and deliver the Bonds or to perform its obligations under the Bond Documents, including to collect the Water Credit Fees; (B) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded; (C) so far as is known, nothing exists to hinder or prevent the Issuer from issuing the Bonds, or collecting the Water Credit Fees; (D) the representations and warranties of the Issuer contained in this Purchase Agreement and the other Bond Documents are true and correct in all material respects, and the Issuer has complied with all agreements and covenants and satisfied all conditions required to be satisfied prior to the Closing Date as contemplated by the Bond Documents; (E) the information contained in the Limited Offering Memorandum is true and correct in all material respects, and does not contain any untrue or misleading statement of a material fact or omit to state any

material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (subject to the condition that while information in the Preliminary Limited Offering Memorandum obtained from sources other than the Issuer is not guaranteed as to accuracy, completeness or fairness, the Issuer has no reason to believe, and does not believe, that such information is materially inaccurate or misleading); (F) there has been no material adverse change in the financial condition or results of operations of the Issuer from the date of the Limited Offering Memorandum to the date of such certificate; and (G) such other representations as are customary in similar transactions;

(viii) copies of the executed Bond Documents, the Enterprise Resolution, the Bond Resolution, and the Water Credit Fees Resolution;

(ix) a tax certificate relating to the Bonds in the form satisfactory to Bond Counsel;

(x) specimens of the Bonds;

(xi) a certificate of the Trustee, dated the Closing Date, as to, among other things, the powers and authority of the Trustee, the execution and delivery by the Trustee of the Indenture and the Continuing Disclosure Agreement, the acceptance of the duties of the Trustee under the Indenture, the authentication of the Bonds by the Trustee and the receipt by the Trustee of the proceeds of the sale of the Bonds on behalf of the Issuer;

(xii) evidence satisfactory to the Underwriter of the exemption of the Bonds from the registration requirements of the Colorado Municipal Bond Supervision Act;

(xiii) a Letter of Representations and Agreement pertaining to information under the Limited Offering Memorandum under the caption "THE RMD WATER SERVICE AREA," executed by the Developer, in form and substance acceptable to the Underwriter, including its consent to the inclusion of the Projected Development and ERU Absorption Schedules in the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum;

(xiv) executed certificates of CliftonLarsonAllen LLP, Greenwood Village, Colorado, Zonda, Centennial, Colorado, and Haynie & Company, Littleton, Colorado, consenting to the inclusion of their respective reports in the Preliminary Limited Offering Memorandum and final Limited Offering Memorandum;

(xv) an opinion of Spencer Fane LLP in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Trustee and the Underwriter (or, in lieu thereof, with a reliance letter to the Underwriter), regarding matters relating to the Restrictive Covenant;

(xvi) a copy of the recorded Restrictive Covenant or deposit of the executed Restrictive Covenant into an escrow account held under the ERU Purchase Agreement with non-revocable instructions to be recorded upon the issuance of the Bonds;

(xvii) a certificate or letter from North Slope Capital Advisors, Municipal Advisor to the Issuer, containing such representations and certifications as may be required by the Service Plan, the Issuer or Bond Counsel;

(xviii) an executed copy of the Memorandum of Understanding among the Issuer, the Developer, and South Adams County Water and Sanitation District ("South Adams") [and an executed copy of the Security Interest Acknowledgement from South Adams][DISCUSS TIMING OF WHEN AVAILABLE];

(xix) an executed copy of the Consent and Agreement Regarding Reunion ERUs, among the Issuer, the Developer, LCF (collectively, DIBC Buffalo Hills Ranch, LLC, a Colorado corporation, FFP-DIA, LLC, a Colorado corporation, and DIBC 96th And Potomac, LLC, a Colorado limited liability company), and Shea Homes Limited Partnership;

(xx) [CERTAIN CLOSING CONDITIONS TO BE DISCUSSED/REVISED AFTER PROCESS FINALIZED - DISCUSS DRY CLOSE PROCESS FOR ERUS - ADD CONDITIONS AS NECESSARY AFTER DISCUSSION, ERU PURCHASE AGREEMENT, SACWSD CONSENT, ETC][DISCUSS ANY UCC DOCUMENTATION AT CLOSING]

(xxi) any approvals required under the Service Plan prior to the issuance of the Bonds; and

(xxii) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Issuer contained in this Purchase Agreement and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer pursuant to this Purchase Agreement.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds on the Closing Date shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the obligation to pay expenses, as provided in Section 9 hereof, shall continue in full force and effect.

Section 5. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer on the Closing Date an "issue price" or similar certificate, together with the supporting pricing wires or equivalent

communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (i) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the

10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Issuer acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (A) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires; and (B) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section:

(i) "*Public*" means any person other than an underwriter or a related party;

(ii) "*Underwriter*" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "*Sale Date*" means the date of execution of this Purchase Agreement by all parties.

Section 6. Termination. The Underwriter shall have the right to cancel its obligations to purchase the Bonds in whole or, in accordance with the final paragraph of this Section 6, in part if between the date hereof and the Closing Date:

(a) legislation shall have been enacted by the Congress of the United States or the legislature of the State of Colorado or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(b) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or

(c) there shall be in force a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission of the United States or any other governmental authority having jurisdiction; or

(d) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, the Bond Resolution, or the Bond Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(e) except as disclosed in or contemplated by the Limited Offering Memorandum, any material adverse change in the affairs of the Issuer shall have occurred; or

(f) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Limited Offering Memorandum (other than any statement provided by the Underwriter) or is not reflected in the Limited Offering Memorandum but should be reflected therein in order to make the statements

therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Limited Offering Memorandum to be supplemented to supply such statement or information, or the effect of the Limited Offering Memorandum as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or Colorado authorities; or

(h) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(i) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(j) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission of the United States or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Trust Indenture; or

(k) any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(l) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; or

(m) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Issuer; or

(n) the declaration of bankruptcy by a state or any subdivision or instrumentality of a state, which state, subdivision or instrumentality has a population of over 500,000, any of which, in the reasonable opinion of the Underwriter, has had a materially adverse effect on the United States securities markets; or

(o) any one or more investors who have agreed to buy the Bonds from the Underwriter fails to honor its agreement to purchase its committed portion of the Bonds; or

(p) additional events or announcements related to the COVID-19 virus and its impact result in the cancellation of orders from investors or inability of investors to proceed with the purchase of their Bonds in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Bonds.

Section 7. Contingency of Obligations. The obligations of the Issuer hereunder are subject to the performance by the Underwriter of its obligations hereunder.

Section 8. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the Issuer are made as of the Closing Date and shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Issuer and shall survive the Closing Date. The obligations of the Issuer under Section 9 hereof shall survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

Section 9. Expenses and Compensation. The Issuer will pay or cause to be paid all reasonable expenses incident to the performance of its obligations and the obligations of the Underwriter under this Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, the fees and disbursements of Bond Counsel, Underwriter's Counsel, Disclosure Counsel, and General Counsel, the fees and expenses of the Issuer's accountants and other consultants, fees and charges of the Trustee, paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with The Depository Trust Company of New York, rating agency fees, if any, CUSIP fees, regulatory fees, clearing and delivery fees and all other out of pocket expenses incurred by the Underwriter in connection with its purchase and offering of the Bonds. In the event this Purchase Agreement shall terminate without Bonds being issued, the Issuer will, nevertheless, pay, or cause to be paid, any of the amounts owing specified above for which it is contractually obligated.

Section 10. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to Reunion Metropolitan District, c/o White Bear Ankele Tanaka & Waldron, 2154 East Commons Avenue, Suite 2000, Centennial, Colorado 80122; and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 1200 17th Street, Suite 1250, Denver, Colorado 80202.

Section 11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

Section 12. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to its choice of law analysis.

Section 13. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

Section 14. Effectiveness; Form of Signatures. This Purchase Agreement shall become effective upon your acceptance hereof, as evidenced by your signature hereon. This Purchase Agreement may be signed via facsimile or electronically, transmitted in PDF format or otherwise, and the signatures of the parties hereto in any such form shall be binding and of full force and effect as if such signatures were original signatures of such parties.

Section 15. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Please indicate your acceptance of this offer by signing below.

Very truly yours,

PIPER SANDLER & CO.

By _____
Authorized Signatory

Accepted and agreed to as
of this ___ day of _____, 2021
at _____ a.m./p.m.

REUNION METROPOLITAN DISTRICT, ACTING
BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE

By _____
_____, _____

EXHIBIT A

BOND PRICING

Maturity Date	Principal Maturing	Price	Interest Rate
December 1, 20[__]	$[_____]	[_____]%	[_____]%

Bonds Redemption Provisions

[TO COME]

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$[PAR-B]
REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

[CLOSING DATE], 2021

The undersigned, on behalf of Piper Sandler & Co. ("Piper Sandler"), hereby certifies as set forth below in connection with the issuance on the date hereof by Reunion Metropolitan District, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado (the "Issuer") of its Special Revenue Bonds, Series 2021A (the "Bonds").

Section 1. [If all maturities satisfy the 10% test on the sale date:] **Sale of the Bonds**. As of the date of this Issue Price Certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I hereto. [If only some of the maturities satisfy the 10% test on the sale date:] **Sale of the General Rule Maturities**. As of the date of this Issue Price Certificate, for each Maturity of the General Rule Maturities, the first price at which at least ten percent of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I hereto.

Section 2. [If only some of the maturities satisfy the 10% test on the sale date:] **Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities]**.

(a) [If all maturities use hold-the-offering-price rule:] Piper Sandler offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule I hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached as Schedule II hereto. [If select maturities use hold-the-offering-price rule:] Piper Sandler offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I hereto (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached as Schedule II hereto.]

(b) [If all maturities use hold-the-offering-price rule:] As set forth in the Bond Purchase Agreement, Piper Sandler has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"); and (ii) any selling group agreement will contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement will contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price

rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [If select maturities use hold-the-offering-price rule:] As set forth in the Bond Purchase Agreement, Piper Sandler has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"); and (ii) any selling group agreement will contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement will contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

Section 3. [Other Matters. Representations as to reserve fund, surplus fund and average maturity to be included here, as applicable, at time of closing.]

Section 4. Defined Terms.

"*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."]

"*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."]

"*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date ([PRICING DATE], 2021); or (b) the date on which Piper Sandler has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

"*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

"*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

"*Sale Date*" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [PRICING DATE], 2021.]

"*Underwriter*" means (a) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (a) of this paragraph to participate in the initial sale

of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Certificate of the Underwriter are limited to factual matters only. Nothing in this Certificate of the Underwriter represents Piper Sandler's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gilmore & Bell, P.C. in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned, on behalf of the Underwriter, has set his or her hand as of the date first written above.

PIPER SANDLER & CO., as Underwriter

By _____
Name _____
Title _____

SCHEDULE I

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

[Attached]

SCHEDULE II

PRICING WIRE OR EQUIVALENT COMMUNICATION

[Attached]

BOND PURCHASE AGREEMENT

$[PAR-B]
REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

[PRICING DATE], 2021

Board of Directors
Reunion Metropolitan District, acting by and through its Water Activity Enterprise

Ladies and Gentlemen:

Piper Sandler & Co. (the "Underwriter"), as underwriter of the Reunion Metropolitan District, acting by and through its Water Activity Enterprise, in the City of Commerce City, Adams County, Colorado, Subordinate Special Revenue Bonds, Series 2021B (the "Bonds") to be issued by Reunion Metropolitan District, acting by and through its Water Activity Enterprise (the "Issuer") in the aggregate principal amount of $[PAR-B], hereby offers to enter into this Purchase Agreement (the "Purchase Agreement") with you, the Issuer, and upon your acceptance of this offer, this Purchase Agreement will be binding upon you and upon the Underwriter. This offer is made subject to your acceptance of this Purchase Agreement on or before 10:00 p.m., Denver Time, [PRICING DATE], 2021. The Underwriter and the Issuer are entering into this Purchase Agreement in connection with the issuance of the Bonds.

The term "Limited Offering Memorandum" means the offering memorandum, offering circular, prospectus, or other similar document, including any addendum thereto, authorized by the Issuer as the official sales document(s). The term "Preliminary Limited Offering Memorandum" means the Preliminary Limited Offering Memorandum dated [_____], 2021.

The issuance of the Bonds was approved by a resolution adopted by the Issuer's Board of Directors (the "Board") on [_____], 2021 (the "Bond Resolution"), and the Bonds are being issued pursuant to an Indenture of Trust (Subordinate) to be dated as of [INDENTURE MONTH] 1, 2021 (the "Indenture") by and between the Issuer and UMB Bank, n.a., as trustee (the "Trustee"). Unless otherwise specified, capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Limited Offering Memorandum.

The Underwriter is obligated under Rule G-23 of the Municipal Securities Rulemaking Board (the "MSRB") to disclose to you the following information, which you acknowledge and agree to by signing this Purchase Agreement:

(a) The bond purchase contemplated by this Purchase Agreement will be an arm's-length, commercial transaction between the Issuer and the Underwriter.

(b) The Underwriter is not acting as a municipal advisor, financial advisor or fiduciary with respect to the Issuer.

(c) The Underwriter has not assumed any fiduciary responsibility to the Issuer with respect to the underwriting of the Bonds, and the Issuer has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate.

In addition, the Issuer acknowledges that MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors, while recognizing that the Underwriter has financial and other interests that differ from the interests of the Issuer. The Underwriter hereby discloses to the Issuer that the Underwriter is not required by federal law to act in the Issuer's best interests without regard to the Underwriter's own financial or other interests. The Underwriter does have a duty to purchase securities from the Issuer at a fair and reasonable price, but the Underwriter must balance that duty with its duty to sell the Bonds to investors at prices that are also fair and reasonable.

Section 1. Purchase and Sale.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Issuer for placement with _____ (the "Initial Owner") and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the Bonds at the purchase price of $_____ (the "Purchase Price"). The District recognizes upon closing that the Underwriter will be separately paid $_____ for the services performed by the Underwriter pursuant to this Purchase Agreement.

(b) The Purchase Price for the Bonds is to be paid on the Closing Date (defined below).

(c) The Bonds are special revenue obligations of the Issuer, secured by and payable solely from the secured by and payable from the Subordinate Pledged Revenue, generally consisting of: (a) any of the following remaining after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations; (i) all Water Credit Fee Revenues; (ii) all Net Bulk Sale Proceeds; (iii) all ERU Remedy Revenues; and (b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

(d) The Bonds are being issued as tax-exempt bonds. The Bonds will mature, bear interest, be subject to redemption and be placed with the Initial Owner at the price indicated in Exhibit A hereto. The terms of the Bonds otherwise shall be as described more fully in the Indenture.

(e) The Bonds are to be issued on the Closing Date for the purposes of acquiring ERU Water Credits to facilitate the provision of water service to the RMD Water Service Area.

(f) At 9:00 a.m., Denver time, [CLOSING DATE], 2021, or such other time and date as shall be agreed upon by the Underwriter and the Issuer (such time and date being herein referred to as the "Closing Date"), the Issuer will deliver the Bonds to the Trustee for the benefit of the Underwriter, through the facilities of The Depository Trust Company ("DTC"), New York, New York, in full book-entry form, duly executed by the Issuer; and upon authentication by the Trustee, the Underwriter will accept delivery of the Bonds and pay the Purchase Price as set forth in Section 1(a) above, in immediately available funds. Such funds are to be applied in accordance with this Purchase Agreement, the Indenture and a closing memorandum prepared by the Underwriter and approved by the Issuer. The Bonds shall be registered in the name of Cede & Co., as nominee of DTC, the securities depository for the Bonds.

(g) The Underwriter shall send, by first-class mail or equally prompt means, a copy of the Limited Offering Memorandum to the MSRB.

Section 2. Representations and Warranties of the Issuer. The Issuer represents and warrants to the Underwriter, as of the date hereof (and to be reaffirmed as of the Closing Date), that:

(a) the Reunion Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing under the Constitution and laws of the State of Colorado, particularly Title 32, Article 1, Colorado Revised Statutes, as amended ("C.R.S."), and the Issuer is an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution and is owned and operated by the District, and the Issuer is authorized, among other things, (i) to issue special revenue bonds, such as the Bonds, for authorized purposes; and (ii) to secure the Bonds in the manner contemplated by the Indenture;

(b) the Issuer has the full right, power and authority to:

(i) issue the Bonds;

(ii) adopt the Bond Resolution;

(iii) adopt the Water Credit Fees Resolution;

(iv) execute, deliver, and perform its obligations under the Bond Resolution, the Indenture, this Purchase Agreement, and the Continuing Disclosure Agreement (as defined in the Limited Offering Memorandum) (the foregoing documents described in Sections 2(i), (ii) and (iii) herein are referred to herein, collectively, as the "Bond Documents");

(v) to execute and deliver such other documents and certificates as are reasonably required by this Purchase Agreement, or as may be reasonably requested by Bond Counsel (hereafter defined) or the Underwriter to effectuate the issuance of the Bonds (such other documents and certificates are, collectively, the "Closing Documents"); and

(vi) to consummate the transactions contemplated under the Bond Documents and the Closing Documents and the Limited Offering Memorandum, and the Issuer has complied with and is in compliance with all provisions of applicable law in all matters relating to such transactions;

(c) the Board of Directors of the District has duly adopted the Enterprise Resolution and the Issuer has duly authorized (i) the issuance, execution and delivery of the Bonds; (ii) the adoption and performance of the Bond Resolution; (iii) the adoption and performance of the Water Credit Fees Resolution; (iv) the distribution and use by the Underwriter of the Preliminary Limited Offering Memorandum, and the execution, delivery, and distribution of the final Limited Offering Memorandum; (v) the execution, delivery and performance of the other Bond Documents and the Closing Documents; and (vi) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments. All required notices have been posted and/or published and all necessary filings have been made to enable the Board to act on the matters described above. All consents or approvals necessary to be obtained by the Issuer in connection with the foregoing have been received and the consents or approvals so received are in full force and effect;

(d) the Issuer has complied with and is in compliance with all provisions of applicable law in all matters relating to the performance of its obligations under the Bond Documents and the Closing Documents and the consummation of the transactions contemplated under the Limited Offering Memorandum;

(e) the Issuer is and expects at the Closing Date to be in material compliance with its Service Plan;

(f) as of its date and as of the date hereof, the information contained in the Preliminary Limited Offering Memorandum is true and correct in all material respects, and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Preliminary Limited Offering Memorandum obtained from sources other than the Issuer is not guaranteed as to accuracy, completeness or fairness, you have no reason to believe, and do not believe, that such information is materially inaccurate or misleading;

(g) as of its date and as of the date Closing Date, the information contained in the Limited Offering Memorandum will be true and correct in all material respects, and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) neither the adoption of the Bond Resolution nor the Water Credit Fees Resolution, nor the execution and delivery of the other Bond Documents and the Closing Documents, nor the consummation of the transactions contemplated herein, therein, or the compliance with the provisions hereof or thereof, constitutes on the part of the Issuer a

violation of, or a breach of or default under (i) any resolution, indenture, mortgage, note or other agreement or instrument to which the Issuer is a party or by which it is bound or any statute by which the Issuer is bound; (ii) any provision of the constitution of the State of Colorado; (iii) any existing law, rule, regulation, resolution, ordinance, judgment, order or decree to which the Issuer (or the members of the Board or any of its officers in their respective capacities as such) is subject; or (iv) to the actual knowledge of the Issuer, any provision of the Internal Revenue Code;

(i) the Indenture creates a valid and legally binding pledge by the Issuer of the Subordinate Pledged Revenue;

(j) other than the Bond Resolution, the Indenture, the indenture of trust executed in connection with the issuance of the Issuer's Special Revenue Bonds, Series 2021A, and the related UCC Statement, or as otherwise set forth in the Preliminary Limited Offering Memorandum, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Subordinate Pledged Revenue or any portion thereof;

(k) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Issuer or, to the actual knowledge of the Issuer, threatened, which in any way questions the powers of the Issuer referred to in Section 2(b) above, or the validity of any proceeding taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Bond Documents or the Closing Documents, or which, in any way, could adversely affect the validity or enforceability of the Bond Documents or the Closing Documents, or, to the best knowledge of the Issuer, which in any way questions the excludability from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations;

(l) any certificate signed by any official of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements therein contained;

(m) the Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon;

(n) the Issuer is not aware of any facts or information which would cause it to believe the assumptions or projections set forth in the cash flow projection schedules of CliftonLarsonAllen LLP, Greenwood Village, Colorado, the Projected Development and ERU Absorption Schedules prepared by the Developer, or the Residential Demand Study prepared by Zonda, Centennial, Colorado, as such documents are attached to the Preliminary Limited Offering Memorandum, are unreasonable; and

(o) the Issuer has not previously entered into any continuing disclosure undertakings pursuant to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934.

Section 3. Covenants and Agreements of the Issuer. The Issuer covenants and agrees with the Underwriter as follows:

(a) the Issuer consents to the use of the Indenture by the Underwriter in the course of complying with the securities or "Blue Sky" laws of any jurisdiction in which the Bonds are sold, subject to the right of the Issuer to withdraw such consent for cause by written notice to the Underwriter;

(b) the Issuer will provide the Underwriter with such information regarding its current financial condition and ongoing operations as the Underwriter may reasonably request;

(c) the Issuer will take any and all steps within its control that are reasonably necessary to cause the Bonds to be issued on and delivered to the Underwriter on the Closing Date, including, but not limited to, the execution and filing with the Internal Revenue Service of any federal tax forms and the execution of any certification reasonably deemed necessary by Bond Counsel (hereafter defined) as a condition to the delivery of an Opinion of Bond Counsel (hereafter defined); provided, however, that the Issuer shall not be required to consent to service of process in any jurisdiction in connection with such qualification of the Bonds under the "Blue Sky" or other securities laws and regulations;

(d) pursuant to the provisions of the Continuing Disclosure Agreement, the Issuer agrees to provide certain financial information on an ongoing basis following the issuance of the Bonds;

(e) the Issuer agrees to prepare and deliver to the Underwriter, or cause the preparation and delivery of, at such address as the Underwriter shall specify and in time to accompany confirms to customers of the Underwriter, but in no event later than the Closing Date, as many copies of the Limited Offering Memorandum (as supplemented and amended from time to time) as the Underwriter shall reasonably request;

(f) the Issuer agrees to cooperate with the Underwriter in the preparation of any supplement or amendment to the Limited Offering Memorandum deemed necessary by the Underwriter on any date subsequent to the execution of this Purchase Agreement;

(g) if at any time prior to the Closing Date, any event occurs with respect to the Issuer as a result of which the Limited Offering Memorandum, as then amended or supplemented, might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter in writing of such event. Any information supplied by the Issuer for inclusion in any amendments or supplements to the Limited Offering Memorandum will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary

to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(h) the Issuer will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution and Indenture, or which would cause the interest on the Bonds to be included in gross income for federal income tax purposes.

Section 4. Conditions to Closing. The obligations of the Underwriter hereunder shall be subject to the performance by the Issuer of its obligations hereunder at or prior to the Closing Date, and to the accuracy of the representations and warranties of the Issuer herein as of the date hereof and as of the Closing Date, and are also subject to the following conditions:

(a) The representations, warranties and covenants of the Issuer contained herein, in the other Bond Documents, and in the Closing Documents shall be true, complete and correct in all material respects as of the Closing Date.

(b) At the Closing Date, (i) the Bonds, the other Bond Documents, and the Closing Documents shall have been duly authorized, executed and delivered by the respective parties thereto, certified copies thereof shall have been delivered to the Underwriter, and said agreements and instruments shall be in full force and effect as valid and binding agreements between or among the parties thereto; and (ii) the Issuer shall perform or have performed its obligations which are required to be performed prior to the Closing Date pursuant to the provisions of the Bond Documents and the Closing Documents.

(c) The terms of the Bonds shall in all instances be as described in the final Limited Offering Memorandum.

(d) At the Closing Date, there shall have been no material adverse change in the financial condition or operations of the Issuer.

(e) At the Closing Date, all official action of the Issuer relating to the Bonds, the other Bond Documents and the Closing Documents shall have been taken and the Bond Resolution, the Water Credit Fees Resolution, the Enterprise Resolution, the Bonds, the other Bond Documents and the Closing Documents shall be in full force and effect in accordance with their respective terms.

(f) At the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter:

(i) an opinion of Gilmore & Bell, P.C., as bond counsel ("Bond Counsel"), in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Issuer and the Underwriter concerning, among other matters, the validity and enforceability of the Bonds and

the Indenture and addressing certain tax matters relating to the Bonds (the "Opinion of Bond Counsel");

(ii) an opinion of Bond Counsel, in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Issuer and the Underwriter, stating that (A) the Bonds constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"); (B) it is not necessary in connection with the offering and sale of the Bonds to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); (C) a statement regarding the exemption from registration and qualification of the Bonds under State of Colorado securities law: (D) this Purchase Agreement, assuming due authorization, execution and delivery by all parties thereto, constitutes a valid and binding obligation of the Issuer; and (E) that the information contained in the Limited Offering Memorandum under the captions "INTRODUCTION—Purpose of the Bonds," "—Authority for Issuance, "—Security and Sources of Payment for Bonds," "—Additional Obligations," "—Interest Rates; Payment Provisions," "—Prior Redemption," and "—Exchange and Transfer," "THE SERIES 2021A SENIOR BONDS"; "THE SERIES 2021B SUBORDINATE BONDS," and "MISCELLANEOUS—Registration of Bonds" and in Appendix E thereto, insofar as such descriptions purport to describe or summarize provisions of the Bonds or the Indentures, are accurate summaries of such provisions in all material respects; and that the information in the Limited Offering Memorandum italicized information on the cover of the Limited Offering Memorandum and the information under the captions "INTRODUCTION—Tax Status" and "TAX MATTERS" purporting to describe or summarize Bond Counsel's advice to the Issuer in its opinions concerning certain federal tax matters relating to the Bonds has been reviewed by Bond Counsel and is an accurate summary in all material respects; [CONFIRM REFERENCES WITH POSTED PLOM;

(iii) if the Underwriter is not an addressee of the opinions of Bond Counsel described in Sections 2(f)(i) and (ii) above, then the Underwriter will require, in lieu thereof, a reliance letter of Bond Counsel addressed to the Underwriter and dated as of the Closing Date, stating that the Underwriter shall be entitled to rely upon such opinion of Bond Counsel as if it were addressed to the Underwriter;

(iv) a letter from Ballard Spahr LLP, as disclosure counsel to the Issuer ("Disclosure Counsel"), in form and substance satisfactory to the Underwriter, dated as of the Closing Date and addressed to the Issuer and the Underwriter (or the Underwriter shall receive a reliance letter in lieu thereof addressed to the Underwriter and dated as of the Closing Date, stating that the Underwriter shall be entitled to rely upon such opinion of Bond Counsel as if it were addressed to the Underwriter), stating, in substance, that nothing came to the attention of the attorneys in Ballard Spahr LLP rendering legal services in connection with such firm's representation of the Underwriter which leads such firm to believe that the Preliminary Limited Offering Memorandum, as of its date, and the Limited

Offering Memorandum, as of its date and the Closing Date, (except for any financial, demographic, economic, engineering or statistical data; any statements of trends, forecasts, estimates, projections, assumptions, or expressions of opinion; and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, as applicable, as to which such firm will express no view), contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as applicable, in light of the circumstances under which they were made, not misleading;

(v) a letter from Kutak Rock LLP, as counsel to the Underwriter ("Underwriter's Counsel"), in form and substance satisfactory to the Underwriter, dated as of the Closing Date and addressed to the Underwriter, stating, in substance, that nothing came to the attention of the attorneys in Kutak Rock LLP rendering legal services in connection with such firm's representation of the Underwriter which leads such firm to believe that the Preliminary Limited Offering Memorandum, as of its date, and the Limited Offering Memorandum, as of its date and the Closing Date, (except for any financial, demographic, economic, engineering or statistical data; any statements of trends, forecasts, estimates, projections, assumptions, or expressions of opinion; and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, as applicable, as to which such firm will express no view), contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, as applicable, in light of the circumstances under which they were made, not misleading;

(vi) [UPDATE AFTER DISCUSSION WITH WBA] an opinion of White Bear Ankele Tanaka & Waldron, general counsel to the District, acting by and through the Issuer ("General Counsel"), in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Issuer and the Underwriter (or, in lieu thereof, with a reliance letter to the Underwriter), (A) relating to the due organization and existence of the District; (B) stating that the Enterprise Resolution has been duly authorized and adopted by the District and that the Bond Resolution has been duly authorized and adopted by the Issuer and addressing the qualification of the members of the Board of the District and the Issuer to serve in such capacity; (C) that the Bond Documents have been duly authorized, executed and delivered by the Issuer; (D) that the Water Credit Fees Resolution has been duly adopted by the District, acting by and through the Issuer, and the Water Credit Fees are enforceable in accordance with the Water Credit Fees Resolution; (E) that the District is not required by law to amend the Service Plan to effectuate the performance of the Issuer's obligations under the Bond Documents; (F) that, to the best of General Counsel's knowledge and with reasonable inquiry, the issuance, execution, and delivery of the Bonds, and the

execution and delivery of the Bond Documents, and the performance by the Issuer of its obligations with respect thereto, will not result in a violation of any applicable judgment, order or decree of any authority of the State of Colorado, and will not result in a breach of, or constitute a default under, any agreement or instrument to which the District or the Issuer is a party; (G) [no lit re: enterprise reso] that, to the best of General Counsel's knowledge, there is no action, suit, or proceeding pending in which the Issuer is a party, nor is there any inquiry or investigation pending against the Issuer by any governmental agency, public agency, or authority which, if determined adversely to the Issuer would have an adverse material effect upon the Issuer's ability to comply with its obligations under the Bond Documents; (H) that the information in the Limited Offering Memorandum under the captions entitled "INTRODUCTION—The District," "—Enterprise Status," "THE DISTRICT," ["FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending—*Enterprise Exemption*" (first sentence of final paragraph only)], ["DEBT STRUCTURE,"] "LEGAL MATTERS—Pending and Threatened Litigation Involving the District," but excluding financial information contained therein, as originally circulated or as of the Closing Date, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) a certificate, dated the Closing Date, of the Issuer executed by the President of the Board of the District and the Issuer to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or the Issuer or, to the knowledge of the Issuer, threatened against or affecting the District and the Issuer (1) affecting the status of the Issuer as a "water activity enterprise" within the meaning of Section 37-45.1-102, C.R.S., and an "enterprise" for purposes of Article X, Section 20 of the Colorado Constitution; (2) to restrain or enjoin the Issuer's participation in, or in any way contest the existence of the Issuer or the powers of the Issuer with respect to the adoption of the Bond Resolution and Water Credit Fees Resolution or the consummation of the transactions contemplated by, or performance of the Issuer's obligations under, the Bond Documents; or (3) which, if successful, would materially and adversely affect the financial condition or operations of the Issuer, or the Issuer's power to issue and deliver the Bonds or to perform its obligations under the Bond Documents, including to collect the Water Credit Fees; (B) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded; (C) so far as is known, nothing exists to hinder or prevent the Issuer from issuing the Bonds, or collecting the Water Credit Fees; (D) the representations and warranties of the Issuer contained in this Purchase Agreement and the other Bond Documents are true and correct in all material respects, and the Issuer has complied with all agreements and covenants and satisfied all conditions required to be satisfied prior to the Closing Date as contemplated by the Bond Documents; and (E) such other representations as are customary in similar transactions;

(viii) copies of the executed Bond Documents, the Enterprise Resolution, the Bond Resolution, and the Water Credit Fees Resolution;

(ix) a tax certificate relating to the Bonds in the form satisfactory to Bond Counsel;

(x) specimens of the Bonds;

(xi) a certificate of the Trustee, dated the Closing Date, as to, among other things, the powers and authority of the Trustee, the execution and delivery by the Trustee of the Indenture and the Continuing Disclosure Agreement, the acceptance of the duties of the Trustee under the Indenture, the authentication of the Bonds by the Trustee and the receipt by the Trustee of the proceeds of the sale of the Bonds on behalf of the Issuer;

(xii) evidence satisfactory to the Underwriter of the exemption of the Bonds from the registration requirements of the Colorado Municipal Bond Supervision Act;

(xiii) a Letter of Representations and Agreement pertaining to information under the Limited Offering Memorandum under the caption "THE RMD WATER SERVICE AREA," executed by the Developer, in form and substance acceptable to the Underwriter, including its consent to the inclusion of the Projected Development and ERU Absorption Schedules in the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum;

(xiv) executed certificates of CliftonLarsonAllen LLP, Greenwood Village, Colorado, Zonda, Centennial, Colorado, and Haynie & Company, Littleton, Colorado, consenting to the inclusion of their respective reports in the Preliminary Limited Offering Memorandum and final Limited Offering Memorandum;

(xv) an opinion of Spencer Fane LLP in form and substance satisfactory to the Underwriter and its counsel, dated as of the Closing Date and addressed to the Trustee and the Underwriter (or, in lieu thereof, with a reliance letter to the Underwriter), regarding matters relating to the Restrictive Covenant;

(xvi) a copy of the recorded Restrictive Covenant or deposit of the executed Restrictive Covenant into an escrow account held under the ERU Purchase Agreement with non-revocable instructions to be recorded upon the issuance of the Bonds;

(xvii) a certificate or letter from North Slope Capital Advisors, Municipal Advisor to the Issuer, containing such representations and certifications as may be required by the Service Plan, the Issuer or Bond Counsel;

(xviii) an executed copy of the Memorandum of Understanding among the Issuer, the Developer, and South Adams County Water and Sanitation District

("South Adams") [and an executed copy of the Security Interest Acknowledgement from South Adams][DISCUSS TIMING OF WHEN AVAILABLE];

(xix) an executed copy of the Consent and Agreement Regarding Reunion ERUs, among the Issuer, the Developer, LCF (collectively, DIBC Buffalo Hills Ranch, LLC, a Colorado corporation, FFP-DIA, LLC, a Colorado corporation, and DIBC 96th And Potomac, LLC, a Colorado limited liability company), and Shea Homes Limited Partnership;

(xx) [CERTAIN CLOSING CONDITIONS TO BE DISCUSSED/REVISED AFTER PROCESS FINALIZED - DISCUSS DRY CLOSE PROCESS FOR ERUS - ADD CONDITIONS AS NECESSARY AFTER DISCUSSION, ERU PURCHASE AGREEMENT, SACWSD CONSENT, ETC][DISCUSS ANY UCC DOCUMENTATION AT CLOSING]

(xxi) a letter acknowledging that the Initial Owner is a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S. and containing certain other customary provisions;

(xxii) any approvals required under the Service Plan prior to the issuance of the Bonds; and

(xxiii) such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the Issuer contained in this Purchase Agreement and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer pursuant to this Purchase Agreement.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds on the Closing Date shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the obligation to pay expenses, as provided in Section 8 hereof, shall continue in full force and effect.

Section 5. Termination. The Underwriter shall have the right to cancel its obligations to purchase the Bonds in whole or, in accordance with the final paragraph of this Section 6, in part if between the date hereof and the Closing Date:

(a) legislation shall have been enacted by the Congress of the United States or the legislature of the State of Colorado or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the

Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(b) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or

(c) there shall be in force a general suspension of trading on the New York Stock Exchange or other major exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission of the United States or any other governmental authority having jurisdiction; or

(d) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, the Bond Resolution, or the Bond Documents, or any comparable securities of the Issuer, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(e) except as disclosed in or contemplated by the Limited Offering Memorandum, any material adverse change in the affairs of the Issuer shall have occurred; or

(f) a general banking moratorium shall have been declared by federal, New York or Colorado authorities; or

(g) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(h) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(i) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission of the United States or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase

Agreement or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Trust Indenture; or

(j) any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the Issuer's obligations; or

(l) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Issuer; or

(m) the declaration of bankruptcy by a state or any subdivision or instrumentality of a state, which state, subdivision or instrumentality has a population of over 500,000, any of which, in the reasonable opinion of the Underwriter, has had a materially adverse effect on the United States securities markets; or

(n) any one or more investors who have agreed to buy the Bonds from the Underwriter fails to honor its agreement to purchase its committed portion of the Bonds; or

(o) additional events or announcements related to the COVID-19 virus and its impact result in the cancellation of orders from investors or inability of investors to proceed with the purchase of their Bonds in an amount that the Underwriter deems to have an adverse material impact on the sale of and market for the Bonds.

Section 6. Contingency of Obligations. The obligations of the Issuer hereunder are subject to the performance by the Underwriter of its obligations hereunder.

Section 7. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the Issuer are made as of the Closing Date and shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Issuer and shall survive the Closing Date. The obligations of the Issuer under Section 8 hereof shall survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

Section 8. Expenses and Compensation. The Issuer will pay or cause to be paid all reasonable expenses incident to the performance of its obligations and the obligations of the Underwriter under this Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of printing the Bonds, the fees and disbursements of Bond Counsel, Underwriter's Counsel, Disclosure Counsel, and General Counsel, the fees and expenses of the Issuer's accountants and other consultants, fees and charges of the Trustee, paying agent or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with The Depository Trust Company of New York, rating agency fees,

if any, CUSIP fees, regulatory fees, clearing and delivery fees and all other out of pocket expenses incurred by the Underwriter in connection with its purchase and offering of the Bonds. In the event this Purchase Agreement shall terminate without Bonds being issued, the Issuer will, nevertheless, pay, or cause to be paid, any of the amounts owing specified above for which it is contractually obligated.

Section 9. Notices. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to Reunion Metropolitan District, c/o White Bear Ankele Tanaka & Waldron, 2154 East Commons Avenue, Suite 2000, Centennial, Colorado 80122; and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Sandler & Co., 1200 17th Street, Suite 1250, Denver, Colorado 80202.

Section 10. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any the Initial Owner, shall acquire or have any right hereunder or by virtue hereof.

Section 11. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to its choice of law analysis.

Section 12. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

Section 13. Effectiveness; Form of Signatures. This Purchase Agreement shall become effective upon your acceptance hereof, as evidenced by your signature hereon. This Purchase Agreement may be signed via facsimile or electronically, transmitted in PDF format or otherwise, and the signatures of the parties hereto in any such form shall be binding and of full force and effect as if such signatures were original signatures of such parties.

Section 14. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

Please indicate your acceptance of this offer by signing below.

Very truly yours,

PIPER SANDLER & CO.

By _____
Authorized Signatory

Accepted and agreed to as
of this ___ day of _____, 2021
at _____ a.m./p.m.

REUNION METROPOLITAN DISTRICT, ACTING
BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE

By _____
_____, _____

EXHIBIT A

BOND PRICING

Maturity Date	Principal Maturing	Price	Interest Rate
December 15, 20[__]	$[_____]	[_____]%	[_____]%

Redemption Provisions

[TO COME]

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [_____], 2021

NEW ISSUE **NOT RATED**

BOOK-ENTRY ONLY

In the opinion of Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel, to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1996, as amended, interest on the Bonds (including any original discount property allocable to the owner thereof is excludable from gross income for federal income tax purposes and is not an item of tax preference of purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds and the income therefrom are exempt from taxation under the laws of the State of Colorado, except inheritance, estate and transfer taxes. See "TAX MATTERS" herein.

REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO

$43,255,000*
SPECIAL REVENUE BONDS
SERIES 2021A

$8,975,000*
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

Dated: Date of Delivery

Due: December 1, 2044* (Series 2021A Senior Bonds)
December 15, 2033* (Series 2021B Subordinate Bonds)

Reunion Metropolitan District, in the City of Commerce City, Adams County, Colorado (the "**District**"), acting by and through its Water Activity Enterprise (in such capacity, the "**Issuer**") is issuing its Special Revenue Bonds, Series 2021A (the "**Series 2021A Senior Bonds**"), pursuant to an Indenture of Trust (Senior) to be dated June 1, 2021 (the "**Senior Indenture**"), and its Subordinate Special Revenue Bonds, Series 2021B (the "**Series 2021B Subordinate Bonds**", and together with the Series 2021A Bonds, the "**Bonds**"), pursuant to an Indenture of Trust (Subordinate) to be dated June 1, 2021 (the "**Subordinate Indenture**", and together with the Senior Indenture, the "**Indentures**"), between the District and UMB Bank, n.a., as trustee (the "**Trustee**"). The Trustee will also act as Registrar and Paying Agent for the Bonds, and DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. *Capitalized terms used on the cover page of this Limited Offering Memorandum are defined in the Introduction herein or in APPENDIX D—SELECTED DEFINITIONS hereto.*

The Series 2021A Senior Bonds are special revenue obligations of the Issuer secured by and payable from the Pledged Revenue, generally consisting of: (a) all Water Credit Fee Revenues (generally meaning revenues resulting from the Issuer's imposition of Water Credit Fees for the sale of RMD/ERU Water Credits); (b) all Net Bulk Sale Proceeds (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event resulting in acceleration of the Bonds); (c) all ERU Remedy Revenues (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (d) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Senior Bond Fund. The Series 2021A Senior Bonds constitute an irrevocable and first lien upon the Pledged Revenue but not necessarily an exclusive first lien. The Series 2021A Senior Bonds will also be secured by amounts on deposit in the Senior Reserve Fund, which will be funded with proceeds of the Bonds in the amount of $3,748,500*, and by moneys accumulated in the Senior Surplus Fund, if any. A portion of the interest on the Series 2021A Senior Bonds will be paid from capitalized interest to be funded with proceeds of the Series 2021A Senior Bonds in the amount of $955,215*.

The Series 2021B Subordinate Bonds are special revenue obligations of the Issuer secured by and payable from the Subordinate Pledged Revenue, generally consisting of: (a) any of the following remaining **after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations**: (i) all Water Credit Fee Revenues; (ii) all Net Bulk Sale Proceeds; (iii) all ERU Remedy Revenues; and (b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund

The Bonds are also secured by a lien on the RMD/ERU Water Credits pursuant to the Indentures and the Colorado UCC, which lien is to be partially released from time to time in connection with the Trustee's receipt of Water Credit Fees. Under certain circumstances, all of the principal and interest on the Bonds is to be declared immediately due and payable and the Trustee is to exercise all remedies available to it to result in a bulk sale of all RMD/ERU Water Credits, in accordance with the Indentures. **The lien on the RMD/ERU Water Credits securing the Series 2021B Subordinate Bonds is subordinate to the lien thereon securing the Series 2021A Senior Bonds. In the event of a Bulk Sale of the RMD/ERU Water Credits, net proceeds resulting from such Bulk Sale will be applied to pay Series 2021B Subordinate Bonds only to the extent remaining (if at all) after the payment in full of the Series 2021A Senior Bonds and any other Senior Obligations, and the other amounts required by the Senior Indenture.**

The Bonds do not constitute a general obligation 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 being issued in denominations of $500,000 or any integral multiple of $1,000 in excess thereof as fully registered bonds. Interest on the Series 2021A Senior Bonds is payable semi-annually on June 1 and December 1 each year, commencing December 1, 2021, at the rates set forth below. Interest on the Series 2021B Subordinate Bonds is payable annually on December [__] each year, commencing on December [__], 20[__]*.

$43,255,000* _____% Series 2021A Senior Bonds due December 1, 2044* Price ___% CUSIP _____ ©,1
$8,975,000* _____% Series 2021B Subordinate Bonds due December 15, 2033* Price ___% CUSIP _____ ©, 1

* Preliminary; subject to change.

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[1] Neither the District nor the Underwriter assumes any responsibility for the accuracy of such numbers.

[**ADD FOOTNOTE THAT B BONDS NOT BEING PUBLIC OFFERED**]

This Preliminary Limited Offering Memorandum 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 Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

The Series 2021A Senior Bonds are subject to optional redemption, mandatory sinking fund redemption, and mandatory excess revenues redemption prior to maturity, and the Series 2021B Subordinate Bonds are subject to optional and mandatory redemption, prior to maturity at the prices and upon the terms set forth in this Limited Offering Memorandum.

Proceeds from the sale of the Series 2021A Senior Bonds will be used for the purposes of paying a portion of the purchase price for the RMD/ERU Water Credits to facilitate the provision of water service to the RMD Water Service Area, representing a portion of a mixed-use development referred to as Reunion, as more particularly described herein. A portion of the proceeds of the Series 2021A Senior Bonds will also be used to fund the Senior Reserve Fund, a portion of the interest to accrue on the Series 2021A Senior Bonds, and the costs of issuing the Bonds. The Series 2021B Subordinate Bonds are being issued in payment of the remaining portion of the purchase price of the RMD/ERU Water Credits. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF INVESTMENT RISK. AS SUBORDINATE OBLIGATIONS, REPAYMENT OF THE SERIES 2021B SUBORDINATE BONDS IS SUBJECT TO A HIGHER DEGREE OF RISK THAN REPAYMENT OF THE SERIES 2021A SENIOR BONDS. EACH PROSPECTIVE INVESTOR IS ADVISED TO READ "RISK FACTORS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS. THE BONDS ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS OR INSTITUTIONAL INVESTORS" AS SUCH TERMS ARE DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES, AS AMENDED.

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

The Bonds are offered when, as and if issued by the Issuer and accepted by the Underwriter subject to the approval of legality of the Bonds by Gilmore & Bell, P.C., Salt Lake City, Utah, as Bond Counsel, and the satisfaction of certain other conditions. Ballard Spahr LLP has assisted in the preparation of this Limited Offering Memorandum in its capacity as Disclosure Counsel to the District. Certain legal matters will be passed upon by White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, as General Counsel to the District, and by Spencer Fane LLP, as counsel to the Developer. Kutak Rock LLP, Denver, Colorado, has acted as counsel to the Underwriter. North Slope Capital Advisers, Denver, Colorado, has served as Municipal Advisor to the District. The Bonds are expected to be available for delivery through the facilities of DTC on or about June [__], 2021*.

PIPER SANDLER & CO.

This Limited Offering Memorandum is dated _____, 2021

REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO

Board of Directors[1]

Kelly Leid, President
Brett Price, Vice President
Bruce Rau, Treasurer
Teresa Kershisnik, Assistant Secretary
Timothy Roberts, Assistant Secretary

General Counsel to the District
White Bear Ankele Tanaka & Waldron Professional Corporation
Centennial, Colorado

Trustee
UMB Bank, n.a.
Denver, Colorado

Underwriter
Piper Sandler & Co.
Denver, Colorado

Bond Counsel
Gilmore & Bell, P.C.
Salt Lake City, Utah

Disclosure Counsel to the District
Ballard Spahr LLP
Denver, Colorado

Underwriter's Counsel
Kutak Rock LLP
Denver, Colorado

Counsel to the Developer
Spencer Fane LLP
Denver, Colorado

Municipal Advisor
North Slope Capital Advisors
Denver, Colorado

Accountant
CliftonLarsonAllen LLP
Greenwood Village, Colorado

[1] Reflects the Board of Directors of the District. The "Issuer," as used herein, constitutes the District, acting by and through the Water Activity Enterprise (defined herein). The Water Activity Enterprise is not a separate legal entity. Accordingly, the Board of Directors of the District, indicated here, also governs actions of the Issuer.

USE OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum, which includes the cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Limited Offering Memorandum in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

The information set forth in this Limited Offering Memorandum has been obtained from the District, the Developers, and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. In accordance with its responsibilities under federal securities laws, the Underwriter has reviewed the information in this Limited Offering Memorandum but does not guarantee its accuracy or completeness. This Limited Offering Memorandum contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Limited Offering Memorandum are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Limited Offering Memorandum.

This Limited Offering Memorandum has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the District, the Bonds and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, including, but not limited to the Forecasted Surplus Cash Balances and Cash Receipts and Disbursements, the Projected Development and ERU Absorption Schedules and the Residential Demand Study attached hereto as Appendices [__] and [__], respectively, contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words "estimate," "forecast," "anticipate," "intend," "expect," "plan," "projected" and similar expressions identify forward–looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material.

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Rocky Mountain Wildlife Refuge
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Prairie View High School
Bison Ridge Recreation Center
Adams County Government Offices
King Soopers
Chambers Rd.
Stuart Middle School
Landmark Academy at Reunion
Buffalo Run Neighborhood & Golf Course
E. 112th Ave.
Buckley Rd.
Buffalo Highlands Neighborhood
Landmark Dr.
Reunion Park & Recreation Center
Reunion Elementary
E. 96th Ave.
Eastpoint Neighborhood
N. 104th Ave.
Walden St.
Shopping
Tower Rd.
To Brighton
Settlers Crossing Neighborhood
To Denver International Airport
E-470
REUNION
METROPOLITAN DISTRICT (ENTERPRISE)
- WATER SERVICE AREA
Photo Date: March 5, 2021
ZoomAerialPhotos.com
303-893-3303

REUNION ILLUSTRATIVE DEVELOPMENT PLAN

NOTE: The RMD Water Service Area comprises approximately [_____] acres within the larger Reunion master-planned development, the Illustrative Development Plan for which is set forth below. A significant portion of property in the RMD Water Service Area is in the very early stages of development, and all development plans remain subject to change. [ADDITIONAL DISCLAIMER] See "THE RMD WATER SERVICE AREA."

LIMITED OFFERING MEMORANDUM

REUNION METROPOLITAN DISTRICT
ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE
(IN THE CITY OF COMMERCE CITY)
ADAMS COUNTY, COLORADO

$43,255,000*
SPECIAL REVENUE BONDS
SERIES 2021A

$8,975,000*
SUBORDINATE SPECIAL REVENUE BONDS
SERIES 2021B

INTRODUCTION

General

This Limited Offering Memorandum is furnished by Reunion Metropolitan District, in the City of Commerce City, Adams County, Colorado (the "**District**") to provide certain information concerning the Special Revenue Bonds, Series 2021A (the "**Series 2021A Senior Bonds**") and the Subordinate Special Revenue Bonds, Series 2021B (the "**Series 2021B Subordinate Bonds**" and, together with the Series 2021A Senior Bonds, "**Bonds**"), which are being issued by the District, acting by and through its Water Activity Enterprise (in such capacity, the "**Issuer**"). The offering of the Bonds is made only by way of this Limited Offering Memorandum [**MODIFY FOR SUBS**], which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

While this Limited Offering Memorandum describes the terms of both the Series 2021A Senior Bonds and the Series 2021B Subordinate Bonds, such series of Bonds are secured by two separate Indentures: the Senior Indenture and the Subordinate Indenture, respectively; and two separate sets of revenue available to the Issuing District: the Senior Pledged Revenue and the Subordinate Pledged Revenue, respectively; all as more particularly described herein. The inclusion of descriptions of both series of Bonds in a single Limited Offering Memorandum does not imply that the Owners of the Series 2021A Senior Bonds and the Series 2021B Subordinate Bonds are secured by the same revenue sources, funds, or covenants. Owners of the Series 2021A Senior Bonds and the Series 2021B Subordinate Bonds are afforded different rights under the Senior Indenture and the Subordinate Indenture, respectively. Potential purchasers of the Bonds are cautioned to review carefully the provisions herein describing the Senior Indenture and the Subordinate Indenture as applicable to the Bonds to be purchased.

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

Capitalized terms not defined within the body of this Limited Offering Memorandum have the respective meanings set forth in APPENDIX D—SELECTED DEFINITIONS hereto, unless the context clearly indicates a contrary meaning.

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

The District

Reunion Metropolitan District (as previously defined, the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado created pursuant to the Special District Act. The District was originally organized as "Buffalo Hills Metropolitan District" pursuant to an Order and Decree entered by Adams County District Court on December 1, 2000, and recorded on December 27, 2000. The creation of the District was approved by the eligible electors of the District voting at the election held on November 7, 2000 (the "**2000 Election**"). The District's name was changed to "Reunion Metropolitan District" pursuant to an Order and Decree entered by the Adams County District Court on June 20, 2001, and recorded on June 20, 2001.

The District, together with North Range Metropolitan District No. 1 ("**North Range District No. 1**"), North Range Metropolitan District No. 2 ("**North Range District No. 2**"), and subsequently North Range Metropolitan District No. 3 ("**North Range District No. 3**"), North Range Metropolitan District No. 4 ("**North Range District No. 4**"), and North Range Metropolitan District No. 5 ("**North Range District No. 5**") were created as part of a plan to serve the needs of the "Reunion" master-planned community (more particularly described below, and referred to herein as "**Reunion**"), which encompasses approximately 3,139 acres in the northeastern portion of the City of Commerce City (the "**City**"), in Adams County (the "**County**"), Colorado (the "**State**"). Reunion is generally located to the south of 112th Avenue, north of 96th Avenue, east of Peoria Avenue, and west of Himalaya Road and is located to the northeast of the Rocky Mountain Arsenal National Wildlife Refuge. It is approximately 20 miles from downtown Denver and approximately 12 miles from the Denver International Airport. See "AERIAL PHOTOS" and "VICINITY MAP." North Range District No. 1, North Range District No. 2, North Range District No. 3, and North Range District No. 4 (but not North Range District No. 5) are collectively referred to herein as the "**North Range Districts**."

The boundaries of the District encompass approximately 5.6 acres. However, the District is authorized by its Service Plan to provide services to the entirety of Reunion, including the areas comprising the RMD Water Service Area, as more particularly described herein.

The District operates in accordance with the authority, and subject to the limitations, of a Service Plan for the District approved by the City Council of the City (the "**City Council**") on August 21, 2000, as amended by a First Amendment to Service Plan approved by the City Council on August 6, 2001 (collectively, the "**Service Plan**"). Pursuant to the Service Plan and the Special District Act (defined below), the District is authorized to provide for the design, acquisition, construction, installation, perpetual maintenance, and financing (to the extent permitted in the Service Plan) of certain street, water, sanitation, safety protection, park and recreation, transportation, television relay and translation facilities, mosquito control and fire protection improvements (collectively, the "**Public Improvements**") and services, within and without the boundaries of the District, to serve the future taxpayers and inhabitants of Reunion, except as specifically limited therein. According to District officials, all Public Improvements contemplated by the Service Plan to be constructed to serve Reunion have been or, upon completion, will be transferred to the City, South Adams County Water and Sanitation District ("**South Adams**"), or will be owned and operated by the District (in accordance with the District Operating Services Agreement, described below) for operation and maintenance. See "THE DISTRICT—Service Plan Authorizations and Limitations."

Pursuant to the "**District Operating Services Agreement**" entered into by and among the District and the North Range Districts, as more particularly described herein, the District serves as the "service

district" for the District and the North Range Districts and, in such capacity, provides administrative services, design review services, and covenant enforcement services for the North Range Districts and is also to own, operate, maintain and construct the Public Improvements within the District and the North Range Districts, to the extent not transferred to other governmental entities or an owners association. In accordance with the Mill Levy Equalization and Pledge Agreement (as more particularly defined herein, the "**MLEPA**") entered into by and among the District and the North Range Districts, the North Range Districts are to impose ad valorem property taxes for the payment of administrative and operation and maintenance services provided by the District, as well as to pay debt service on bonds issued by the North Range Districts to fund costs of the Public Improvements, and to reimburse amounts owed to the Developer for costs of Public Improvements as well as administrative, operation and maintenance costs of the District, all as more particularly described herein. See "THE DISTRICT—_____." ***Although the MLEPA requires the remittance of revenues by the North Range Districts to the District for the foregoing-described purposes, none of such revenues are available for application to or pledged to the payment of the Bonds.***

Historically, in accordance with the foregoing-described agreements and other agreements entered into between the District and the Developer (or Shea, as the prior developer of property within Reunion), the District and the North Range Districts have cooperated in providing Public Improvements to serve Reunion. In particular, North Range Metropolitan District Nos. 1-3 have issued general obligation bonds payable from ad valorem property taxes collected from property in the applicable North Range District, and have remitted the net proceeds of such bonds to the District for application to the costs of Public Improvements (including reimbursement of such costs initially funded by the Developer or Shea). The District anticipates that it will continue to cooperate in such manner with the North Range Districts, and potentially other metropolitan districts that have been and may in the future be, formed to serve the Reunion development. Net proceeds of the Bonds will be applied to the acquisition of the RMD/ERU Water Credits and no other Public Improvements serving the Reunion development. No outstanding obligation of the District under any agreement with the North Range Districts, the Developer, or Shea pledges, encumbers or commits, or is otherwise payable from, the Water Credit Fees or any other portion or the Pledged Revenue or Subordinate Pledged Revenue, or any revenues or assets of the Water Activity Enterprise. Accordingly, only limited information is provided herein with respect to such agreements.

Purpose of the Bonds

The Series 2021A Senior Bonds are being issued for the purpose of paying a portion of the purchase of "**RMD/ERU Water Credits**," which are more particularly defined and described herein, but generally represent credits issued by South Adams County Water & Sanitation District ("**South Adams**") that are to be applied to the water resources component of a water connection fee charged by South Adams in connection with its provision of potable and/or irrigation water service to property in the RMD Water Service Area (defined below). See "—The RMD Water Service Area" below. The RMD/ERU Water Credits are being purchased by the Issuer from the Developer in accordance with an ERU Purchase Agreement to be entered into prior to the date of issuance of the Bonds (the "**ERU Purchase Agreement**"). Pursuant to the ERU Purchase Agreement, the Series 2021B Subordinate Bonds are to be executed and delivered by the Issuer to the Developer in an amount equal to, and in payment of, any portion of the purchase price for the RMD/ERU Water Credits remaining after application of net proceeds of the Series 2021A Senior Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds—*Acquisition of RMD/ERU Water Credits*."

A portion of the proceeds of the Series 2021A Senior Bonds will also be used to fund: (a) the Senior Reserve Fund, (b) a portion of the interest to accrue on the Series 2021A Senior Bonds, and (c) the costs of issuing the Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

Enterprise Status

The District is undertaking the financing and acquisition of ERU Water Credits (as defined below), through the issuance of the Bonds, by and through an "enterprise" under State law. Specifically, the District has found and determined that, with respect to the business represented by the District's water activities, including the acquisition and sale of the ERU Water Credits not received, and the District has no present expectation that it will receive in calendar year 2021 or thereafter, 10% or more of its annual revenue relating to such business in grants from all Colorado state and local governments combined. Accordingly, the businesses represented by the District's water activities, including the financing and acquisition of ERU Water Credits constitute an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution ("**TABOR**") and the terms and provisions of Title 37, Article 45.1, C.R.S. (the "**Water Enterprise Act**"). The District adopted a resolution on January 14, 2021 (the "**Enterprise Resolution**"), establishing as an "enterprise" the business represented by the District's water activities, including the acquisition and sale of the ERU Water Credits (the "**Water Activity Enterprise**"). The Enterprise Resolution provides that it is the purposes of the Water Activity Enterprise to pursue or continue, as applicable, the District's water activities defined in the Water Enterprise Act, including the acquisition and sale of ERU Water Credits under the provisions of the ERU Purchase Agreement, and may further include but not necessarily be limited to water acquisition, or water project or facility activities, construction, operation, repair, and replacement of water facilities, using revenues and income generated by and earned or acquired in connection with such water activities and held and managed in the District's water enterprise fund (the "**Enterprise Fund**"). As between the District and the Water Activity Enterprise, all water activities done and furnished by the Water Activity Enterprise shall be accounted for separately.

The Bonds are authorized and issued by the District acting by and through the Water Activity Enterprise and, when acting in such capacity, the District is referred to herein as the "**Issuer**." Accordingly, all actions and obligations of the District with respect to authorization, issuance and payment of the Bonds are described herein as actions and obligations of the Issuer. The Water Activity Enterprise does not constitute a separate corporate legal entity from the District and, accordingly, the Board of Directors of the District govern all actions of the Issuer. However, the financial activities of the District comprising the Water Activity Enterprise (which include the acquisition and sale of ERU Water Credits) are accounted for separately from all other financial activities of the District. From time to time, it is anticipated that the District will purchase ERU Water Credits comprising RMD/ERU Irrigation Credits (defined below) from the Issuer (i.e., the District acting by and through the Water Activity Enterprise) for the purpose of conducting its non-Enterprise activities, which include providing irrigation service to public areas in Reunion, as described herein [CONFIRM DISTINCTION RELATING TO PURCHASE OF ERUS BY DISTRICT] For more information on enterprises, see "FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending."

The RMD Water Service Area

The Issuer is issuing the Bonds to finance the purchase of certain ERU Water Credits (as more particularly defined herein, the "**RMD/ERU Water Credits**") for the purpose of facilitating the provision of water service by South Adams to an area referred to herein as the "**RMD Water Service Area**." The RMD Water Service Area comprises approximately 1,495.52 acres within the larger Reunion master-planned development encompassing approximately 3,139 acres located in the City. As of the date of this Limited Offering Memorandum, three homebuilders, in addition to the Developer, are actively building within Reunion. The RMD Water Service Area represents substantially all of the property remaining to be developed in Reunion; however, the term RMD Water Service Area does not include properties for which ERU Water Credits have otherwise previously been surrendered, including properties sold by the Developer to such homebuilders or lots being developed by the Developer, as more particularly described in "—*Reunion*; *Exclusions from RMD Water Service Area*" below. See also "AERIAL PHOTOS", "VICINITY

MAP." For purposes of this Limited Offering Memorandum, the discussion of development within the RMD Water Service Area is divided into three areas (all as more particularly defined herein): (a) the Developer Planned Neighborhoods, (b) Village 1/Reunion Center, and (c) Village 8 Mixed Use. (Village 1/Reunion Center and Village 8 Mixed Use are sometimes referred to collectively herein as the "**Mixed-Use Areas**.")

All of the property within the RMD Water Service Area is projected to be developed over a period of approximately 12 years into an estimated 7,672 residential units (comprised of an estimated 5,592 "for sale" units and an estimated 2,080 "for rent" units), an estimated 80.6 acres of commercial/office/library uses and an estimated 31.3 acres of parks and detention pond area uses (provided that the foregoing excludes uses for the Excluded Shea Parcels described below, which are not projected herein). While Clayton Properties Group II, Inc. (as previously defined, the "**Developer**") has developed subdivision-specific development plans for a portion of the property planned for residential uses within the RMD Water Service Area (described below as Developer Planned Neighborhoods), and conceptual plans for other areas within the RMD Water Service Area, ***development activities with respect to a significant portion of such property are in the very early stages***. Furthermore, in the case of properties comprising "Village 1/Reunion Center" and "Village 8 Mixed-Use" anticipated to be developed into a mix of residential and commercial uses, the Developer expects to sell a significant portion of such property to residential and commercial builders unrelated to the Developer. The Developer has not initiated discussions with any builders or developers concerning the development of such property, and it is not possible to predict with any degree of certainty the development plans that may be pursued by such builders or developers. Accordingly, the development plans for the RMD Water Service Area described herein, *which form the basis for the total projected number of RMD/ERU Water Credits anticipated to be purchased by owners of property in the RMD Water Service Area as such property is developed, and the absorption schedules therefor,* are comprised of the following (all as more particularly described herein):

(i) the Developer's current subdivision-specific development plans for approximately 3,829 single-family homes on approximately 1,018.81 acres (the "**Developer Planned Neighborhoods**"), anticipated to be constructed by the Developer and other homebuilders unrelated to the Developer; and

(ii) one *possible* conceptual "bubble level" development plan under consideration by the Developer (referred to as the "**Option C Plan**") for an approximately 442.80-acre area referred to as "**Village 1/Reunion Center**" anticipated to be developed into retail, commercial, office, multi-family and other residential uses and public uses; and

(iii) one *possible* scenario of uses under consideration by the Developer for an approximately 33.91-acre area referred to as "**Village 8 Mixed-Use,**" comprised of two parcels presently anticipated to be developed into senior living and commercial uses, respectively (Village 8 Mixed-Use and Reunion Center are collectively herein as the "**Mixed-Use Areas**").

Of the 5,953 RMD/ERU Building Credits projected to be required by the RMD Water Service Area, approximately 3,131.05 RMD/ERU Building Credits are projected to be needed for the Developer Planned Neighborhoods, and the remaining approximately 2,821.88 RMD/ERU Building Credits are projected to be needed for the Mixed-Use Areas.

Because the development plans for a significant portion of property within the RMD Water Service Area described herein are preliminary and conceptual in nature, there is no assurance that the property will ultimately be developed as described herein or that the number of ERU Water Credits project to be needed for development within the RMD Water Service Area will not change. None of the Developer or other future homebuilders or developers are obligated or expected to be

obligated to develop the property within the RMD Water Service Area as described herein or in any particular timeframe or at all. Final development plans that require fewer ERU Water Credits than projected herein could materially adversely affect the repayment of the Bonds.

The development plans for the RMD Water Service Area and resulting projected RMD/ERU Water Credit usage produced by the Developer and described herein (and in the Projected Development and ERU Absorption Schedules) do not include anticipated land uses and resulting projected RMD/ERU Water Credit usage for a portion of the property in the RMD Water Service Area owned by Shea as follows (collectively referred to herein as the "**Excluded Shea Parcels**"): (a) approximately 4.51 acres in Village 1/Reunion Center, and (b) approximately 6.44 acres in the Developer Planned Neighborhoods (in Village 8). While such property is subject to the Restrictive Covenant and the Water Credit Fees Resolution, no information is available as to the potential intended uses of such property or the likelihood of development in any particular timeframe or at all. In evaluating a purchase of the Bonds, investors should not assume that any RMD/ERU Water Credits will be purchased by the owners of such property.

The Developer has projected full absorption of the 3,829 homes planned for the Developer Planned Neighborhoods to occur in 2033, and has projected development in the Mixed-Use Areas to commence in 2022, with full absorption of development therein (as reflected in the Developer's conceptual plans described herein) projected by the Developer to occur in 2030 for non-residential uses and 2033 for residential uses, as set forth in the schedules attached hereto as **Appendix B**, which are collectively referred to herein as the "**Projected Development and ERU Absorption Schedules**."

Of the approximately 1,495.52 acres within the RMD Water Service Area, as of May 21, 2021, the Developer owned approximately 270.31 acres, Shea owned approximately 22.15 acres, the City owned approximately 62.88 acres and the District owned approximately 40.37 acres. The remaining approximately 1,099.81 acres in the RMD Water Service Areas were owned by LCF (defined below) as of May 21, 2021, subject to the Developer's option to purchase such property in accordance with an Option Agreement, defined and more particularly described herein. "**LCF**" means, collectively, DIBC Buffalo Hills Ranch, LLC, a Colorado corporation, FFP-DIA, LLC, a Colorado corporation, and DIBC 96th And Potomac, LLC, a Colorado limited liability company. Where property is described herein as "owned by LCF," such property is owned by one or more of such entities, but not necessarily all of such entities. See "THE RMD WATER SERVICE AREA—Land Ownership; Option Agreement." ***Neither LCF nor Shea have participated in the preparation of this Limited Offering Memorandum.***

The Developer's plans for the Developer Planned Neighborhood, and the conceptual plans for the Mixed-Use Areas presented herein, conform to the permitted uses for such property as set forth in the applicable zoning documentation; however, other than property planned for approximately 639 single-family homes in the Developer Planned Neighborhood, for which final subdivision plats have been approved, additional City approvals of preliminary and final subdivision plats (or re-plats) and/or site specific development plans are anticipated to be required to develop property in the RMD Water Service Area, in addition to the issuance by the City of building permits and certificates of occupancy. Final Plats for an additional 1,058 single-family lots have been submitted by the Developer to the City for review and approval. No assurance is provided that the City will approve such final plats or any future final plats submitted in the timeframe anticipated to accomplish development within the RMD Water Service Area as anticipated herein, or at all. Furthermore, no assurance is provided that final plats for the remainder of the RMD Water Service Area will be submitted by the property owners as anticipated herein or at all.

[SUMMARIZE ANY INFRASTRUCTURE DISCUSSION; NO COST ESTIMATES TO BE PROVIDED; DISCUSS REUNION DISTRICT ANTICIPATED INVOLVEMENT?]

Reunion. The Reunion master-planned development encompasses approximately 3,139 acres located in the City, planned for nearly 10,000 dwelling units (including townhomes, single family detached homes and apartments), neighborhood parks, schools, and commercial uses (including, but not limited to corporate offices and hotels). Established in 2002, Reunion is presently home to over 2,000 families and includes an award-winning, 25,000 square-foot recreation center overlooking the lakes at the eastern end of Reunion Park in addition to an outdoor pool with interactive water features, Buffalo Run Golf Course and 10 miles of trails with 8 acres of lakes.

The RMD Water Service Area represents substantially all of the property remaining to be developed in Reunion, *except as described in this paragraph*. The Developer is presently actively building in five "filings" (platted subdivisions) within multiple "villages" (planned community areas) in Reunion. In addition, three homebuilders—Lennar Homes, Richmond Homes and TriPointe Homes—are actively building in various filings and villages in Reunion. ERU Water Credits for such properties under active development by the Developer and other homebuilders have previously been surrendered. S*uch properties are excluded from the RMD Water Service Area, and are not subject to the Restrictive Covenant or the Water Credit Fees Resolution. The owners of such properties are not anticipated to purchase RMD/ERU Water Credits from the District resulting in Pledged Revenue to be applied to payment of the Bonds*.

Projected RMD/ERU Water Credit Usage

All of the property within the RMD Water Service Area is subject to the Restrictive Covenant and the Water Credit Fees Resolution (both as defined and described below) and, accordingly, owners of property within the RMD Water Service Area are anticipated to purchase RMD/ERU Water Credits from the Issuer in connection with the development of such property; provided, however, that Brighton School District 27-J, the City, South Adams, and the South Adams County Fire Department are not subject to the requirements and restrictions of the Restrictive Covenant and the Water Credit Fees Resolution and, therefore, none of such entities are anticipated to purchase RMD/ERU Water Credits from the Issuer. See "[___]." Based on the conceptual development plans of the developer set forth herein, the Developer has projected that the RMD Water Service Area (excluding the Excluded Shea Parcels, described herein) will require a total of 7,236 RMD/ERU Water Credits comprised of: (a) 5,953 RMD/ERU Water Credits (referred to as RMD/ERU Building Credits) in connection with the delivery of private potable or irrigation water service to structures (as more particularly provided in the Restrictive Covenant and Water Credit Fees Resolution, Permitted ERU Building Uses), and (b) 1,283 RMD/ERU Water Credits (referred to as RMD/ERU Irrigation Credits) for irrigation of Reunion Public Areas by the District or other Reunion District (as more particularly provided in the Restrictive Covenant and Water Credit Fees Resolution, Permitted ERU Irrigation Uses). Such RMD/ERU Water Credit usage has been estimated based on the ultimate uses of such property as projected herein, and historical average ERU Water Credit usage for comparable areas and calculations and classifications historically used by, or otherwise agreed to, by South Adams, as more particularly described herein. See "THE RMD WATER SERVICE AREA—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage." The Developer's projected "absorption" of such RMD/ERU Water Credits, meaning the number of RMD/ERU Water Credits (both for Permitted ERU Building Uses and for Permitted ERU Irrigation Uses) projected to be purchased in each year, is included in the Projected Development and ERU Absorption Schedules attached as **Appendix B** hereto.

South Adams has not reviewed or approved the Projected Development and ERU Absorption Schedules. No assurance is provided that, at the time water service is requested from South Adams, the number of RMD/ERU Water Credits required for a particular property within the RMD Water Service Area will be as projected herein. If fewer RMD/ERU Water Credits are needed for properties within the RMD Water Service Area than projected herein, the repayment of the Bonds could be materially affected.

Authority for Issuance

The Bonds are issued in full conformity with the constitution and laws of the State of Colorado, including Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended ("**C.R.S.**") (the "**Supplemental Public Securities Act**"), Part 4 of Article 35 of Title 31, C.R.S., Article 45.1 of Title 37, C.R.S. (as previously defined "**Water Enterprise Act**"), and Article 1 of Title 32, C.R.S. (the "**Special District Act**"), and pursuant to an authorizing resolution adopted by the District's Board of Directors (the "**Board**") dated as of [_____], 2021 (the "**Bond Resolution**"), and an Indenture of Trust (Senior) dated as of _____1, 2021 (the "**Indenture**")

For purposes of TABOR, the Bonds are deemed to be issued by the District acting by and through the Water Activity Enterprise, which constitutes an "enterprise" under TABOR and, as a result, no electoral authorization is required with respect to the Bonds, and no portion of the principal amount of the Bonds will be allocated to the District's electoral authorization.

In accordance with its Service Plan, the District is authorized to issue revenue or general obligation bonds in the total aggregate principal amount of $280,000,000, excluding refundings. The District has previously authorized the issuance of revenue obligations in the principal amount of up to $21,600,000 payable from amounts remitted in accordance with the MLEPA and other revenues (not including Enterprise revenues), resulting in remaining Service Plan debt authorization of $258,400,000. The principal amount of the Bonds will be applied to reduce such remaining Service Plan debt authorization. See "THE DISTRICT—[Service Plan Authorizations and Limitations]."

Security and Sources of Payment for the Bonds

Series 2021A Senior Bonds. The Series 2021A Senior Bonds are special limited revenue obligations of the Issuer secured by and payable from the Pledged Revenue, which consists of the following (as more particularly described below), net of any costs of collection (to the extent not previously deducted by definition): (a) all **Water Credit Fee Revenues** (generally meaning all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold in accordance with the Water Credit Fees Resolution); (b) all **Net Bulk Sale Proceeds** (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event of default resulting in acceleration of the Bonds, as described in "—*Acceleration and Bulk Sale of* RMD/*ERU Water Credits*" below);); (c) all **ERU Remedy Revenues** (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (d) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Senior Bond Fund. The primary source of revenue to be applied to payment of the Bonds is expected to be the Water Credit Fee Revenues.

The Series 2021A Senior Bonds are also secured by a lien on the **RMD/ERU Water Credits**, notice of which lien is evidenced by a UCC-1 financing statement to be filed by the Trustee [on the date of issuance of the Bonds], naming the Issuer as debtor and the Trustee, on behalf of Owners of the Series 2021A Senior Bonds, as the secured party (the "**UCC Statement**"). ***Upon the occurrence of certain events, the Trustee is to conduct a Bulk Sale of the RMD/ERU Water Credits and any amount of principal of or interest on the Series 2021A Senior Bonds remaining unpaid after the application of all Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the Restrictive Covenant and the Water Credits Fees Resolution, and the Senior Indenture will be discharged.*** See "*--Acceleration and Bulk Sale of RMD/ERU Water Credits" below.*

A portion of the interest on the Series 2021A Senior Bonds will be paid from capitalized interest to be funded with proceeds of the Bonds in the amount of $955,215* and deposited into the Senior Bond Fund.

The Series 2021A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which will be funded from proceeds of the Series 2021A Senior Bonds in an amount equal to $3,748,500* (the "**Senior Reserve Requirement**").

In addition, the Series 2021A Senior Bonds are also secured by amounts, if any, on deposit in the Senior Surplus Fund. The Senior Surplus Fund will not be funded with proceeds of the Series 2021A Senior Bonds, but is required to be funded with excess available Pledged Revenue (if any) up to an amount equal to the "**Maximum Surplus Amount**," meaning an amount equal to the lesser of $4,325,500* or 10% of the principal amount of the Series 2021A Senior Bonds then Outstanding, such amount to be calculated on each Interest Payment Date and on the date of any optional redemption as described in the "THE SERIES 2021A SENIOR BONDS—Certain Senior Indenture Provisions—*Application of Pledged Revenue*."

Series 2021B Subordinate Bonds; "Cashflow" and Subordinate Nature of Obligations. The Series 2021B Subordinate Bonds are "cash flow" special limited revenue obligations of the Issuer secured by and payable from the Subordinate Pledged Revenue, consisting of the following (as more particularly described below), net of any costs of collection (to the extent not previously deducted by definition): (a) any of the following remaining **after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations**: (i) all **Water Credit Fee Revenues** (generally meaning all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold in accordance with the Water Credit Fees Resolution); (ii) all **Net Bulk Sale Proceeds** (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event of default resulting in acceleration of the Bonds, as described below); (iii) all **ERU Remedy Revenues** (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The Series 2021B Subordinate Bonds are secured by the Water Credit Fee Revenues, Net Bulk Sale Proceeds and ERU Remedy Revenues on a basis subordinate to the Series 2021A Senior Bonds and any other "**Senior Obligations**" (generally meaning any obligations secured by such revenues on a parity with the Series 2021A Senior Bonds, including obligations issues to refund such bonds). **As a result of the provisions of the Senior Indenture, no Water Credit Fee Revenues, Net Bulk Sale Proceeds or ERU Remedy Revenues will be available for payment of the Series 2021B Subordinate Bonds until such time as the Series 2021A Senior Bonds (and any other Senior Obligations, to the extent provided in any indenture or other agreement pursuant to which such Senior Obligations are issued), are paid in full or defeased.**

The Series 2021B Subordinate Bonds are also secured by a lien on the RMD/ERU Water Credits, notice of which lien is evidenced by the **UCC Statement**, **provided that such lien is subordinate to the lien thereon securing the Series 2021A Senior Bonds and any other Senior Obligations**. **Accordingly, in the event of a Bulk Sale of the RMD/ERU Water Credits, net proceeds resulting from such Bulk Sale will be applied to pay Series 2021B Subordinate Bonds only to the extent remaining (if at all) after the payment in full of the Series 2021A Senior Bonds and any other Senior Obligations, and the**

* Preliminary; subject to change.

other amounts required by the Senior Indenture. See "*--Acceleration and Bulk Sale of RMD/ERU Water Credits" below.*

No regularly scheduled payments of principal are due on the Series 2021B Subordinate Bonds prior to their maturity date, and any interest payments on the Series 2021B Subordinate Bonds that are not paid when due will accrue and compound on each Interest Payment Date until sufficient Subordinate Pledged Revenue is available for payment. ***However, the Subordinate Indenture provides that, in the event that the Series 2021B Subordinate Bonds are not paid in full by maturity, the Trustee is to conduct a Bulk Sale of the RMD/ERU Water Credits and any amount of principal of or interest on the Series 2021B Subordinate Bonds remaining unpaid after the application of all Subordinate Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the Restrictive Covenant and the Water Credits Fees Resolution, and the Subordinate Indenture will be discharged****.*

RMD/ERU Water Credits; Release of Lien in Ordinary Course. "**RMD/ERU Water Credits**" are defined in the Indentures as the 7,236 ERU Water Credits conveyed to the Issuer pursuant to the ERU Purchase Agreement. For purposes of the Restrictive Covenant and the Water Credit Fees Resolution described herein, the RMD/ERU Water Credits are classified as "**RMD/ERU Building Credits"** or "**RMD/ERU Irrigation Credits"** based on their intended uses, as more particularly described below.

"**ERU Water Credit**" means an ERU Water Rights Credit as defined in Section 1.2 of, and as determined pursuant to, the FRICO Participant Water Resources Agreement (defined below). The ERU Water Credits were issued by South Adams in accordance with that certain FRICO Participant Water Resources Agreement dated November 2, 2001 (as amended pursuant to amendments dated November 12, 2002 and October 15, 2018) (collectively, the "**FRICO Participant Water Resources Agreement**") between Shea and South Adams. Pursuant to the Rules and Regulations of South Adams and the FRICO Participant Water Resources Agreement, the ERU Water Credits are to be applied to the water resources component of a water connection fee charged by South Adams in connection with its provision of potable and/or irrigation water service to property in Reunion (including the RMD Water Service Area), and may not be applied to water connection fees payable for any property outside of Reunion. In 2017, in connection with a series of transactions relating to the sale of fee interests and the assignment of certain option rights in and to certain property within Reunion, Shea assigned all of its right, title, and interest in the FRICO Participant Water Resources Agreement and the portion of the ERU Water Credits then owned by Shea to the Developer. In accordance with the option purchase rights afforded it under the FRICO Participant Water Resources Agreement, the Developer has subsequently purchased, or will purchase prior to the issuance of the Bonds, the remainder of the ERU Water Credits anticipated to be purchased by the Issuer from the net proceeds of the Series 2021A Senior Bonds and in exchange for the delivery of the Series 2021B Subordinate Bonds.

In accordance with the Restrictive Covenant, of the 7,236 RMD/ERU Water Credits acquired by the Issuer, the Issuer has reserved: (i) 5,953 RMD/ERU Water Credits for use in providing private potable and irrigation water service to private property and Buildings constructed (or being constructed) on Entitled Land located in the RMD Water Service Area (as more particularly defined herein, "**Permitted ERU Building Uses**"), which RMD/ERU Water Credits are referred to herein as "**RMD/ERU Building Credits**"; and (ii) 1,283 RMD/ERU Water Credits for use by the Issuer or other Reunion Districts (defined herein) requiring water service for irrigation of Reunion Public Areas in the RMD Water Service Area (as more particularly defined herein, "**Permitted ERU Irrigation Uses**"), which RMD/ERU Water Credits are referred to herein as "**RMD/ERU Irrigation Credits**." (See "_____" for the definition of capitalized terms used in the Restrictive Covenant and not defined above.) The RMD/ERU Water Credits are to be sold by the Issuer in exchange for payment of the applicable Water Credit Fee imposed in accordance with

the Water Credit Fees Resolution, and subject to the further restrictions of the Restrictive Covenant more particularly described herein.

The lien of the Indentures on the RMD/ERU Water Credits, as further evidenced by the UCC Statement, is to be partially released from time to time upon payment of the applicable Water Credit Fee and Administrative Fee (defined herein) and receipt of an executed consent of South Adams to an assignment of the applicable RMD/ERU Water Credit from the Issuer to the Reunion Owner, as further provided in the Indentures and Water Credit Fees Resolution (described below).

Water Credit Fees. In accordance with the Resolution of the Issuer Concerning the Imposition of Water Credit Fees to be adopted by the Board prior to the date of issuance of the Bonds (the "**Water Credit Fees Resolution**"), the Issuer imposes the ERU Building Credit Fees and the ERU Irrigation Credit Fees (both as defined herein) in accordance with a fee schedule attached thereto. "**ERU Building Credit Fee**" means a one-time Water Credit Fee imposed upon Entitled Land (defined herein) within the RMD Water Service Area for the purchase of a RMD/ERU Building Water Credit (i.e., RMD/ERU Water Credits to be used for Permitted ERU Building Uses). "**ERU Irrigation Credit Fee**" means a one-time Water Credit Fee imposed upon portions of the Reunion Public Areas (defined herein) within the RMD Water Service Area for the purchase of RMD/ERU Irrigation Credits (i.e., RMD/ERU Water Credits to be used for Permitted ERU Irrigation Uses). In accordance with the Water Credit Fees Resolution, such fees are initially imposed (for calendar year 2021) in the amount of $9,300.00 for RMD/ERU Building Credit Fees and in the amount of $6,850.00 for RMD/ERU Irrigation Credit Fees. The amount of the ERU Building Credit Fees and the ERU Irrigation Credit Fees is subject to adjustment as provided in the Water Credit Fees Resolution. Water Credit Fees for RMD/ERU Building Credits are due and payable no later than the time a building permit is obtained for the applicable property (or, if only landscaping is to be installed, at the time a water connection is required), and Water Credit Fees for RMD/ERU Irrigation Credits are due and payable no later than the time a water connection is required for the applicable public property requiring irrigation, all as more particularly described herein. See "[cross ref]."

Pursuant to the Indenture, the Issuer has covenanted not to reduce the amount of the Water Credit Fees or to amend or supplement the Water Credit Fees Resolution in a manner that would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then outstanding. In addition, pursuant to the Indenture, the Issuer is not permitted to sell more than 1,283 RMD/ERU Water Credits as RMD/ERU Irrigation Credits for Permitted ERU Irrigation Uses.

Water Credit Fees are required to be deposited by the Issuer with the Trustee for application in accordance with the Indentures <u>only after</u> receipt of certain documentation concerning the assignment of the related RMD/ERU Water Credits. Prior to such time, the Water Credit Fees are to be held in a separate segregated account of the Issuer which is not part of the Trust Estate. [CROSS REF]

Restrictive Covenant. All of the property comprising the RMD Water Service Area is subject to that certain Declaration of ERU Covenants and Restrictions, which the Developer is to cause to be recorded in the real property records of the County prior to the date of issuance of the Bonds (the "**Restrictive Covenant**"). The Restrictive Covenant generally requires that, unless the Issuer no longer has RMD/ERU Water Credits available for purchase, and except as permitted or provided therein, owners of property in the RMD Water Service Area shall only acquire ERU Water Credits from the Issuer and not from any other source, supplier, or transferor. Furthermore, in accordance with the Restrictive Covenant, except in the case of the exercise of Deficit Purchase Rights and a Bulk Sale (both as described below), RMD/ERU Water Credits may only be sold by the Issuer generally as follows (as more particularly described herein): (i) with respect to RMD/ERU Building Credits, to persons that own Entitled Land in the RMD Water Service Area who have provided evidence reasonably satisfactory to the Issuer that they intend to construct

thereon; and (ii) with respect to RMD/ERU Irrigation Credits, to a Reunion District (as defined herein; generally, other metropolitan districts authorized to serve the RMD Water Service Area) who have certified in a manner reasonably satisfactory to the Issuer that they intend to use such RMD/ERU Irrigation Credits for a Permitted ERU Irrigation Use. **Accordingly, the ERU Water Credits are anticipated to be purchased by (and *only* by) those undertaking development (or responsible for irrigation) within the RMD Water Service Area, and will not be sold for use outside the RMD Water Service Area.** [CROSS REF RISK FACTORS RE OPINION, OTHER SOURCES OF ERUS IF VIOLATE COVENANT, SOUTH ADAMS PROGRAMS, ERUS HELD BY SHEAS?] The Restrictive Covenants also limits the transfer of RMD/ERU Water Credits as described herein. The restrictions, conditions and terms of the Restrictive Covenant, do not apply to, bind, limit, or restrict Brighton School District 27-J, the City, South Adams, or the South Adams County Fire Department.

Acceleration and Bulk Sale of RMD/ERU Water Credits; Discharge of Bonds Following Bulk Sale. Pursuant to the Indentures, the Bonds are subject to acceleration upon the occurrence of specified events as follows: of (a) with respect to the Series 2021A Senior Bonds as set forth in the Senior Indenture, failure to pay the principal of or interest on the Series 2021A Senior Bonds when due, and a Senior Reserve Fund Transfer or a Senior Parity Reserve Fund Transfer; and (b) with respect to the Series 2021B Subordinate Bonds as set forth in the Subordinate Indenture, failure to pay the principal of or interest on the Bonds when due, and a Senior Reserve Fund Transfer or a Senior Parity Reserve Fund Transfer . Furthermore, upon the occurrence of such events, the Trustee is to commence proceedings to result in a bulk sale of all RMD/ERU Water Credits, in accordance with applicable provisions of the Colorado Uniform Commercial Code (the "**Colorado UCC**"), as more particularly set forth in the applicable Indenture. See "[CROSS REF]". "**Bulk Sale Proceeds**" means the amounts received by the Trustee as the result of its exercise of remedies under the Colorado UCC and the sale of the RMD/ERU Water Credits in accordance with the foregoing. [CROSS REF RISK FACTORS RE UCC PROCESS AND LIMITED BUYERS BASED ON HOW ERUS MAY BE USED] [REFERENCE MOU WITH SOUTH ADAMS AS APPLICABLE]

In accordance with the Senior Indenture, all Bulk Sale Proceeds are to be initially deposited into the Bulk Sale Escrow Fund. Upon consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser, Bulk Sale Proceeds are to be released from the Bulk Sale Escrow Fund and, after deduction of the Trustee Sale Costs from the Bulk Sale Proceeds, the Trustee is to immediately apply (i) all Net Bulk Sale Proceeds received and (ii) all moneys in funds and accounts held by the Trustee under the Senior Indenture (except the Rebate Fund) to the payment of the payment of the Series 2021A Senior Bonds and the other purposes provided in the Senior Indenture, as more particularly described herein. **Only in the event that any Net Bulk Sale Proceeds remain after the payment in full of the Series 2021A Senior Bonds and the other amounts required in accordance with the Senior Indenture will any Net Bulk Sale Proceeds be applied to payment of the Series 2021B Subordinate Bonds.**

Notwithstanding any other provision in the Indentures, in the event that any amount of principal of or interest on the Bonds remains unpaid after the application of all Pledged Revenue or Subordinate Pledged Revenue (as applicable) available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the Restrictive Covenant and the Water Credits Fees Resolution, the Bonds and the lien of the Indentures securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Bonds remaining unpaid.

Deficit Purchase Rights. In connection with its acquisition of the RMD/ERU Water Credits, the Issuer expects to enter into a Consent and Agreement Regarding Reunion ERUs (the "**ERU Consent and Agreement**") among the Issuer and the "**Reunion Parties**" (meaning the Developer, LCF and Shea). Among other matters, the ERU Consent and Agreement will generally provide that, notwithstanding the restrictions on the purchase of ERU Water Credits provided in the Restrictive Covenant, each Reunion Party has the right (the "**Deficit Purchase Right**"), but not the obligation, to purchase the minimum number of RMD/ERU Water Credits necessary to fund the "**Deficit Amount**," generally meaning any deficiency in the amounts available to the Issuer to pay principal of and interest on the Bonds when due [further revision coming?], taking into account amounts on deposit in the Senior Bond Fund and Senior Surplus Fund, but not amounts on deposit in the Senior Reserve Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—_____" The purpose of the Deficit Purchase Rights is to provide the Reunion Parties an opportunity, but not obligation, to prevent an Event of Default under the Indentures that may result in an acceleration of the Bonds and bulk sale of the RMD/ERU Water Credits in accordance with the terms of the Indentures.

The Bonds do not constitute a general obligation of the District. Owners of the Bonds may not look to any other funds or accounts other than those specifically pledged by the Issuer as described herein to the payment of the Bonds.

See the Financial Forecast (as defined below) set forth in "APPENDIX A—FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS" for a projection of the Pledged Revenue and Subordinate Pledged Revenue (as applicable) anticipated to be received by the Issuer for the payment of the Bonds. The Financial Forecast is subject to the assumptions set forth therein, and there is no guarantee that such Pledged Revenue will be received at the times and in the amounts currently projected.

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT (ACTING BY AND THROUGH THE WATER ACTIVITY ENTERPRISE)(IN SUCH CAPACITY, REFERRED TO HEREIN AS THE ISSUER). UNDER NO CIRCUMSTANCES SHALL ANY OF THE BONDS BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE CITY, THE COUNTY, THE STATE, THE OTHER DISTRICTS, OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE ISSUER.

Additional Obligations

The Senior Indenture and the Subordinate Indenture impose different limitations on the issuance of Additional Obligations by the Issuer. Owners of the Series 2021A Senior Bonds will only be permitted to enforce such limitations set forth in the Senior Indenture and Owners of the Series 2021B Subordinate Bonds will only be permitted to enforce such limitations set forth in the Subordinate Indenture. See "THE SERIES 2021A SENIOR BONDS—Certain Senior Indenture Provisions—*Additional Obligations*" and "THE SERIES 2021B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—*Additional Obligations*."

Interest Rates; Payment Provisions

The Bonds will bear interest at the rates per annum set forth on the inside front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Series 2021A Senior Bonds is payable semiannually to the extent of Senior Pledged Revenue available therefor on June 1 and December 1 each year, commencing December 1, 2021. Interest on the Series 2021B Subordinate Bonds is payable to the extent of the Subordinate Pledged Revenue available therefor on December 15 each year, commencing December 15, 2021.

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

Prior Redemption

The Series 2021A Senior Bonds are subject to optional redemption, mandatory sinking fund redemption, and mandatory excess revenues redemption prior to maturity, and the Series 2021B Subordinate Bonds are subject to optional and mandatory redemption, prior to maturity as described in See "THE SERIES 2021A SENIOR BONDS—Redemption" and "THE SERIES 2021B SUBORDINATE BONDS—Redemption."

Book-Entry-Only Registration

The Bonds will be issued in fully registered form and will be registered initially in the name of "**Cede & Co.**" as nominee for The Depository Trust Company, New York, New York ("**DTC**"), a securities depository. Beneficial ownership interests in the Bonds may be acquired through brokers and dealers who are, or who act through, participants in the DTC system (the "**Participants**") in principal denominations of $500,000 or any integral multiple of $1,000 in excess thereof. Such beneficial ownership interests will be recorded on the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the "**Beneficial Owners**") will not receive certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds, as well as notices and other communications made by or on behalf of the District pursuant to the Bond 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.

Except as otherwise provided herein, the term "**Owner**" refers to the registered owner of any Bond, as shown by the registration books maintained by the Bond Registrar.

Exchange and Transfer

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

Tax Status

In the opinion of Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel to the District, interest on the Bonds (including any original discount properly allocable to an owner thereof) is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not a preference item for purposes of the individual federal minimum tax. Bond Counsel is also of the opinion that the interest on the Bonds and the income therefrom are exempt from taxation under the laws of the State of Colorado, except inheritance, estate and transfer taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Bonds. See "TAX MATTERS" herein..

Financial Forecast

CliftonLarsonAllen LLP, Greenwood Village, Colorado, has prepared the Report of the Issuer's Forecasted Surplus Cash Balances and Cash Receipts and Disbursements presented in APPENDIX A—FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS hereto (the "**Financial Forecast**"), for the purpose of providing information regarding the District's ability to make debt service payments on the Bonds. Such Financial Forecast utilizes the projected absorption of RMD/ERU Water Credits contained in the Developer's Projected Development and ERU Absorption Schedules and certain assumptions more particularly set forth in the Financial Forecast. See "FORWARD-LOOKING STATEMENTS" and APPENDIX A—FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS.

Projected Development and ERU Absorption Schedules

The Developer has projected the "absorption" of development in the RMD Water Service Area (as reflected in the Developer's conceptual plans described herein, excluding the Excluded Shea Parcels) as set forth in the schedules attached hereto as Appendix B, which schedules are collectively referred to herein as the "**Projected Development and ERU Absorption Schedules**." As used herein, "absorption" of development refers to the commencement of vertical development activity for the subject property (i.e., "construction start," as opposed to construction completion), at which time it is assumed that the requisite RMD/ERU Water Credits for such property would be purchased. The Developer has also projected "absorption" of the RMD/ERU Water Credits for the RMD Water Service Area, meaning the number of RMD/ERU Water Credits (both for Permitted ERU Building Uses and for Permitted ERU Irrigation Uses) projected to be purchased in each year, which is also set forth in the Projected Development and ERU Absorption Schedules.

The Projected Development and ERU Absorption Schedules also present a comparison of such Developer projections [(for for-sale housing starts only)] to the mid-and high-range projections in the Residential Demand Study (described below). (See [line/page] of the Projected Development and ERU Absorption Schedules.) As reflected therein, in each year of the projection, the Developer's number of projected for-sale housing starts are less than the high-range projection in the Residential Demand Study but, in most years, are more than the mid-range projection in the Residential Demand Study. Additionally, in each year of the projection, the Developer's number of projected for-rent rental unit additions are less than the mid-range projections in the Residential Demand Study in most years, but in some years are less than the high-range projections but more than the mid-range projections in the Residential Demand Study

[consider whether to combine with above Projected ERU Water Credit Usage section]

Residential Demand Study

Zonda Advisory, Centennial, Colorado (as previously defined, "**Zonda**") has been engaged by the District for the purposes of assessing the competitive position of the property within the RMD Water Service Area and future demand therein for residential product. . The resulting Reunion Housing Demand Analysis Study dated April 15, 2021 (with minor edits/adjustments as of May 25, 2021) (as previously defined, the "**Residential Demand Study**") produced by Zonda is attached hereto as **Appendix C** hereto. The Residential Demand Study represents only projections of "for-sale" housing starts and absorption of "for-rent" residential units generally in the subject area calculated using projected total for-sale housing starts and total for-rent residential unit absorption for an identified competitive market area and an assumed capture rate for the RMD Water Service Area, based on the factors and considerations more particularly described therein. The Residential Demand Study is <u>not</u> an assessment of the feasibility of any particular development plans for the RMD Water Service Area, or the likelihood of achieving any particular

absorption schedule for particular product in the subject area, including those described herein and in the Projected Development and ERU Absorption Schedules, and does not provide any estimations with respect to the demand for commercial properties in the subject area. *The feasibility of the Developer's current development plans for the Developer Planned Neighborhoods, the above-referenced conceptual plans for the Mixed-Use Areas and the Projected Development and ERU Absorption Schedules have not been assessed by any third party consultant, nor has any third party consultant provide an assessment of future demand for retail, commercial office or any other non-residential product that may be developed in the RMD Water Service Area.* See also "RISK FACTORS—Development Not Assured," "APPENDIX A—FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS" and "APPENDIX B—MARKET STUDY."

Professionals Involved in the Offering

Gilmore & Bell, P.C., Salt Lake City, Utah, has acted as Bond Counsel. Ballard Spahr LLP has assisted in the preparation of this Limited Offering Memorandum in its capacity as Disclosure Counsel to the District. White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, represents the District as general counsel. [provider of opinion on Covenant] UMB Bank, n.a., will act as the trustee, paying agent and registrar for the Bonds. Piper Sandler & Co., Denver, Colorado will act as the underwriter for the Bonds (the "Underwriter"), and Kutak Rock LLP has acted as counsel to the Underwriter. See "MISCELLANEOUS—Underwriting" herein. North Slope Capital Advisers, Denver, Colorado, has served as Municipal Advisor to the District. CliftonLarsonAllen LLP, Greenwood Village, Colorado is the District's accountant.

Continuing Disclosure Obligation

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (the "**Rule**"). [The Issuer and the Developer have, however, agreed to provide certain development updates and financial information and operating data with respect to the Development and the Issuer and notices of material events after the Bonds are issued, all for dissemination to the public through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.][CONFORM TO CDA] A form of the Continuing Disclosure Agreement setting forth such obligations is attached as APPENDIX F—FORM OF CONTINUING DISCLOSURE AGREEMENT to this Limited Offering Memorandum.

Neither the District [CONFIRM] nor the Issuer has previously entered into any continuing disclosure undertakings pursuant to the Rule.

Financial Statements

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. Audited financial information was prepared for the District by Haynie & Company for the fiscal year ended [_____], 20[__] and such audited financial statements are attached in APPENDIX C. The audited financial statements of the District are included herein for the purpose of providing information concerning the overall financial operations and position of the District. However, only certain revenues of resulting from the business activities of the District comprising the Water Activity Enterprise, as more particularly described herein, are pledged to the payment of the Bonds.

Offering and Delivery Information

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a "financial institution or institutional investor" as defined in Section 32-1-103(6.5), C.R.S. The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to the approving legal opinions of Bond Counsel, the forms of which are set forth in APPENDIX G—FORM OF BOND COUNSEL OPINION. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about June [__], 2021*, against payment therefor.

Additional Information

ALL OF THE SUMMARIES OF THE STATUTES, RESOLUTIONS, INDENTURES, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM 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:

The District:

Reunion Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
(303) 858-1800

The Underwriter:

Piper Sandler & Co.
1200 17th Street, Suite 1250
Denver, Colorado 80202
(303) 820-5865

RISK FACTORS

[[TO COME]]

THE SERIES 2021A SENIOR BONDS

Description

The Series 2021A Senior Bonds will be issued in the principal amount, and will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2021A Senior Bond issue, reference is made to the Senior Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2021A Senior Bonds. See "INTRODUCTION—Additional Information."

Security and Sources of Payment

The Series 2021A Senior Bonds are special limited revenue obligations of the Issuer secured by and payable from the Pledged Revenue, net of any costs of collection, which consists of the following: (a) all Water Credit Fee Revenues; (b) all Net Bulk Sale Proceeds; (c) all ERU Remedy Revenues; and (d) any

* Preliminary; subject to change.

other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Bond Fund. The primary source of revenue is expected to be the Water Credit Fee Revenues.

The Series 2021A Senior Bonds are also secured by a lien on the RMD/ERU Water Credits, notice of which lien is evidenced by the UCC Statement to be filed by the Trustee [on the date of issuance of the Bonds], naming the Issuer as debtor and the Trustee, on behalf of Owners of the Series 2021A Senior Bonds, as the secured party. Upon the occurrence of a Senior Reserve Fund Transfer or Senior Parity Reserve Fund Transfer, the Trustee is to commence proceedings to result in a bulk sale of all RMD/ERU Water Credits, in accordance with applicable provisions of the Colorado Uniform Commercial Code (the "Colorado UCC"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits."

A portion of the interest on the Series 2021A Senior Bonds will be paid from capitalized interest to be funded with proceeds of the Series 2021A Senior Bonds in the amount of $955,215* and deposited into the Senior Bond Fund.

The Series 2021A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which will be funded from proceeds of the Series 2021A Senior Bonds in an amount equal to $3,748,500* (the "**Reserve Requirement**") and amounts, if any, accumulated in the Senior Surplus Fund. See "—Certain Indenture Provisions—*Senior Reserve Fund*" and "—*Senior Surplus Fund*."

Notwithstanding any other provision in the Senior Indenture, in the event that any amount of principal of or interest on the Series 2021A Senior Bonds remains unpaid after the application of all Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the [Restrictive Covenant and the Water Credits Fees Resolution], the Series 2021A Senior Bonds and the lien of the Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Series 2021A Senior Bonds remaining unpaid.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." See also "APPENDIX D—SELECTED DEFINITIONS" for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum.

[ENTIRE SECTION TO BE REVISED FOR BONDS -→ SERIES 2021A SENIOR BONDS]

Authorized Denominations

The Series 2021A Senior Bonds are being issued in "**Authorized Denominations**," defined in the Senior Indenture to mean initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000. The Authorized Denominations are to be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Series 2021A Senior Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., and any rule or order promulgated

thereunder, or any successor statute (and any rule or order promulgated under such successor statute), or has taken other actions which permit the Series 2021A Senior Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act or any successor statute.

Payment of Principal and Interest

The Series 2021A Senior Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Pledged Revenue available therefor semiannually on each June 1 and December 1, commencing December 1, 2021 (each an "**Interest Payment Date**").

To the extent principal of any Series 2021A Senior Bond is not paid when due, such principal is to remain Outstanding until paid. To the extent interest on any Series 2021A Senior Bond is not paid when due, such interest is to compound semiannually on each Interest Payment Date, at the rate then borne by the Series 2021A Senior Bond; provided however, that notwithstanding anything in the Senior Indenture to the contrary, the Issuer is not to be obligated to pay more than the amount permitted by law in repayment of the Series 2021A Senior Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the Issuer of such amount.

The principal of and premium, if any, on the Series 2021A Senior Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the Issuer by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Series 2021A Senior Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Payments for the principal of and interest on the Series 2021A Senior Bonds will be made as described in "APPENDIX H—BOOK-ENTRY-ONLY SYSTEM."

Redemption

Optional Redemption. The optional redemption provisions for the Series 2021A Senior Bonds will be set forth in the Limited Offering Memorandum.

Mandatory Sinking Fund Redemption. The Series 2021A Senior Bonds are also subject to mandatory sinking fund redemption, in part, pro rata, on December 1, 2022, and on each December 1 thereafter prior to the maturity date of such Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)*	Redemption Amount*
2022	$ 580,000
2023	680,000
2024	785,000
2025	895,000
2026	985,000
2027	1,080,000
2028	1,175,000
2029	1,280,000
2030	1,395,000
2031	1,510,000
2032	1,635,000
2033	1,765,000
2034	1,905,000
2035	2,050,000
2036	2,185,000
2037	2,330,000
2038	2,480,000
2039	2,640,000
2040	2,810,000
2041	2,985,000
2042	3,170,000
2043	3,365,000
2044 [1]	3,570,000

* Preliminary; subject to change.
[1] Final maturity, not a sinking fund redemption

On or before 45 days prior to each sinking fund installment date as set forth above, the Trustee shall select for redemption, pro rata, from the Outstanding Bonds, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions shall be applied in the chronological order of sinking fund installment dates. In the event that there are not sufficient moneys in the Senior Bond Fund to pay the full amount due in accordance with the foregoing on any sinking fund installment date, the Trustee shall redeem as many Bonds as possible on such date in integral multiples of $1,000, and any redemption amount for which funds are not available to redeem Bonds shall be added to the redemption amount for the immediately succeeding sinking fund installment date.

Mandatory Excess Revenues Redemption. The Series 2021A Senior Bonds are subject to mandatory excess revenues redemption in part, in integral multiples of $1,000, in the chronological order of sinking fund installment dates thereof on each Mandatory Excess Revenues Redemption Date (June 1 and December 1 of each year, commencing December 1, 2021) to the extent of moneys on deposit, if any, in the Mandatory Redemption Account [25] days prior to the applicable Mandatory Excess Revenues Redemption Date and subject to any minimum requirements with respect to the principal amount of Bonds to be redeemed as set forth in the Senior Indenture, at a redemption price (the "**Mandatory Redemption Price**") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary,

borrowed moneys shall not be used for the purpose of redeeming principal of the Series 2021A Senior Bonds pursuant to this provision of the Senior Indenture.

Redemption Procedure and Notice. As long as the Series 2021A Senior Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of such Series 2021A Senior Bonds, if less than all of the Series 2021A Senior Bonds of a maturity are called for prior redemptions, the particular Series 2021A Senior Bonds or portions thereof to be redeemed are to be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures. However, as long as the Series 2021A Senior Bonds are registered in book-entry form, the selection for redemption of such Series 2021A Senior Bonds are to be made in accordance with the operational arrangements of DTC then in effect. If the DTC operational arrangements do not allow for the redemption for the Series 2021A Senior Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Series 2021A Senior Bonds will be selected for redemption in accordance with DTC procedures. . In the event a Series 2021A Senior Bond is of a denomination larger than $1,000, a portion of such Series 2021A Senior Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Series 2021A Senior Bond is to be treated for the purpose of redemption as that number of Series 2021A Senior Bonds which results from dividing the principal amount of such Series 2021A Senior Bond by $1,000. In the event a portion of any Series 2021A Senior Bond is redeemed, the Trustee is to, without charge to the Owner of such Series 2021A Senior Bond, authenticate and deliver a replacement Series 2021A Senior Bond or Series 2021A Senior Bonds for the unredeemed portion thereof.

In the event any of the Series 2021A Senior Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2021A Senior Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner or by electronic means to DTC or its successors, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Series 2021A Senior Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice is to be specifically subject to the deposit of funds by the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Certain Senior Indenture Provisions

The following is a description of certain provisions of the Senior Indenture, and is subject in all respects to the more specific provisions of the Senior Indenture. **For a description of the provisions of the Senior Indenture pertaining to the partial release of the lien on the RMD/ERU Water Credits in connection with the Trustee's receipt of Water Credit Fees, calculation and notice of the Water Credit Fee Revenue Shortfall, and the bulk sale of RMD/ERU Water Credits upon the occurrence of a Reserve Fund Transfer or Parity Reserve Fund Transfer, see "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A SENIOR BONDS—[Bulk Sale Procedure]."** See "APPENDIX D—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

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

(a) the Revenue Fund;

(b) the Senior Project Fund;

(c) the Senior Bond Fund, and therein the Mandatory Redemption Account;

(d) the Senior Reserve Fund;

(e) the Senior Surplus Fund;

(f) the Costs of Issuance Fund;

(g) the Rebate Fund; and

(h) the Bulk Sale Escrow Fund.

Neither the Rebate Fund nor the Bulk Sale Escrow Fund constitute part of the Trust Estate pledged and assigned to the Trustee as security for the Bonds.

Senior Project Fund. The Senior Project Fund shall be maintained by the Trustee in accordance with the terms of the Senior Indenture. So long as no Event of Default shall have occurred and be continuing, amounts in the Senior Project Fund shall be released by the Trustee to the Issuer in accordance with requisitions submitted to the Trustee in substantially the form set forth in Exhibit B to the Senior Indenture, signed by the Issuer Representative and certifying that all amounts drawn will be applied to the payment of Project Costs. The Trustee may rely conclusively on any such certificate and shall not be required to make any independent investigation in connection therewith. The execution of any requisition by the Issuer Representative shall constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. Upon the receipt by the Trustee of a resolution of the Issuer determining that all Project Costs have been paid, any balance remaining in the Senior Project Fund shall be credited to the Senior Bond Fund. The Senior Project Fund shall terminate at such time as no further moneys remain therein.

Application of Pledged Revenue. The District is to cause all Pledged Revenue to be deposited with the Trustee promptly upon receipt. The Trustee shall credit all Pledged Revenue as received to the Revenue Fund (excluding Net Bulk Sale Proceeds, which is to be applied as described in "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021A SENIOR BONDS—[Bulk Sale Procedure]," and excluding the Pledged Revenue described in clause (d) of the definition thereof, which is to be deposited directly to the Senior Bond Fund). IN NO EVENT IS THE ISSUER PERMITTED TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE OR TO APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS SET FORTH IN THIS INDENTURE. Except as otherwise provided below, the Trustee shall, on the 1st Business Day of each month, apply moneys credited to the Revenue Fund in the following order of priority. For purposes of the following, (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank pari passu with each other; (b) with respect to the priorities established below, no Pledged Revenue shall flow to a lower priority until all of the higher priorities have been fully funded; and (c) when credits are required to go to funds or accounts which are not held by the Trustee under this Indenture, the Trustee may rely upon the written instructions of the Issuer with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the credit of the Rebate Fund, in an amount equal to any deposits required to be made therein pursuant to the Senior Indenture;

SECOND: To the Issuer, in the amount budgeted to pay Administrative Expenses for the coming Fiscal Year;

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

FOURTH: To the credit of the Senior Bond Fund, the amounts required by the Senior Indenture, and to the credit of any Parity Bond Fund, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds for the then current Bond Year;

FIFTH: To the credit of the Senior Reserve Fund the amount, if any, necessary for the amounts therein to equal the Senior Reserve Requirement, and to the credit of any Senior Parity Reserve Fund, the amounts required by the resolution or other enactment authorizing issuance of the Senior Parity Bonds;

SIXTH: To the credit of the Senior Surplus Fund and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bond, the amount necessary for amounts on deposit in the Senior Surplus Fund to equal the Maximum Surplus Amount and for amounts on deposit in any similar account securing Senior Parity Bonds to equal the amount required by the resolution or other enactment authorizing issuance of such Parity Bonds; and

SEVENTH: On each Excess Revenues Transfer Date (i.e., the 1st Business Day of each May and November), to the Mandatory Redemption Account and to the credit of any other similar fund or account established for the mandatory redemption of any Senior Parity Bond, the applicable Excess Revenues Amount.

EIGHTH: subject to the final paragraph of this Section, to the credit of any fund or account as may be designated by the Issuer in writing to the Trustee to be used for the payment of any Subordinate Obligations.

The Issuer covenants that Pledged Revenue shall be available for application in EIGHTH in a particular Bond Year ONLY after all of the amounts required in FIRST through SEVENTH have been fully funded and such deposits will accomplish the full repayment or defeasance of the Series 2021A Senior Bonds and the Senior Parity Bonds in such Bond Year.

Senior Bond Fund. There is to be credited to the Senior Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Senior Bond Fund (not including moneys deposited thereto from other funds pursuant to the Senior Indenture), will be sufficient to pay the principal of, premium if any, and interest on the Series 2021A Senior Bonds which has or will become due in the Series 2021A Senior Bond Year in which the credit is made, including as a result of mandatory sinking fund redemption in accordance with the Senior Indenture.

Subject to the paragraph below with respect to the Mandatory Redemption Account, moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms hereof) shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the Series 2021A Senior Bonds, in the following order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as follows:

FIRST: To the payment of interest due and payable in connection with the Series 2021A Senior Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: To the payment of the principal of and premium, if any, on the Series 2021A Senior Bonds, due at final maturity or as a result of mandatory sinking fund redemption.

In the event that available moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the Senior Indenture) are insufficient for the payment of the principal of, premium if any, and interest due on the Series 2021A Senior Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST: the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each Bond; and

SECOND: the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many Bonds as can be paid with such remaining amounts on the next Interest Payment Date, such payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. Bonds or portions thereof to be redeemed pursuant to such partial payment shall be redeemed pro rata from the Series 2021A Senior Bonds the principal of which is due and owing on the due date.

On each Interest Payment Date, the Trustee is to apply amounts on deposit in the Senior Bond Fund to the payment of principal, if any, and interest on the Series 2021A Senior Bonds then due.

On the 25th day prior to each Mandatory Excess Revenues Redemption Date, the Trustee shall determine the amounts on deposit in the Mandatory Redemption Account available for application to redemption of the Series 2021A Senior Bonds in accordance with [Section 5.01(c) of the Senior Indenture], taking into account any requirements of the Senior Indenture with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Excess Revenues Redemption Date as a result of amounts credited to the Mandatory Redemption Account, as provided in Section 5.02 of the Senior Indenture.

On each Mandatory Excess Revenues Redemption Date, the Trustee is to apply amounts on deposit in the Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price due on such date.

Moneys credited to the Senior Bond Fund may be invested or deposited as provided in the Senior Indenture.

The Issuer acknowledges and agrees that, notwithstanding anything contrary to the 2021A Senior Indenture, borrowed moneys are not be used for the purpose of redeeming principal of the Series 2021A Senior Bonds pursuant to the 2021A Senior Indenture.

Senior Surplus Fund. The Senior Surplus Fund shall be held, disbursed, and administered by the Trustee, and moneys therein shall be used solely in accordance with this Section. The Senior Surplus Fund shall secure the Series 2021A Senior Bonds (and only the Series 2021A Senior Bonds) in accordance with the provisions hereof.

The Senior Surplus Fund shall not be funded with Bond proceeds, but shall be funded solely from deposits of Pledged Revenue as provided in Section 3.05 of the Senior Indenture entitled "Application of

Pledged Revenue," and except to the extent Pledged Revenue is available under Section 3.05 of the Senior Indenture the Issuer has no obligation to fund the Senior Surplus Fund in any amount.

In the event the amounts credited to the Senior Bond Fund (not including amounts to be transferred thereto from the Senior Reserve Fund) are insufficient to pay the principal of, premium if any, or interest on the Series 2021A Senior Bonds when due, the Trustee shall transfer from the Senior Surplus Fund to the Senior Bond Fund an amount which, when combined with moneys in the Senior Bond Fund (prior to any transfers from the Senior Reserve Fund) will be sufficient to make such payments when due; and in the event the amounts in the Senior Bond Fund (prior to any transfers from the Senior Reserve Fund) and the Senior Surplus Fund are insufficient to pay all principal, premium if any, and interest on the Series 2021A Senior Bonds on any due date, the Trustee shall nonetheless transfer all of the moneys in the Senior Surplus Fund to the Senior Bond Fund for the purpose of making partial payments as provided in Section 3.06 of the Senior Indenture entitled "Senior Bond Fund" with respect to the Series 2021A Senior Bonds. Amounts in the Senior Surplus Fund shall not be used to redeem less than all of the Series 2021A Senior Bonds being called pursuant to any optional redemption mandatory excess funds revenues redemption hereof, but shall be used to pay Bonds coming due as a result of any mandatory sinking fund redemption provisions hereof.

Moneys credited to the Senior Surplus Fund may be invested or deposited by the Trustee at the written direction of the Issuer in Permitted Investments only and in accordance with the laws of the State. The investment of moneys credited to the Senior Surplus Fund shall, however, be subject to the covenants and provisions of Section 6.02 of the Senior Indenture. Investments in the Senior Surplus Fund shall be valued by the Trustee at market value at least quarterly. Interest income from the investment or reinvestment of moneys credited to the Senior Surplus Fund shall remain in and become part of the Senior Surplus Fund if the Senior Surplus Fund balance is less than the Maximum Surplus Amount.

It is intended that amounts in the Senior Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer from the Senior Reserve Fund.

Immediately following each Interest Payment Date and the date of any optional redemption, the Trustee shall calculate the Maximum Surplus Amount and at such time if the Senior Surplus Fund balance exceeds such Maximum Surplus Amount, and if at any other time that the Trustee determines that the Surplus Fund balance exceeds the applicable Maximum Surplus Amount, such excess amounts shall be transferred by the Trustee to the Senior Bond Fund on or before the next Interest Payment Date.

If at any time the amounts on deposit in the Senior Surplus Fund (if any) and the Senior Reserve Fund are sufficient to pay, whether by redemption or at maturity, all principal, premium, if any, and interest on the Series 2021A Senior Bonds that will accrue to the redemption date or final maturity date, all amounts on deposit in the Senior Surplus Fund and the Senior Reserve Fund are to be transferred to the Senior Bond Fund and used to pay the principal of, premium, if any, and interest on the Series 2021A Bonds at the times and in the amounts required for the payment of the principal of, premium, if any, and interest on the Series 2021A Bonds.

Any amounts on deposit in the Senior Surplus Fund on the final maturity date of the Series 2021A Senior Bonds shall be applied to the payment of the Series 2021A Senior Bonds. The availability of such amount shall be taken into account in determining the amount of Pledged Revenue required to be credited in accordance with clause FOURTH described in "*--Application of Pledged Revenue*" (above) in the final Bond Year.

Senior Reserve Fund. Moneys in the Senior Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the Series 2021A Senior Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. The Trustee shall transfer moneys from the Senior Reserve

Fund to the Senior Bond Fund to pay the principal of or interest on the Series 2021A Senior Bonds to the extent moneys on deposit in the Senior Bond Fund are insufficient therefor on any Interest Payment Date. It is intended that amounts in the Senior Surplus Fund are to be transferred to the Senior Bond Fund prior to any transfer of moneys from the Senior Reserve Fund to the Senior Bond Fund.

There shall be deposited to the Senior Reserve Fund from the proceeds of the Series 2021A Senior Bonds, an amount equal to the Senior Reserve Requirement for the Series 2021A Senior Bonds. The Reserve Fund, if drawn and if the majority of the Owners of the Series 2021A Senior Bonds direct the Trustee not take any actions pursuant to the Indenture with respect to the Bulk Sale, will be replenished to the Reserve Requirement as set forth in clause FIFTH described in "*--Application of Pledged Revenue*" above. The Senior Reserve Fund shall be funded and maintained, with cash or Permitted Investments, or any combination of the foregoing.

Moneys credited to the Senior Reserve Fund may be invested or deposited by the Trustee at the written direction of the Issuer in Permitted Investments only and in accordance with the laws of the State. The investment of moneys credited to the Senior Reserve Fund shall, however, be subject to the covenants and provisions of the Section hereof entitled "Tax Matters." Investments in the Senior Reserve Fund shall be valued by the Trustee at market value at least quarterly. Interest income from the investment or reinvestment of moneys credited to the Senior Reserve Fund shall remain in and become part of the Senior Reserve Fund if the Senior Reserve Fund balance is less than the Reserve Requirement for the Series 2021A Senior Bonds.

Immediately following each Interest Payment Date and the date of any optional redemption, the Trustee shall calculate the Senior Reserve Requirement and at such time if the Senior Reserve Fund balance exceeds such Senior Reserve Requirement, and if at any other time that the Trustee determines that the Senior Reserve Fund balance exceeds the Senior Reserve Requirement for the Series 2021A Senior Bonds, such excess amounts shall be transferred by the Trustee to the Senior Bond Fund on or before the next Interest Payment Date.

If at any time the amounts on deposit in the Senior Reserve Fund and the Senior Surplus Fund (if any) are sufficient to pay, whether by redemption or at maturity, all principal, premium, if any, and interest on the Series 2021A Senior Bonds that will accrue to the redemption date or final maturity date, all amounts on deposit in the Senior Reserve Fund and Senior Surplus Fund shall be transferred to the Senior Bond Fund and used to pay the principal of, premium, if any, and interest on the Series 2021A Senior Bonds at the times and in the amounts required for the payment of the principal of, premium, if any, and interest on the Series 2021A Senior Bonds.

Amounts on deposit in the Senior Reserve Fund on the final maturity date of the Series 2021A Senior Bonds shall be applied to the payment of the Series 2021A Senior Bonds on such date. The availability of such amount shall be taken into account in determining the amount of Pledged Revenue required to be credited in accordance with clause FOURTH described in "*--Application of Pledged Revenue*" (above)in the final Bond Year.

Costs of Issuance Fund. The Costs of Issuance Fund shall be maintained by the Trustee. All moneys on deposit in the Costs of Issuance Fund shall be applied by the Trustee at the direction of the Issuer in accordance with the closing memorandum prepared by the Underwriter, which summarizes the approved costs of issuance, to the payment of costs in connection with the issuance of the Series 2021A Senior Bonds and the 2021B Subordinate Bonds, including, without limitation, printing costs, CUSIP fees, regulatory fees, the fees and expenses of bond counsel, general counsel, underwriter's counsel and other counsel, the fees and expenses of the Issuer's accountant, manager, special consultants, and other professionals, and the costs of the Trustee, and other costs and expenses of the Issuer relating to the issuance

of the Series 2021A Senior Bonds and the 2021B Subordinate Bonds. The Trustee may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Series 2021A Senior Bonds shall be transferred by the Trustee into the Senior Bond Fund.

Rebate Fund. The Rebate Fund shall be maintained by the Trustee. The Rebate Fund shall be held separate and apart from all other funds and accounts established under the Senior Indenture and from all other moneys of the Trustee.

All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Senior Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for the Series 2021A Senior Bonds, as verified in writing by Certified Public Accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by such Certified Public Accountant's or professional's determination report, be paid by the Trustee to the Issuer.

The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to the Series 2021A Senior Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. There shall be deposited into the Rebate Fund the Required Rebate Deposit, if any, pursuant to Section 3.05 hereof or the Issuer shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Senior Indenture must be verified in writing by a Certified Public Accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations, and certifications required by the Senior Indenture and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations, and certifications required with respect to the Rebate Fund.

The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of the Senior Indenture. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Senior Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

The provisions of Section 3.10 of the Senior Indenture may be amended or deleted without the consent of the Consent Parties or notice, upon receipt by the Issuer and the Trustee of an opinion of Bond Counsel that such amendment or deletion will not adversely affect the excludability from gross income for federal tax purposes of interest on the Series 2021A Senior Bonds.

Bulk Sale Escrow Fund. The Bulk Sale Escrow Fund shall be maintained by the Trustee. The Bulk Sale Escrow Fund shall be held separate and apart from all other funds and accounts established under the Senior Indenture and from all other moneys of the Trustee. The Bulk Sale Escrow Fund does <u>not</u> constitute part of the Trust Estate. All amounts in the Bulk Sale Escrow Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Senior Indenture.

All Bulk Sale Proceeds received by the Issuer shall be deposited into the Bulk Sale Escrow Fund. Upon consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser, the Trustee shall release all amounts in the Bulk Sale Escrow Fund for application in accordance with the Senior Indenture, as described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits—*Application of Net Bulk Sale Proceeds to Series 2021A Senior Bonds*." In the event that South Adams confirms it will not assign the RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall return all Bulk Sale Proceeds to the Bulk Sale Purchaser.

Additional Covenants. The Issuer hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Series 2021A Senior Bonds remain Outstanding: [correct numbering]

(a) The Issuer will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Series 2021A Senior Bonds, and will continue to operate and manage the Issuer and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the Issuer will cause the District to perform an audit of the records relating to the District's revenues and expenditures, and the Issuer shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the Issuer will cause the District to prepare and adopt a budget. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The Issuer will cause the District to carry general liability, public officials liability, and such other forms of insurance coverage on insurable District and Issuer property, as applicable, upon the terms and conditions, and in such amount, as in the judgment of the Issuer will protect the Issuer and its operations.

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

(e) In the event that an exemption from registration for the Series 2021A Senior Bonds under the Colorado Municipal Bond Supervision Act (including any rules or orders promulgated thereunder) becomes available that permits the issuance or reissuance of the Series 2021A Senior Bonds in denominations of $1,000 or integral multiples thereof, and if requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Series 2021A Senior Bonds, the Issuer shall, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend the Senior Indenture as may be required in connection therewith, and issue or reissue the Series 2021A Senior Bonds in denominations of $1,000 or integral multiples thereof.

(f) Beside the lien of the Senior Indenture and the Subordinate Indenture (and any indenture relating to Senior Parity Bonds or Subordinate Obligations) evidenced by the UCC Statement, the Issuer will not grant a security interest in or otherwise encumber the RMD/ERU Water Credits.

(g) The Issuer will not sell more than 1,283 RMD/ERU Water Credits representing for Permitted ERU Irrigation Uses.

(h) The Issuer shall use all commercially reasonable efforts to timely sell the ERU Water Credits in accordance with the terms of the Water Credit Fees Resolution.

(i) The Issuer will enforce the Water Credit Fees Resolution and any remedies available to the Issuer thereunder, will enforce the collection of all Water Credit Fees in such time and manner as the Issuer reasonably determines will be most efficacious in collecting the same, will apply the Water Credit Fees as required under the Water Credit Fees Resolution, and will not reduce the amount of the Water Credit Fees, or amend or supplement the Water Credit Fees Resolution in any way which would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding.

(j) The Issuer shall take no action that would cause the Water Activity Enterprise to fail to qualify as an enterprise under Article X, Section 20 of the Colorado Constitution unless it receives an opinion of Bond Counsel to the effect that termination of such status will not reduce or delay the collection or disbursement of Pledged Revenues or otherwise adversely affect the Owners of the Series 2021A Senior Bonds.

(k) Except sales of the RMD/ERU Water Credits pursuant to the Water Fee Credit Resolution and a Bulk Sale, the Issuer will not sell, convey or otherwise dispose of all or any part of the Project to any Person unless (a) Bond Counsel has delivered a written opinion to the effect that such sale or other disposal will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any Bonds that will be outstanding after such sale or other disposal or the exemption of any such Bonds and the transfer of and income from any such Bonds from all taxation and assessments in the State, and (b) a Financial Consultant has delivered a certificate to the effect that such sale or other disposal will not adversely affect the Issuer's ability to collect the Pledged Revenue or pay the Series 2021A Senior Bonds when due, or materially affect the rights of Owners of the Series 2021A Senior Bonds. This shall not limit the power of the Issuer to dispose of surplus property or to enter into contracts with respect to the lease or operation of all of any part of the Project (subject to any covenants of the Issuer set forth in the Tax Certificate).

(l) The Issuer will enforce the Restrictive Covenant and any remedies available to the Issuer thereunder and will not consent to an amendment or supplement to the Restrictive Covenant which would materially adversely affect in any way the Owners of the Series 2021A Senior Bonds, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding.

(m) The Issuer shall not impose any rates, tolls, fees, penalties, or other charges, or engage in any other action or omission that may materially impair future development or that could adversely affect the amount of Pledged Revenue or delay the timing of the Issuer's transfer to the Trustee promptly upon receipt thereof.

(n) The Issuer shall not directly or indirectly, and shall not consent to the District directly or indirectly, acquiring other water rights or acquiring, constructing, or operating any water system facility that will compete with the demand for the ERU Water Credits or otherwise materially adversely affect the rights of the Owners of the Series 2021A Senior Bonds.

Additional Obligations. After issuance of the Series 2021A Senior Bonds, no Additional Obligations may be issued except in accordance with the provisions of the Senior Indenture, described below, and only the Issuer (and not the District) is permitted to issue or incur Additional Obligations having

a lien upon the Pledged Revenue. The issuance of the 2021B Subordinate Bonds in accordance with the Subordinate Indenture is permitted. The Issuer is not permitted to incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien of the Series 2021A Senior Bonds. The Senior Indenture otherwise does not limit the issuance or incurrence of obligations not included within the definition of Additional Obligations (as defined in "APPENDIX D—SELECTED DEFINITIONS" hereto). Any Additional Obligations of the Issuer are to be issued as Parity Bonds or Subordinate Obligations. Subject to the authority to issue Permitted Refunding Bonds as described below, the Issuer may issue Additional Obligations constituting Parity Bonds or Subordinate Obligations if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding. Otherwise, the Issuer is not to issue or incur any Additional Obligations except as described below.

Permitted Refunding Bonds. The Issuer may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the Issuer in its absolute discretion. "**Permitted Refunding Bonds**" means Parity Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of refunding all or any part of the Series 2021A Senior Bonds or any other Parity Bonds and paying costs in connection therewith, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the Issuer's scheduled Debt Service in *any* year from the scheduled Debt Service in effect prior to the issuance of such refunding obligations (excluding from such calculation of Debt Service amounts, if any, on deposit in the Senior Reserve Fund and the Senior Surplus Fund anticipated to be available for payment of Debt Service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, obligations issued for refunding all or any part of the Series 2021A Senior Bonds or any other Parity Bonds which have any scheduled payment dates in any year which is after the maturity of the Series 2021A Senior Bonds being refunded shall be deemed to increase the Issuer's Debt Service in any year.

(c) Such refunding obligations are payable on the same day or days of the calendar year as the Series 2021A Senior Bonds and any other Parity Bonds being refunded.

(d) A Parity Reserve Fund is created for the security of such Permitted Refunding Bonds in an amount equal to 10% of the outstanding principal amount of such Permitted Refunding Bonds, such Parity Reserve Fund to function in substantially the same manner as the Senior Reserve Fund for the Series 2021A Senior Bonds, which Parity Reserve Fund shall be fully funded as of the date of issuance of the Permitted Refunding Bonds from the proceeds of the Permitted Refunding Bonds or from any other source other than Pledged Revenue.

(e) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Series 2021A Senior Bonds and any other Parity Bonds being refunded.

Subordinate Obligations. The Issuer may issue Additional Obligations constituting Subordinate Obligations without the consent of the Consent Parties and the terms of such Subordinate Obligations shall

be as provided in the documents pursuant to which they are issued, provided that each of the following conditions shall apply to the Subordinate Obligations:

(a) the failure to make a payment when due on the Subordinate Obligations shall not constitute an event of default thereunder; and

(b) the Subordinate Obligations shall be payable as to both principal and interest only after the payment or defeasance of the full amount of the Series 2021A Senior Bonds.

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

(a) The Issuer fails to pay the principal of or interest on the Series 2021A Senior Bonds when due;

(b) The Issuer fails or refuses to apply the Pledged Revenue as required by the Senior Indenture;

(c) A Senior Reserve Fund Transfer or Senior Parity Reserve Fund Transfer;

(d) The Issuer defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the Senior Indenture or the Series 2021A Senior Bond Resolution and fails to remedy the same after notice thereof pursuant to [Section 8.12 of the Senior Indenture]; or

(e) The Issuer files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2021A Senior Bonds.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, THE ISSUER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THIS INDENTURE AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2021A SENIOR BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE SERIES 2021A SENIOR BONDS, ALL AVAILABLE ACTIONS AGAINST THE ISSUER IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THIS ARTICLE VIII. THE ISSUER FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE SERIES 2021A SENIOR BONDS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

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

(a) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as

a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the Issuer; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the Senior Indenture to, the Trustee.

(b) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021A Senior Bonds, the Series 2021A Senior Bond Resolution, the Senior Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

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

(d) *Acceleration*. For an Event of Default under Section (a) or (c) above, the Trustee shall (unless directed otherwise by the Owners pursuant to the Senior Indenture – See "Majority of Consent Parties May Control Proceedings" below) declare all principal and interest on the Series 2021A Senior Bonds due and payable

No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the Senior Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Series 2021A Senior Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

If any Event of Default under section (a), (b) or (c) above shall have occurred and if requested by the Owners of a majority in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to the Senior Indenture (see "*Majority of Consent Parties May Control Proceedings*" below); provided that the Trustee at its option shall be indemnified as provided in the Senior Indenture.

The Series 2021A Senior Bonds shall be subject to acceleration upon the occurrence of an Event of Default under section (a) or (c) above (unless directed otherwise by the Owners as contemplated below in "*Majority of Consent Parties May Control Proceedings*"). Other than for an Event of Default under section (a) or (c) above, acceleration of the Series 2021A Senior Bonds shall not be an available remedy for an Event of Default.

Majority of Consent Parties May Control Proceedings. The Consent Parties of a majority in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Senior Indenture (including any actions to be taken by the Trustee pursuant to the Senior Indenture with respect to the Bulk Sale), or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of the Senior Indenture; and provided further that at its option the Trustee shall be indemnified as provided in the Senior Indenture.

Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Senior Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has

occurred of which the Trustee has been notified as provided in the Senior Indenture, or of which under that Section it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in the Senior Indenture; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Senior Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Senior Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Series 2021A Senior Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Series 2021A Senior Bonds then Outstanding as to which the Event of Default exists any Event of Default [under section (b) above]. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon

Indenture Supplements. Subject to the provisions of Article X of the Senior Indenture, the Issuer and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes: (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Senior Indenture, to make any provision necessary or desirable due to a change in law; (b) To make any provisions with respect to matters arising under the Senior Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Series 2021A Senior Bonds; (c) To subject to the Senior Indenture additional revenues, properties, or collateral; (d) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (e) To qualify the Senior Indenture under the Trust Indenture Act of 1939.

Except for supplemental indentures delivered pursuant to Section 10.01 of the Senior Indenture, and subject to the provisions of Article X of the Senior Indenture, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Series 2021A Senior Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Senior Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2021A Senior Bonds when due;

(c) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(d) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

Discharge of the Lien of the Senior Indenture. If the Issuer shall pay or cause to be paid to the Trustee, for the Owners of the Series 2021A Senior Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Series 2021A Senior Bonds and in the Senior Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by the Senior Indenture to be paid shall have been paid, then these presents and the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Senior Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the Issuer any property at the time subject to the lien of the Senior Indenture which may then be in its possession, and deliver any amounts required to be paid to the Issuer under Section 8.05 of the Senior Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Series 2021A Senior Bonds.

Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 7.01 of the Senior Indenture if, for the purpose of paying such Bond (a) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (b) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to Section 7.01 of the Senior Indenture, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2021A Senior Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI of the Senior Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Series 2021A Senior Bonds.

Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (a) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Senior Indenture; and (b) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Series 2021A Senior Bonds when due.

The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the Issuer for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Series 2021A Senior Bonds prior to maturity and the discharge of the Senior Indenture as provided in the Senior Indenture, the Trustee is to continue to fulfill its obligations under the Senior Indenture until the Series 2021A Senior Bonds are fully paid, satisfied, and discharged.

THE SERIES 2021B SUBORDINATE BONDS

The Series 2021B Subordinate Bonds will be issued in the principal amount, and will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Series 2021B Subordinate Bond issue, reference is made to the Indenture, a copy of which is available from the Underwriter prior to delivery of the Series 2021B Subordinate Bonds. See "INTRODUCTION—Additional Information."

Security and Sources of Payment

The Series 2021B Subordinate Bonds are special limited revenue obligations of the Issuer secured by and payable from the Subordinate Pledged Revenue, consisting of the following (as more particularly described below), net of any costs of collection (to the extent not previously deducted by definition): (a) any of the following remaining **after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations**: (i) all **Water Credit Fee Revenues** (generally meaning all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold in accordance with the Water Credit Fees Resolution); (ii) all **Net Bulk Sale Proceeds** (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event of default resulting in acceleration of the Bonds, as described below); (iii) all **ERU Remedy Revenues** (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The Series 2021B Subordinate Bonds are secured by the Water Credit Fee Revenues, Net Bulk Sale Proceeds and ERU Remedy Revenues on a basis subordinate to the Series 2021A Senior Bonds and any other "**Senior Obligations**" (generally meaning any obligations secured by such revenues on a parity with the Series 2021A Senior Bonds, including obligations issues to refund such bonds). **As a result of the provisions of the Senior Indenture, no Water Credit Fee Revenues, Net Bulk Sale Proceeds or ERU Remedy Revenues will be available for payment of the Series 2021B Subordinate Bonds until such time as the Series 2021A Senior Bonds (and any other Senior Obligations, to the extent provided in any indenture or other agreement pursuant to which such Senior Obligations are issued), are paid in full or defeased.**

The Series 2021B Subordinate Bonds are also secured by a lien on the RMD/ERU Water Credits, notice of which lien is evidenced by the **UCC Statement**, **provided that such lien is subordinate to the lien thereon securing the Series 2021A Senior Bonds and any other Senior Obligations**. Upon the occurrence of a Reserve Fund Transfer or Parity Reserve Fund Transfer, failure to pay principal or interest on Senior Obligations or the Series 2021B Subordinate Bonds when due, the Trustee is to commence proceedings to result in a bulk sale of all RMD/ERU Water Credits, in accordance with applicable provisions of the Colorado UCC. See "—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits" below. **However, net proceeds resulting from such Bulk Sale will be applied to pay Series 2021B Subordinate Bonds only to the extent remaining (if at all) after the payment in full of the Series 2021A Senior Bonds and any other Senior Obligations, and the other amounts required by the Senior Indenture.**

Notwithstanding any other provision in the Subordinate Indenture, in the event that any amount of principal of or interest on the Series 2021B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the Restrictive Covenant and the Water Credits Fees Resolution, the Series 2021B Subordinate Bonds and the lien of the Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Subordinate Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners of the Series 2021B Subordinate Bonds will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Series 2021B Subordinate Bonds remaining unpaid.

The Issuer may issue Additional Obligations, including obligations constituting Senior Obligations without the consent of the Consent Parties of the Series 2021B Subordinate Bonds, subject to the satisfaction of certain conditions set forth in the Subordinate Indenture and described in "THE SERIES 2021B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—Additional Obligations."

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." See also "APPENDIX D—SELECTED DEFINITIONS" for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum.

Authorized Denominations.

The Series 2021B Subordinate Bonds are being issued in "Authorized Denominations," defined in the Subordinate Indenture to mean, initially, the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. In the event a Series 2021B Subordinate Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000. The Authorized Denominations are to be reduced to $1,000 or any integral multiple thereof in the event that the Trustee receives an opinion of Counsel that the District has filed a notice of a claim of exemption, along with all other required documents necessary to exempt the Series 2021B Subordinate Bonds under any of the exemptions from registration contemplated by Section 11-59-110, C.R.S., and any rule or order promulgated thereunder, or any successor statute (and any rule or order promulgated under such successor statute), or has taken other actions which permit the Series 2021B Subordinate Bonds to be issued in denominations of $1,000 or integral multiples thereof under the Colorado Municipal Bond Supervision Act or any successor statute.

Payment of Principal and Interest

The Series 2021B Subordinate Bonds will bear interest at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Subordinate Pledged Revenue available therefor annually on December 15 of each year, commencing December 15, 2021 and continuing for so long as the Series 2021B Subordinate Bonds are Outstanding. (each an "**Interest Payment Date**").

To the extent principal of any Series 2021B Subordinate Bond is not paid when due, such principal is to remain Outstanding until paid, subject to the Subordinate Indenture. To the extent interest on any Series 2021B Subordinate Bond is not paid when due, such interest is to compound annually on each Interest Payment Date, at the rate then borne by the Series 2021B Subordinate Bond; provided however, that notwithstanding anything herein or in the Subordinate Indenture to the contrary, the Issuer is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of the Series 2021B Subordinate Bond, including all payments of principal and interest, and any Series 2021B Subordinate Bond will be deemed defeased and no longer Outstanding upon the payment by the Issuer of such amount.

The principal of and premium, if any, on the Series 2021B Subordinate Bonds are payable in lawful money of the United States of America to the Owner of each Series 2021B Subordinate Bond upon maturity or prior redemption and presentation at the principal office of the Trustee. The interest on any Series 2021B Subordinate Bond is payable to the person in whose name such Series 2021B Subordinate Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the Issuer by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Series 2021B Subordinate Bond subsequent to such Record Date and prior to such Interest Payment Date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date shall be given to the Owners of the Series 2021B Subordinate Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the Special Record Date and the date fixed for the payment of such unpaid interest.

Payments for the principal of and interest on the Series 2021B Subordinate Bonds will be made as described in "[APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.]"

Redemption

Optional Redemption The optional redemption provisions for the Series 2021B Subordinate Bonds will be set forth in the Limited Offering Memorandum.

Mandatory Redemption. The Series 2021B Subordinate Bonds are subject to mandatory redemption in part pro rata on December 15 of each year (each a "Mandatory Redemption Date"), commencing December 15, 2021, to the extent of moneys on deposit, if any, in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 25 days prior to the applicable Mandatory Redemption Date, and subject to any minimum requirements with respect to the principal amount of Bonds to be redeemed as set forth in the Subordinate Indenture, at a redemption price (the "Mandatory Redemption Price") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The Issuer acknowledges and agrees that, notwithstanding anything to the contrary in the

Subordinate Indenture, borrowed moneys shall not be used for the purpose of redeeming principal of the Series 2021B Subordinate Bonds pursuant to the Subordinate Indenture.

Redemption Procedure and Notice. If less than all of the Series 2021B Subordinate Bonds within a maturity are to be redeemed on any prior redemption date, the Series 2021B Subordinate Bonds to be redeemed are to be selected pro rata prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Series 2021B Subordinate Bonds are to be redeemed only in integral multiples of $1,000. In the event a Series 2021B Subordinate Bond is of a denomination larger than $1,000, a portion of such Series 2021B Subordinate Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such Series 2021B Subordinate is to be treated for the purpose of redemption as that number of Series 2021B Subordinate Bonds which results from dividing the principal amount of such Series 2021B Subordinate Bond by $1,000. In the event a portion of any Series 2021B Subordinate Bond is redeemed, the Trustee is to, without charge to the Owner of such Series 2021B Subordinate Bond, authenticate and deliver a replacement Series 2021B Bond or Series 2021B Subordinate Bonds for the unredeemed portion thereof.

In the event any of the Series 2021B Subordinate Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2021B Subordinate Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the Owner of each Series 2021B Subordinate Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the Issuer by the Trustee. Failure to give such notice by mailing to any Owner or by electronic means to DTC or its successors, or any defect therein, is not to affect the validity of any proceeding for the redemption of other Series 2021B Subordinate Bonds as to which no such failure or defect exists. The redemption of the Series 2021B Subordinate Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the Issuer. All Series 2021B Subordinate Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Certain Subordinate Indenture Provisions

The following is a description of certain provisions of the Subordinate Indenture, and is subject in all respects to the more specific provisions of the Subordinate Indenture. **For a description of the provisions of the Subordinate Indenture pertaining to the partial release of the lien on the ERU Water Credits in connection with the Trustee's receipt of Water Credit Fees, calculation and notice of the Water Credit Fee Revenue Shortfall, and the bulk sale of ERU Water Credits upon the occurrence of a Reserve Fund Transfer or Parity Reserve Fund Transfer, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits."** See "APPENDIX E—SELECTED DEFINITIONS" for definitions of certain capitalized terms used below and elsewhere in this Limited Offering Memorandum.

Creation of Funds and Accounts. Under the Subordinate Indenture, there are created and established the Subordinate Bond Fund and, therein, the Subordinate Interest Account and the Subordinate Mandatory Redemption Account. Such funds and accounts are to be established with the Trustee and maintained by the Trustee in accordance with the provisions of the Subordinate Indenture.

Application of Subordinate Pledged Revenue. The Issuer is to cause all Subordinate Pledged Revenue to be deposited with the Trustee promptly upon receipt. The Trustee shall credit all Subordinate

Pledged Revenue as received in the following order of priority (excluding the Net Bulk Sale Proceeds, which is to be applied in "SECURITY AND SOURCES OF PAYMENT FOR THE BOND--Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits," and excluding the Subordinate Pledged Revenue described in clause (b) of the definition thereof, which is to be deposited directly to the Subordinate Bond Fund). IN NO EVENT IS THE ISSUER PERMITTED TO WITHHOLD ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE OR TO APPLY ANY PORTION THEREOF TO ANY PURPOSE OTHER THAN REMITTANCE TO THE TRUSTEE FOR APPLICATION AS SET FORTH IN The Subordinate Indenture. For purposes of the following, (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank pari passu with each other; (b) with respect to the priorities established below, no Subordinate Pledged Revenue shall flow to a lower priority until all of the higher priorities have been fully funded; and (c) when credits are required to go to funds or accounts which are not held by the Trustee under the Subordinate Indenture, the Trustee may rely upon the written instructions of the Issuer with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Issuer, in the amount budgeted by the Issuer to pay Administrative Expenses for the coming Fiscal Year, to the extent that such Administrative Expenses have not been fully paid through application of revenues available under the Senior Indenture or under any resolutions, indentures, or other documents pursuant to which other Senior Obligations have been issued;

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

THIRD: To the credit of the Subordinate Bond Fund and any other fund or account created for the payment of the principal of, premium if any, and interest on Parity Bonds, including any sinking fund, reserve fund, surplus fund or similar fund or account established therefor, pro rata in accordance with the then outstanding principal amounts of the Series 2021B Subordinate Bonds and any Parity Bonds, all Subordinate Pledged Revenue received until the funding of all amounts to become due and payable on the Series 2021B Subordinate Bonds and the Parity Bonds through maturity; and

FOURTH: To the Issuer, for credit to any other fund or account as may be designated by the Issuer in writing to the Trustee, to be used for any lawful purpose, any Subordinate Pledged Revenue received for the remainder of the Bond Year after the payments and accumulations set forth above.

The Issuer covenants that Subordinate Pledged Revenue shall be available for application in FOURTH in a particular Bond Year ONLY after all of the amounts required in FIRST through THIRD have been fully funded and such deposits will accomplish the full repayment or defeasance of the Series 2021B Subordinate Bonds and the Parity Bonds in such Bond Year.

Subordinate Bond Fund. Moneys in the Subordinate Bond Fund are to be used by the Trustee solely to pay the principal of, premium if any, and interest on the Series 2021B Subordinate Bonds, in the following order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as follows.

Subordinate Pledged Revenue required to be credited to the Subordinate Bond Fund in accordance with the Subordinate Indenture shall be credited each Bond Year as received as follows:

FIRST: to the credit of the Subordinate Interest Account, the amount required for amounts on deposit therein to equal the interest due and payable on the Series 2021B Subordinate Bonds in such Bond Year; and

SECOND: to the credit of the Subordinate Mandatory Redemption Account, all remaining Subordinate Pledged Revenue credited to the Subordinate Bond Fund for such Bond Year.

On each Interest Payment Date, the Trustee is to apply amounts on deposit in the Subordinate Interest Account to the payment of interest on the Series 2021B Subordinate Bonds (including current interest, accrued but unpaid interest and unpaid compound interest, and including the accrued interest portion of any Mandatory Redemption Price) then due.

On the 25th day prior to each Mandatory Redemption Date, the Trustee shall determine the amounts on deposit in the Subordinate Mandatory Redemption Account available for application to redemption of the Series 2021B Subordinate Bonds in accordance with the Subordinate Indenture, taking into account any requirements under the Subordinate Indenture with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Redemption Date as a result of amounts credited to the Subordinate Mandatory Redemption Account, as provided in the Subordinate Indenture.

On each Mandatory Redemption Date, the Trustee is to apply amounts on deposit in the Subordinate Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price.

Moneys credited to the Subordinate Bond Fund may be invested or deposited as provided in the Subordinate Indenture.

The Issuer acknowledges and agrees that, notwithstanding anything herein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the Series 2021B Subordinate Bonds pursuant to the Subordinate Indenture and paragraph (d) above.

Notwithstanding any of the foregoing, in no event shall any principal, interest or Mandatory Redemption Price be paid on the Series 2021B Subordinate Bonds until such time as there has been paid in full or defeased the 2021A Senior Bonds and any other Senior Obligations issued by the Issuer.

Bulk Sale Escrow Fund. The Subordinate Indenture provides that, so long as the 2021A Senior Bonds or any Senior Obligations are outstanding, the provisions of the Senior Indenture and any indenture securing any Senior Obligations, as applicable, are to control the use of the Escrow Fund.

The Escrow Fund is to be maintained by the Trustee. The Escrow Fund is to be held separate and apart from all other funds and accounts established under the Subordinate Indenture and from all other moneys of the Trustee. The Bulk Sale Escrow Fund does not constitute part of the Trust Estate. All amounts in the Bulk Sale Escrow Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Subordinate Indenture.

All Bulk Sale Proceeds received by the Issuer shall be deposited into the Bulk Sale Escrow Fund. Upon consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser, the Trustee shall release all amounts in the Bulk Sale Escrow Fund for application in accordance with the Senior Indenture, as described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits—*Application of Net Bulk Sale Proceeds to Series 2021A Senior Bonds*" and "—_____." In the event that South Adams confirms it will not consent to the assignment of the RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee shall return all Bulk Sale Proceeds to the Bulk Sale Purchaser.

Notwithstanding any of the foregoing, in no event any Water Credit Fees is to be transferred into the Subordinate Bond Fund until such time as there has been paid in full or defeased the 2021A Senior Bonds and any other Senior Obligations issued by the Issuer.

Additional Covenants and Agreements. The Issuer hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Series 2021B Subordinate Bonds remain Outstanding:

(a) The Issuer will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Series 2021B Subordinate Bonds, and will continue to operate and manage the Issuer and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the Issuer will cause the District to perform an audit to of the records relating to the District's revenues and expenditures, and the Issuer shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the Issuer will cause the District to prepare and adopt a budget. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The Issuer will cause the District to carry general liability, public officials liability, and such other forms of insurance coverage on insurable District and Issuer property, as applicable, upon the terms and conditions, and in such amount, as in the judgment of the Issuer will protect the Issuer and its operations.

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

(e) In the event that an exemption from registration for the Series 2021B Subordinate Bonds under the Colorado Municipal Bond Supervision Act (including any rules or orders promulgated thereunder) becomes available that permits the issuance or reissuance of the Series 2021B Subordinate Bonds in denominations of $1,000 or integral multiples thereof, and if requested in writing by the Consent Parties with respect to not less than a majority in aggregate principal amount of the Series 2021B Subordinate Bonds, the Issuer shall, at the expense of the Consent Parties so requesting, use its good faith efforts to obtain such an exemption, amend the Subordinate Indenture as may be required in connection therewith, and issue or reissue the Series 2021B Subordinate Bonds in denominations of $1,000 or integral multiples thereof.

(f) Beside the lien of the 2021A Senior Indenture and the Subordinate Indenture (and any indenture relating to Senior Obligations, Parity Bonds, or Junio Lien Obligations) evidenced by the UCC Statement, the Issuer will not grant a security interest in or otherwise encumber the ERU Water Credits.

(g) The Issuer will not sell more than [1,283] ERU Water Credits for Permitted Irrigation Uses.

(h) The Issuer shall use all commercially reasonable efforts to timely sell the ERU Water Credits in accordance with the terms of the Water Credit Fees Resolution.

(i) The Issuer will enforce the Water Credit Fees Resolution and any remedies available to the Issuer thereunder, will enforce the collection of all Water Credit Fees in such time and manner as the Issuer reasonably determines will be most efficacious in collecting the same, will apply the Water Credit Fees as required under the Water Credit Fees Resolution, and will not reduce the amount of the Water Credit Fees, or amend or supplement the Water Credit Fees Resolution in any way which would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding.

(j) The Issuer shall take no action that would cause the Water Activity Enterprise to fail to qualify as an enterprise under Article X, Section 20 of the Colorado Constitution unless it receives an opinion of Bond Counsel to the effect that termination of such status will not reduce or delay the collection or disbursement of Subordinate Pledged Revenues or otherwise adversely affect the Owners of the Series 2021B Subordinate Bonds.

(k) Except sales of the ERU Water Credits pursuant to the Water Fee Credit Resolution and the Subordinate Indenture, the Issuer will not sell, convey or otherwise dispose of all or any part of the Project to any Person unless (a) Bond Counsel has delivered a written opinion to the effect that such sale or other disposal will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any Bonds that will be outstanding after such sale or other disposal or the exemption of any such Series 2021B Subordinate Bonds and the transfer of and income from any such Series 2021B Subordinate Bonds from all taxation and assessments in the State, and (b) a Financial Consultant has delivered a certificate to the effect that such sale or other disposal will not adversely affect the Issuer's ability to collect the Subordinate Pledged Revenue or pay the Series 2021B Subordinate Bonds when due, or materially affect the rights of Owners of the Series 2021B Subordinate Bonds. This shall not limit the power of the Issuer to dispose of surplus property or to enter into contracts with respect to the lease or operation of all of any part of the Project (subject to any covenants of the Issuer set forth in the Tax Certificate).

(l) The Issuer will not amend or supplement any of the documents pertaining to the Senior Obligations in any way which (i) alters the amortization of the principal of such Senior Obligations; or (ii) increases the rate or rates of interest borne by the Senior Obligations, except upon the prior written consent of the Consent Parties with respect to 100% in aggregate principal amount of the Series 2021B Subordinate Bonds.

(m) The Issuer will enforce the Restrictive Covenant and any remedies available to the Issuer thereunder and will not consent to an amendment or supplement to the Restrictive Covenant which would materially adversely affect in any way the Owners of the Series 2021B Subordinate Bonds, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding.

(n) The Issuer shall not impose any rates, tolls, fees, penalties, or other charges, or engage in any other action or omission that may materially impair future development or that could adversely affect the amount of Subordinate Pledged Revenue or delay the timing of the Issuer's transfer to the Trustee promptly upon receipt thereof.

(o) The Issuer shall not directly or indirectly, and shall not consent to the District directly or indirectly, acquiring other water rights or acquiring, constructing, or operating any water system facility that will compete with the demand for the ERU Water Credits or otherwise materially adversely affect the rights of the Owners of the Series 2021B Subordinate Bonds.

Additional Obligations. The Issuer is not to issue any Additional Obligations as Parity Bonds, Senior Obligations or Junior Lien Obligations. The issuance of the 2021A Senior Bonds in accordance with the 2021A Senior Indenture is permitted, notwithstanding any provision of the Subordinate Indenture. The Issuer is not permitted to issue or incur any other Additional Obligations except as provided in the Subordinate Indenture, and only the Issuer (and not the District) is permitted to use or incur Additional Obligations having a lien upon the Subordinate Pledged Revenue.

Permitted Refunding Bonds. The Issuer may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the Issuer in its absolute discretion. "Permitted Refunding Bonds" means Parity Bonds issued for refunding or refinancing purposes, so long as each of the following conditions are met:

(a) Such refunding obligations are issued solely for the purpose of refunding all or any part of the Series 2021B Subordinate Bonds or any other Parity Bonds and paying costs in connection therewith, which costs may include amounts sufficient to pay all expenses in connection with such refunding or refinancing, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding or refinancing.

(b) Such refunding obligations do not increase the Issuer's scheduled debt service in any year from the scheduled debt service in effect prior to the issuance of such refunding obligations. For purposes of the foregoing:

(i) obligations issued for refunding all or any part of the Series 2021B Subordinate Bonds or any other Parity Bonds which have any scheduled payment dates in any year which is after the maturity of the bonds being refunded shall be deemed to increase the Issuer's debt service in any year; and

(ii) if the Effective Interest Rate of the refunding obligations (calculated as of the date of issuance of such refunding obligations) will be at least 25 basis points less than the Effective Interest Rate of the Series 2021B Subordinate Bonds and any other Parity Bonds being refunded (calculated without giving effect to the refunding of such refunded obligations), then such refunding obligations shall be deemed not to increase the District's scheduled debt service in any year.

(c) Such refunding obligations are payable on the same day or days of the calendar year as the Series 2021B Subordinate Bonds and any other Parity Bonds being refunded.

(d) The remedies for defaults under such refunding obligations are substantially the same as the remedies applicable to the Series 2021B Subordinate Bonds and any other Parity Bonds being refunded.

Subject to paragraph above with respect to Permitted Refunding Bonds, the Issuer may issue Additional Obligations constituting Parity Bonds, Senior Obligations or Junior Lien Obligations if such issuance is consented to by the Consent Parties with respect to 100% in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding.

Senior Obligations. The Issuer may issue Additional Obligations constituting Senior Obligations without the consent of the Consent Parties provided that the following conditions are satisfied:

(a) the proposed Senior Obligations will constitute Refunding Senior Obligations and, upon issuance of such Refunding Senior Obligations, the total of the Issuer's scheduled debt service

on such Refunding Senior Obligations and any other Senior Obligations (to the extent to remain outstanding upon the issuance of such Refunding Senior Obligations) will not exceed in any year the total scheduled debt service on the Senior Obligations outstanding immediately prior to the issuance of such Refunding Senior Obligations (excluding from such calculation of debt service any amount on deposit in a reserve fund anticipated to be available for payment of debt service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, the issuance of Refunding Senior Obligations that have a scheduled payment date in any year that is after the latest maturity date of the Senior Obligations outstanding immediately prior to the issuance of the Refunding Senior Obligations shall be deemed to increase the Issuer's Senior Obligations debt service and shall not be permitted by this clause (a); and

(b) the Senior Obligation Surplus Fund and Senior Obligation Reserve Fund, if any, securing such Senior Obligations shall not together be required or permitted to be funded in excess of an aggregate amount equal to 20% of the outstanding par amount of such Senior Obligations; and

(c) the remedies for defaults under such Senior Obligations are substantially the same as the remedies applicable to the Senior Obligations being refunded.

Junior Lien Obligations. The Issuer may issue Additional Obligations constituting Junior Lien Obligations without the consent of the Consent Parties and the terms of such Junior Lien Obligations shall be as provided in the documents pursuant to which they are issued, provided that each of the following conditions shall apply to the Junior Lien Obligations:

(a) the failure to make a payment when due on the Junior Lien Obligations shall not constitute an event of default thereunder; and

(b) the Junior Lien Obligations shall be payable as to both principal and interest only after the payment or defeasance of the full amount of the Series 2021B Subordinate Bonds.

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

(a) The Issuer fails to pay the principal on the Series 2021B Subordinate Bonds on the final maturity date;

(b) The Issuer fails or refuses to apply the Subordinate Pledged Revenue as required by the Subordinate Indenture;

(c) The Issuer fails to pay the principal of or interest on any Senior Obligations when due;

(d) The Issuer transfers money from a Senior Obligation Reserve Fund to a Senior Obligation Bond Fund (other than to redeem all Senior Obligations secured by such Senior Obligation Reserve Fund or at final maturity of such Senior Obligation);

(e) The Issuer defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in the Subordinate Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the Subordinate Indenture; or

(f) The Issuer files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Series 2021B Subordinate Bonds.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, THE ISSUER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF The Subordinate Indenture AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2021B SUBORDINATE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE SERIES 2021B SUBORDINATE BONDS, ALL AVAILABLE ACTIONS AGAINST THE ISSUER IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE ARTICLE VIII OF The Subordinate Indenture. THE ISSUER FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF SUBORDINATE PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF THE SERIES 2021B SUBORDINATE BONDS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE.

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

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

(ii) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Act, the Series 2021B Subordinate Bonds, the Bond Resolution, the Subordinate Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

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

(iv) *Acceleration*. For an Event of Default under (a) or (c) above, the Trustee shall (unless directed otherwise by the Owners pursuant to the Subordinate Indenture—See "Majority of Consent Parties May Control Proceedings" below) declare all principal and interest on the Series 2021B Subordinate Bonds due and payable.

No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the Subordinate Indenture or any rights, powers, or remedies of the Trustee hereunder, or any lien, rights, powers, and remedies of the Owners of the Series 2021B Subordinate Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners shall continue unimpaired as before.

If any Event of Default under section (a), (b), or (c) above shall have occurred and if requested by a majority of the Owners in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Subordinate Indenture as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to the Subordinate Indenture (see "Majority of Consent Parties May Control Proceedings" below); provided that the Trustee at its option shall be indemnified as provided in in the Subordinate Indenture.

The Series 2021B Subordinate Bonds shall be subject to acceleration upon the occurrence of an Event of Default under section (a) or (c) above (unless directed otherwise by the Owners as contemplated below in "Majority of Consent Parties May Control Proceedings"). Other than for an Event of Default under section (a) or (c) above, acceleration of the Series 2021B Subordinate Bonds shall not be an available remedy for an Event of Default.

Majority of Consent Parties May Control Proceedings. The Consent Parties of a majority in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Subordinate Indenture (including any actions to be taken by the Trustee pursuant to the Subordinate Indenture with respect to the Bulk Sale), or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in the Subordinate Indenture.

Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the Subordinate Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in the Subordinate Indenture, or of which under the Subordinate Indenture it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in the Subordinate Indenture; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the Subordinate Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the Subordinate Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Series 2021B Subordinate Bonds then Outstanding;

provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Series 2021B Subordinate Bonds then Outstanding as to which the Event of Default exists any Event of Default under (b) above. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the Issuer, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Subordinate Indenture Supplements. Subject to the provisions of Article X of the Subordinate Indenture, the Issuer and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes: (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Subordinate Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Subordinate Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Series 2021B Subordinate Bonds; (b) To subject to the Subordinate Indenture additional revenues, properties, or collateral; (c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (d) To qualify the Subordinate Indenture under the Trust Indenture Act of 1939.

Except for supplemental indentures delivered pursuant to Section 10.01 of the Subordinate Indenture, and subject to the provisions of Article X, the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Series 2021B Subordinate Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Subordinate Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting:

(a) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(b) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Series 2021B Subordinate Bonds when due;

(c) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(d) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

Discharge of the Lien of the Subordinate Indenture. If the Issuer shall pay or cause to be paid to the Trustee, for the Owners of the Series 2021B Subordinate Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the Issuer shall keep, perform, and observe all and singular the covenants and promises in the Series 2021B Subordinate Bonds and in the Subordinate Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and

expenses of the Trustee required by the Subordinate Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Subordinate Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the Issuer any property at the time subject to the lien of the Subordinate Indenture which may then be in its possession, and deliver any amounts required to be paid to the Issuer under the Subordinate Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Series 2021B Subordinate Bonds.

Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the Subordinate Indenture if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the Issuer and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant. With respect to any accrued and unpaid interest on the Series 2021B Subordinate Bonds, including any compound interest remaining unpaid, it is acknowledged that such amounts are due and payable immediately at the time of funding any escrow intended to accomplish a defeasance of the Series 2021B Subordinate Bonds. Upon the funding of an escrow defeasing Bonds in accordance with the provisions of the Subordinate Indenture, the Series 2021B Subordinate Bonds shall cease to be subject to mandatory redemption in accordance with the provisions of the Subordinate Indenture , and the principal of the Series 2021B Subordinate Bonds shall be due and payable only on the designated redemption date(s).

Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to the Subordinate Indenture, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Series 2021B Subordinate Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of the Subordinate Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Series 2021B Subordinate Bonds.

Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Subordinate Indenture; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Series 2021B Subordinate Bonds when due.

The release of the obligations of the Issuer under the Subordinate Indenture shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the Issuer for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the

administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Series 2021B Subordinate Bonds prior to maturity and the discharge of the Subordinate Indenture as provided in the Subordinate Indenture, the Trustee shall continue to fulfill its obligations under the Subordinate Indenture until the Series 2021B Subordinate Bonds are fully paid, satisfied, and discharged.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

This section describes the District's sources for payment of debt service on the Bonds. The Bonds are payable solely from these sources. ***The Bonds are not general obligations of the District, and neither the District nor any other metropolitan district established to serve the Reunion development is obligated to certify a mill levy to pay principal of, premium if any, or interest on the Bonds.***

Series 2021A Senior Bonds

The Series 2021A Senior Bonds are special limited revenue obligations of the Issuer secured by and payable from the Pledged Revenue, which consists of the following (as more particularly described below), net of any costs of collection (to the extent not previously deducted by definition): (a) all **Water Credit Fee Revenues** (generally meaning all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold in accordance with the Water Credit Fees Resolution); (b) all **Net Bulk Sale Proceeds** (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event of default resulting in acceleration of the Bonds, as described below); (c) all **ERU Remedy Revenues** (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (d) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Bond Fund. The primary source of revenue to be applied to payment of the Series 2021A Senior Bonds is expected to be the Water Credit Fee Revenues.

The Series 2021A Senior Bonds are also secured by a lien on the RMD/ERU Water Credits, notice of which lien is evidenced by a UCC-1 financing statement to be filed by the Trustee [on the date of issuance of the Bonds], naming the Issuer as debt and the Trustee, on behalf of Owners of the Bonds, as the secured party (the "**UCC Statement**"). Upon the occurrence of a Senior Reserve Fund Transfer or Parity Reserve Fund Transfer or failure to pay principal or interest on the Series 2021A Senior when due, the Trustee is to commence proceedings to result in a bulk sale of all RMD/ERU Water Credits, in accordance with applicable provisions of the Colorado Uniform Commercial Code (the "**Colorado UCC**"). See "-- Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits" below.

Notwithstanding any other provision in the Senior Indenture, in the event that any amount of principal of or interest on the Series 2021A Senior Bonds remains unpaid after the application of all Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the [Restrictive Covenant and the Water Credits Fees Resolution], the Series 2021A Senior Bonds and the lien of the Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Series 2021A Senior Bonds remaining unpaid.

A portion of the interest on the Series 2021A Senior Bonds will be paid from capitalized interest to be funded with proceeds of the Series 2021A Senior Bonds in the amount of $955,215* and deposited into the Senior Bond Fund.

The Series 2021A Senior Bonds are also secured by amounts on deposit in the Senior Reserve Fund, which will be funded from proceeds of the Series 2021A Senior Bonds in an amount equal to $3,748,500* (the "Senior **Reserve Requirement**"), and amounts accumulated in the Senior Surplus Fund, if any. See "THE SERIES 2021A SENIOR BONDS—Certain Senior Indenture Provisions—Senior Reserve Fund" and "—Senior Surplus Fund."

The Issuer may issue Additional Obligations, including obligations constituting Parity Bonds secured by the Pledged Revenue on a parity with the Series 2021A Senior Bonds, without the consent of the Consent Parties of the Series 2021A Senior Bonds, subject to the satisfaction of certain conditions set forth in the Senior Indenture and described in "THE SERIES 2021A SENIOR BONDS—Certain Senior Indenture Provisions—Additional Obligations."

Series 2021B Subordinate Bonds

The Series 2021B Subordinate Bonds are special limited revenue obligations of the Issuer secured by and payable from the Subordinate Pledged Revenue, consisting of the following (as more particularly described below), net of any costs of collection (to the extent not previously deducted by definition): (a) any of the following remaining **after deduction of any amount thereof used, paid, pledged or otherwise applied to the payment of any Senior Obligations**: (i) all **Water Credit Fee Revenues** (generally meaning all amounts received by the Issuer from Water Credit Fees for RMD/ERU Water Credits sold in accordance with the Water Credit Fees Resolution); (ii) all **Net Bulk Sale Proceeds** (generally meaning net proceeds resulting from a bulk sale of RMD/ERU Water Credits upon the occurrence of an event of default resulting in acceleration of the Bonds, as described below); (iii) all **ERU Remedy Revenues** (generally meaning revenues received as a result of the exercise of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution); and (b) any other legally available moneys which the Issuer determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

The Series 2021B Subordinate Bonds are secured by the Water Credit Fee Revenues, Net Bulk Sale Proceeds and ERU Remedy Revenues on a basis subordinate to the Series 2021A Senior Bonds and any other "**Senior Obligations**" (generally meaning any obligations secured by such revenues on a parity with the Series 2021A Senior Bonds, including obligations issues to refund such bonds). **As a result of the provisions of the Senior Indenture, no Water Credit Fee Revenues, Net Bulk Sale Proceeds or ERU Remedy Revenues will be available for payment of the Series 2021B Subordinate Bonds until such time as the Series 2021A Senior Bonds (and any other Senior Obligations, to the extent provided in any indenture or other agreement pursuant to which such Senior Obligations are issued), are paid in full or defeased.**

The Series 2021B Subordinate Bonds are also secured by a lien on the RMD/ERU Water Credits, notice of which lien is evidenced by the **UCC Statement**, **provided that such lien is subordinate to the lien thereon securing the Series 2021A Senior Bonds and any other Senior Obligations**. Upon the occurrence of a Reserve Fund Transfer or Parity Reserve Fund Transfer, failure to pay principal or interest on Senior Obligations or the Series 2021B Subordinate Bonds when due, the Trustee is to commence proceedings to result in a bulk sale of all RMD/ERU Water Credits, in accordance with applicable provisions of the Colorado UCC. See "--Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits"

* Preliminary; subject to change.

below. **However, net proceeds resulting from such Bulk Sale will be applied to pay Series 2021B Subordinate Bonds only to the extent remaining (if at all) after the payment in full of the Series 2021A Senior Bonds and any other Senior Obligations, and the other amounts required by the Senior Indenture.**

Notwithstanding any other provision in the Subordinate Indenture, in the event that any amount of principal of or interest on the Series 2021B Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor after disposition of all RMD/ERU Water Credits and exhaustion of any applicable remedies available to the Trustee under the Restrictive Covenant and the Water Credits Fees Resolution, the Series 2021B Subordinate Bonds and the lien of the Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the Subordinate Indenture, and execute and deliver to the Issuer such instruments in writing as shall be required to evidence the same. Upon such discharge, the Owners of the Series 2021B Subordinate Bonds will have no recourse to the Issuer or the District or any property of the Issuer or the District for the payment of any amount of principal of or interest on the Series 2021B Subordinate Bonds remaining unpaid.

The Issuer may issue Additional Obligations, including obligations constituting Senior Obligations without the consent of the Consent Parties of the Series 2021B Subordinate Bonds, subject to the satisfaction of certain conditions set forth in the Subordinate Indenture and described in "THE SERIES 2021B SUBORDINATE BONDS—Certain Subordinate Indenture Provisions—Additional Obligations."

RMD/ERU Water Credits

Generally. "**RMD/ERU Water Credits**" are defined in the Indentures as the 7,236 ERU water rights credits conveyed to the Issuer by the Developer pursuant to the ERU Purchase Agreement. For purposes of the Restrictive Covenant and the Water Credit Fees Resolution described herein, the RMD/ERU Water Credits are classified as "**RMD/ERU Building Credits**" or "**RMD/ERU Irrigation Credits**" based on their intended uses, as more particularly described below.

The ERU Water Credits were issued by South Adams in accordance with that certain FRICO Participant Water Resources Agreement dated November 2, 2001 (as amended pursuant to amendments dated November 12, 2002 and October 15, 2018) (collectively, the "**FRICO Participant Water Resources Agreement**") between Shea and South Adams, more particularly described below. In 2017, in connection with a series of transactions relating to the sale of fee interests and the assignment of certain option rights in and to certain property within Reunion, Shea assigned all of its right, title, and interest in the FRICO Participant Water Resources Agreement and the portion of the ERU Water Credits then owned by Shea to the Developer.

Pursuant to the Rules and Regulations of South Adams and the FRICO Participant Water Resources Agreement, the ERU Water Credits are to be applied to the water resources component of a water connection fee charged by South Adams in connection with its provision of potable and/or irrigation water service to property in Reunion (including the RMD Water Service Area), and may not be applied to water connection fees payable for any property outside of Reunion.

[TRANSFER FEE COLLECTED BY SOUTH ADAMS]

FRICO Participant Water Resources Agreement

[DESCRIPTION TO COME, INCLUDING ADDITIONAL REQUIREMENTS OF AGREEMENT TO APPLY CREDITS FOR CONNECTION (COMPLETION OF INFRASTRUCTURE), OTHER PAYMENTS REQUIRED FOR WATER CONNECTION, AND TRANSFERABILITY—REQUIREMENT FOR SOUTH ADAMS CONSENT]

South Adams and South Adams Rules and Regulations; Memorandum of Understanding

[TO COME]

[Section 1.5.6 no duties to secured parties.]

[CONSIDER FURTHER DISCUSSION OF SOUTH ADAMS AND ANY PROCEDURES/ACKNOWLEDGEMENTS WITH SOUTH ADAMS PER MOU, WHEN AGREED UPON]

Memorandum of Understanding; Acknowledgements Relating to Security Interest in RMD/ERU Water Credits; South Adams Not Subject to Restrictive Covenant. It is anticipated that, prior to the Issuer's acquisition of the RMD/ERUs (and prior to the date of issuance of the Bonds), the Issuer, the Developer and South Adams will execute a Memorandum of Understanding (the "**MOU**"), for the purpose of memorializing the procedures and underlying understandings for assignment of the RMD/ERU Water Credits, the consent of South Adams to such assignment to the Issuer and acknowledgment of the grant of security interest to the Trustee, and the establishment of an account reflecting the Issuer's ownership of the RMD/ERU Water Credits. The stated intent of the parties to the MOU is to facilitate such assignment and consent, and not to modify the conditions and terms of the FRICO Participant Water Resources Agreement, the Reunion Participant Resources Agreement, the South Adams Rules and Regulations, applicable resolutions of the District or the Indentures. *The following does not reflect a complete description of all terms of the MOU but, rather, summarizes the terms of the MOU relevant to the transfer of RMD/ERU Water Credits (in the ordinary course and in connection with the enforcement by the Trustee of its security interest therein) as anticipated by the Indenture, the Restrictive Covenant and the Water Credit Fees Resolution after the acquisition of the RMD/ERU Water Credits by the District. In addition, the MOU has not been executed and, accordingly, the terms described below are subject to change.*

Pursuant to the MOU, in connection with the Issuer's acquisition of the RMD/ERU Water Credits from the Developer, South Adams is to execute and deliver an acknowledgment (the "**Security Interest Acknowledgement**") recognizing the security interest granted to the Trustee in the RMD/ERU Water Credits; provided, however, that such acknowledgement expressly states that South Adams owes no duties to the Trustee and is not required to provide notice to the Trustee of proposed assignments or transfers of RMD/ERU Water Credits or amendments to any South Adams Rules or Regulations, the FRICO Participant Water Resources Agreement, or any other water resources agreements. The Security Interest Acknowledgement is to be acknowledged and accepted by the District and the Trustee. The Security Interest Acknowledgement states that the Trustee and the District have advised South Adams that following its receipt of an assignment by the District of an ERU Water Credit and the transfer fee and in accordance with its standard practices and procedures, South Adams can debit the account of the District, and credit the account of the assignee, to reflect the transfer of the subject ERU Water Credit without further inquiry and without further acknowledgement or other action of the Trustee. The Security Interest Acknowledgement further states that the Trustee (for itself and on behalf of the beneficial and other owners of the Bonds) and the District acknowledge and agree that (i) South Adams will have no duty or obligation with respect to the payment of the Sale Proceeds to the Trustee, (ii) South Adams has no duty to security interest holders and may conclusively rely on the assignment of a subject ERU Water Credit as sufficient evidence that such subject ERU Water Credit has been released from and is no longer subject to a security interest without further inquiry to the District or the Trustee, and (iii) the Trustee, South Adams and the

District shall rely exclusively on the account and records maintained by South Adams as to the number of subject ERU Water Credits owned from time to time that remain in the account of the District.

The MOU recognizes that, in accordance with the Indenture, the Trustee will have the right to issue an authenticated transfer statement (a "**Transfer Statement**") under the circumstances provided therein. See "[CROSS REF INDENTURE DESCRIPTION]". The MOU requires that the Transfer Statement include an executed and completed assignment in the form attached to the MOU, and further states that, following receipt of such Transfer Statement and payment of any transfer fees due South Adams pursuant to the South Adams Rules and Resolutions, South Adams will amend its records to reflect a transfer of the subject ERU Water Credits from the account of the District to the account of the transferee designated in the Transfer Statement. The Security Interest Acknowledgement also includes South Adams' acknowledgement that, with respect to the Trustee's enforcement of its security interest in the ERU Water Credits, without further inquiry or investigation, South Adams may conclusively rely on a Transfer Statement purported to be made from the Trustee to transfer ERU Water Credits on South Adams' books upon payment of the applicable transfer fee.

The MOU states that South Adams is not obligated to observe or comply with the Restrictive Covenant or refrain from selling ERUs for use on property within Reunion. Furthermore, the MOU states that South Adams does not endorse or make any representation as to the advisability, feasibility, or legality of the Restrictive Covenant, the Bonds, or the documents underlying the issuance and sale of the Bonds to investors. [CROSS REFERENCE RISK FACTORS WITH DISCUSSION OF OTHER PROGRAMS WHERE BUILDERS COULD PURCHASE ERUS FROM SOUTH ADAMS IF VIOLATED COVENANT]

South Adams acknowledges in the MOU that the Issuer intends to offer ERU Water Credits for sale in the RMD Water Service Area for residential purposes upon payment of the Water Credit Fees set forth in the Water Credit Fees Resolution, and that such prices as of the date of the MOU, and may in the future, exceed the prices charged by South Adams for ERU Water Credits from the FRICO program and other South Adams water resource development programs that are as of the date of the MOU, and may in the future be, in existence. [TIE TO RISK FACTOR DISCUSSION OF SOUTH ADAMS ABILITY TO SELL ERUS UNDER OTHER PROGRAMS IF BUILDERS VIOLATE COVENANT][BUT, THIS DOESN'T; NECESSARILY MEANS THAT SOUTH ADAMS WILL CONSIDER THEM "AVAILABLE" IF OFFERED AT THESE PRICES??]

The MOU provides that, from time to time, but no more frequently than quarterly beginning on the first day of the calendar quarter following issuance of the Bonds, the Trustee and the Issuer may request, and South Adams will provide at its convenience the following (subject to the Issuer's reimbursement of costs related thereto and as otherwise provided in the MOU): (a) for so long as South Adams determines to prepare such a report, a copy of the monthly report that South Adams provides to its Board that addresses the total number of tap sales (measured by ERU amounts) made for the reporting period and (b) a statement from South Adams as to the number of Subject ERU Water Credits that are held in the name of the Issuer. No representation will be made by South Adams as to the accuracy or completeness of the report, described in (a), which report is prepared for the South Adams Board's general information as a rough summary of the pace of new construction in South Adams, and may be discontinued at any time. In addition, the number of ERU Water Credits generally available for use in South Adams and ERU Water Credits that are in the name of the Issuer and available for use in the RMD Water Service Area set forth in such reports may not reflect transfers made by the Issuer and other parties that are not reflected in the accounts, books, and records of South Adams. The Issuer has undertaken to include such reports in the Quarterly Reports submitted in accordance with the Continuing Disclosure Agreement, to the extent such reports are received from South Adams. See the form of Continuing Disclosure Agreement attached as Appendix [___] hereto.

Water Credit Fee Revenues; Lien of Water Credit Fees Resolution and Related Procedures

Water Credit Fees and Water Credit Fees Resolution. "**Water Credit Fees**" means those fees imposed by the Issuer for the sale of RMD/ERU Water Credits in accordance with the Water Credit Fees Resolution. For the avoidance of doubt, Water Credit Fees do not include the Administrative Fees or any transfer fees imposed by South Adams.

Water Credit Fees are required to be deposited by the Issuer with the Trustee for application in accordance with the Indentures only after receipt of certain documentation concerning the assignment of the related RMD/ERU Water Credits. Prior to such time, the Water Credit Fees are to be held in a separate segregated account of the Issuer which is not part of the Trust Estate. See also "--Issuer Policies and Procedures Relating to Water Credit Fees" below.

Prior to the date of issuance of the Bonds, the Board is to adopt a Resolution of the Water District, Acting By and Through Its Water Activity Enterprise, Concerning the Imposition of Water Credit Fees" (the "**Water Credit Fees Resolution**"), which, on or before the date of issuance of the Bonds, is to be recorded against all of the property comprising the RMD Water Service Area. In accordance with the Water Credit Fees Resolution, the Issuer imposes the ERU Building Credit Fees and the ERU Irrigation Credit Fees (both as defined herein) in accordance with a fee schedule attached thereto. "**ERU Building Credit Fee**" means a one-time Water Credit Fee imposed upon Entitled Land (defined herein) within the RMD Water Service Area for the purchase of a RMD/ERU Building Water Credit (i.e., RMD/ERU Water Credits to be used for Permitted ERU Building Uses). "**ERU Irrigation Credit Fee**" means a one-time Water Credit Fee imposed upon portions of the Reunion Public Areas (defined herein) within the RMD Water Service Area for the purchase of RMD/ERU Irrigation Credits (i.e., RMD/ERU Water Credits to be used for Permitted ERU Irrigation Uses). In accordance with the Water Credit Fees Resolution, such fees are initially imposed (for calendar year 2021) in the amount of $9,300.00 for RMD/ERU Building Credit Fees and in the amount of $6,850.00 for RMD/ERU Irrigation Credit Fees. The amount of the ERU Building Credit Fees and the ERU Irrigation Credit Fees increases annually as follows: (a) 2.5% per year through 2025, (b) 1.5% per year through 2035, and (c) 1.0% per year thereafter through 2050. Notwithstanding the foregoing, the Water Credit Fees set forth in the Water Credit Fees Resolution are subject to amendment and/or repeal by the Board at its discretion, subject to the limitations of the Indentures. See "*—Indenture Covenants Relating to Water Credit Fees Resolution*" below. The Water Credit Fees Resolution states that, notwithstanding anything therein to the contrary, neither such Resolution nor any obligation to pay any ERU Water Credit Fee is to apply to, bind, limit, or restrict Brighton School District 27-J, the City, South Adams, or the South Adams County Fire Department. (Accordingly, no RMD/ERU Water Credits are anticipated to be purchased by such entities.)

In accordance with the Water Credit Fees Resolution, the Water Credit Fees are due and payable to the Issuer on the applicable "**Due Date**" as follows: (a) for the RMD/ERU Building Credits in relation to each Entitled Land, the Due Date shall be either (i) not later than the time at which a building permit is obtained for each Entitled Land on which a building is to be constructed, or (ii) no later than the time at which an ERU Water Connection is required for an Entitled Land on which only landscaping is to be installed; and (b) for the RMD/ERU Irrigation Credits, not later than the time at which a water connection is required for any particular portion of the Reunion Public Areas requiring irrigation. The amount of each Water Credit Fee due hereunder shall be at the rate in effect at the time of payment.

The Water Credit Fees Resolution also establishes an "**Administrative Fee**," meaning a fee imposed at the time of the payment of any ERU Building Credit Fee(s) or any ERU Irrigation Credit Fee(s) to provide for the costs to be incurred by the Issuer to effectuate the Assignment of the corresponding RMD/ERU Building Credit(s) or RMD/ERU Irrigation Credits(s), as more particularly provided in the Water Credit Fees Resolution. The Administrative Fee is due and payable in relation to each "**Assignment**"

(meaning the assignment at any one time, of one or more RMD/ERU Building Credits or RMD/ERU Irrigation Credits from the Issuer to a Reunion Owner) regardless of the number of RMD/ERU Building Credits or RMD/ERU Irrigation Credits being assigned at such time. The revenues generated by the Administrative will be accounted for separately from other revenues of the District under a fund or funds established on behalf of the Enterprise. The Administrative Fee revenue is to be used solely for the purpose of paying the costs related to the effectuation of an Assignment, as more fully set forth in the Water Credit Fees Resolution. The Administrative Fee is initially imposed in the amount of $650. The Administrative Fee is not pledged to, and will not be available for payment of, the Bonds.

The Water Credit Fees Resolution states that the fees imposed thereunder, together with any and all late fees, interest, penalties and costs of collection, including any and all remedies set forth in the Restrictive Covenant, shall, until paid, constitute a statutory, perpetual lien on and against the private property served, and any such lien may be foreclosed in the manner provided by the laws of the State of Colorado for the foreclosure of mechanic's liens, pursuant to § 32-1-1001(1)(j)(I), C.R.S. Said lien may be foreclosed at such time as the Issuer, in its sole discretion, may determine. The lien shall be perpetual in nature (as defined by the laws of the State of Colorado) on the property and shall run with the land.

In addition to any and all remedies set forth in the Restrictive Covenant, pursuant to § 29-1-1102(3), C.R.S., any RMD/ERU Building Credit Fee and/or correlating Administrative Fee not paid in full within thirty (30) days from the Due Date will be assessed a late fee in the amount of Fifteen Dollars ($15.00) or up to five percent (5%) per month, or fraction thereof, not to exceed a total of twenty-five percent (25%) of the amount due. Interest will also accrue on any outstanding RMD/ERU Building Credit Fee and/or correlating Administrative Fee, exclusive of assessed late fees, penalties, interest and any other costs of collection, specially including, but not limited, to attorney fees, at the rate of 18% per annum, pursuant to § 29-1-1102(7), C.R.S. The Issuer may institute such remedies and collection procedures as authorized under Colorado law, including, but not limited to, foreclosure of its perpetual lien. The defaulting property owner shall pay all fees and costs, specifically including, but not limited to, attorneys' fees and costs and costs associated with the collection of delinquent fees, incurred by the Issuer and/or its consultants in connection with the foregoing. See "RISK FACTORS - Enforceability of Water Credit Fees."

In accordance with the Water Credit Fees Resolution, upon payment of the applicable Water Credit Fee and Administrative Fee related to the Assignment of the applicable RMD/ERU Building Credit(s) or RMD/ERU Irrigation Credit(s), and receipt of a consent to such Assignment of the related RMD/ERU Building Credit or RMD/ERU Irrigation Credit from South Adams indicating an Assignment of the RMD/ERU Building Credit or RMD/ERU Irrigation Credit from the Issuer to the Reunion Owner (the "**Consent to Assignment**"), the Issuer is to: (i) file the "**Releases**" (meaning partial releases of property from the Restrictive Covenant and the Water Credit Fees Resolution), (ii) direct the Trustee to file the "**UCC Filing**" (meaning an amendment with the Colorado Secretary of State to the UCC Financing Statement to reflect a partial termination of the security interest for the RMD/ERU Water Credits purchased by the Reunion Owner); and (iii) transfer the Water Credit Fee to the Trustee as set forth in the Indentures. The Reunion Owner paying the ERU Water Credit Fee shall be responsible for designating property to which the ERU Water Credit Fee is to be applied and until such time, the Issuer shall have no obligation to undertake the Releases. The Reunion Owner is to be fully responsible for payment of the applicable transfer fee to South Adams for the Assignment Consent. [cross ref]

Issuer Policies and Procedures Relating to Water Credit Fees. Pursuant to the Water Credit Fees Resolution, the Issuer is to from time to time adopt policies and procedures related to the process associated with payments, collection and enforcement, which may be modified as deemed necessary in the sole discretion of the Issuer, which shall not require amendment to the Water Credit Fees Resolution. In furtherance thereof, it is anticipated that, prior to the date of issuance of the Bonds, the Issuer will adopt its ERU Water Credit Fee Transfer Procedures (the "**ERU Water Credit Procedures**"), establishing certain

procedures for the collection and remittance of Water Credit Fees, release of the liens of the Restrictive Covenant and Water Credit Fees Resolution, partial release of the UCC Statement, and enforcement of provisions of the Restrictive Covenant. *Such ERU Water Credit Procedures have not yet been adopted by the Issuer and, therefore, although the following describes provisions of the ERU Water Credit Procedures as presently anticipated, such provisions are subject to change prior to adoption, and also after adoption, by the Issuer.*

Set forth below is the payment and release process as set forth in the ERU Water Credit Procedures with respect to RMD/ERU Building Credits:

1. The Builder will submit payment for RMD/ERU Building Credits directly to the District Manager along with documentation that details the property for which the RMD/ERU Building Credits will be used along with other information that is required by South Adams for the assignment of the ERUs from the Issuer to the Builder (the "**Assignment**"). The payment shall include the ERU Credit Fee and the District Administration Fee (the "**Payment**").

2. The District Manager will issue a receipt for the Payment received and hold the Payment in a segregated Issuer account until a consent to the Assignment (a "**Consent to Assignment**") has been executed by South Adams. *(Such Issuer account does <u>not</u> constitute part of the Trust Estate and is not pledged to the payment of the Bonds.)*

3. The District Manager will notify the Trustee of the receipt of the Payment and request preparation of an amendment to the UCC Financing Statement to reflect a partial termination of the security interest for the RMD/ERU Building Credits purchased by the Builder (the "**UCC Filing**"). The UCC Filing will identify the (a) number of RMD/ERU Building Credits released from the security interest, and (b) the Builder that purchased the RMD/ERU Building Credits. The UCC Filing will be held by the District Manager pending receipt of the executed Consent to Assignment.

4. The District Manager will notify General Counsel to the District of the receipt of the Payment and request preparation of a partial release of property from the Restrictive Covenant and a partial release of property from the lien established under the Water Credit Fees Resolution (the "**Releases**"). The Releases will be held by the District Manager pending receipt of the executed Consent to Assignment.

5. The Builder will be responsible for payment of the Transfer Fee due to South Adams, which shall be paid directly to South Adams by the Builder and not to the Issuer.

6. The District Manager will deliver the Consent to Assignment form to South Adams (with copy to Builder).

7. Upon execution of the Consent to Assignment by South Adams, the District Manager will provide a copy of the executed Consent to Assignment to the Trustee and will transfer the amount of the ERU Building Credit Fee to the Trustee for application in accordance with the Indentures. At the time of the transfer of the ERU Building Credit Fee, the District Manager shall take the following additional actions:
    a. Release the UCC Filing to the Trustee and direct that it be filed with the Colorado Secretary of State.
    b. Release the Releases to General Counsel and direct they be recorded with the County Clerk and Recorder.

8. To the extent a Payment is made before the Builder is able to identify property for the use of the RMD/ERU Building Credits, the District Manager will complete the Consent to Assignment without identifying the property. The District Manager will require preparation and filing of the UCC Filing, but not the Releases, which will be held pending identification of the property. The District Manager will deliver the Consent to Assignment form to South Adams detailing the number of RMD/ERU Building Credits being assigned. Upon receipt of the executed Consent to Assignment, the Payment will be transferred to the Trustee.

The procedures for RMD/ERU Irrigation Credits are substantially similar to the above, provided that the fees are to be paid by the District or other Reunion District, and no procedures are indicated for a failure to designate particular property for use of the RMD/ERU Irrigation Credits.

The ERU Water Credit Procedures also include provisions for tracking and enforcement activities, generally including:

(a) maintenance by the District Manager of a tracking schedule reflecting the assignment of each RMD/ERU Building Credit, including name of Builder, date of payment, date of assignment and property address to which the applicable RMD/ERU Water Credit is to be applied (if available);

(b) monthly review by the District Manager of building permits issued by the County (based on information provided by the County) as compared to the addresses for which RMD/ERU Building Credits have been purchased;

(c) discussion by District Manager and General Counsel with the applicable Builder with respect to any identified property [for which ERU Water Credits were purchased from a source other than the Issuer], and any RMD/ERU Water Credits that appear to have been used outside the boundaries of the RMD Water Service Area, and pursuit of remedies provided in the Restrictive Covenant and Water Credit Fees Resolution, as applicable;

(d) monthly reconciliation by District Manager of Payments received and Assignments executed; and

(e) quarterly reconciliation by District Manager with South Adams of the number of RMD/ERU Water Credits remaining in the name of the Issuer, as reflected in the records of the Issuer as compared to records of South Adams.

Indenture Covenants Relating to Water Credit Fees Resolution. Pursuant to the Indenture, the Issuer has covenanted not to reduce the amount of the Water Credit Fees or to amend or supplement the Water Credit Fees Resolution in a manner that would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then outstanding. In addition, pursuant to the Indenture, the Issuer is not permitted to sell more than 1,283 RMD/ERU Water Credits as RMD/ERU Irrigation Credits for Permitted ERU Irrigation Uses.

ERU Remedy Revenues

"**ERU Remedy Revenues**" consist of any revenues received as a result of any remedies available to the Issuer under the Restrictive Covenant or the Water Credit Fees Resolution after deduction of any reasonable cost incurred in the collection of such revenues. See "—Water Credit Fee Revenues; Lien of Water Credit Fees Resolution and Related Procedures" above and "—Restrictive Covenant" below.

Restrictive Covenant

Generally; Definitions. Prior to the date of issuance of the Bonds, the Developer will cause to be recorded against the property comprising the RMD Water Service Area that certain Declaration of ERU Covenants and Restrictions (the "**Restrictive Covenant**"). By its consent and acceptance of the Restrictive Covenant, the Issuer: (a) confirms that, as of date of recordation thereof, the Issuer holds and owns 7,236 ERU Water Credits (as previously defined, the "**RMD/ERU Water Credits**"), (b) accepts the covenants and restrictions of the Restrictive Covenant and agrees to perform its duties, obligations, and responsibilities as set forth therein, and (c) covenants and agrees with, and for the benefit of the Developer and "**Reunion Owners**" (generally, a person owning a "**Property Interest**," defined below, in real property located in the RMD Water Service Area, including the Developer, LCF and Shea), that the District will hold, make available for sale and transfer, use, and transfer the RMD/ERU Water Credits in accordance with the conditions and terms of the FRICO Participant Water Resources Agreement, the South Adams Rules and in accordance with, the terms of the Restrictive Covenant.

For purposes of the below discussion, the following capitalized terms used in the Restrictive Covenant are generally defined as set forth below.

"**Building**" means a commercial, multifamily residential, single-family residential, or other type of structure (or portion of a structure) intended for occupancy in the RMD Water Service Area that will require potable water service from South Adams.

"**Consenting Party**" means the "Bond Trustee" (meaning the Trustee and any different or successor trustee or lender as provided in the Indentures and indentures executed and delivered in connection with any refunding bonds or any other financing documents, including loan agreements and resolutions, executed and delivered in connection with any parity, refunding, or other bonds issued by the Issuer), LCF and Shea.

"**Entitled Land**" means (a) with respect to a platted portion of the RMD Water Service Area as created and defined by an Entitlement Document (as defined in the Restrictive Covenant, generally including the development agreements with the City, PUD zoning documents and final plats), a lot, parcel, or other division or tract of land on which a Person has the right under Applicable Law (as defined in the Restrictive Covenant) to construct a specified density, number, size, and type of Improvements or (b) with respect to an unplatted portion of the RMD Water Service Area, a portion of such property in which a Person holds a Property Interest and the right to plat, develop, and construct a specified density, number, size, and type of Improvements pursuant to Applicable Law or an Entitlement Document.

"**Improvements**" generally means (a) a Building that will require a combination of potable and irrigation water service or (b) a Reunion Public Area that will require irrigation water service.

"**Property Interest**" means the interest in real property of a person who holds (a) fee title to real property located in the RMD Water Service Area, (b) a beneficial interest in the RMD Water Service Area as a beneficiary of a recorded deed of trust, (c) a beneficial interest in the RMD Water Service Area as a mortgagee under a recorded mortgage, (d) a contractual right to purchase real property in the RMD Water Service Area pursuant to a written agreement or contract, (e) an option to purchase real property in the RMD Water Service Area pursuant to a written option agreement, and (f) a reacquisition or similar interest with respect to real property in the RMD Water Service Area pursuant to the Option Agreement and/or the Purchase and Sale Agreements and the term Property Interest includes the interests held by [the Consenting Parties and listed in Exhibit C attached to this Declaration)].

"**Reunion Builder**" means a person who has applied for, or who has received, a building or similar permit issued by the City for the construction of Improvements located in the RMD Water Service Area.

"**Reunion District**" means a metropolitan district organized pursuant to the Special District Act that includes authorization to serve the RMD Water Service Area pursuant to a service plan approved by the City or other government agency having the authority to approve service plans under the Special District Act.

"**Reunion Public Areas**" means areas that the Issuer, the Issuer on behalf of a Reunion District, or a Reunion District will either own or maintain as set forth in an Entitlement Documents and that will require irrigation (including landscaped tracts along sidewalks or streets, open space, parks, trails, or similar areas dedicated to public enjoyment and use).

Reservation and Permitted Uses of RMD/ERU Water Credits; Limitation to RMD Water Service Area. Pursuant to the Restrictive Covenant, the use of RMD/ERU Water Credits is limited to property within the RMD Water Service Area, as more particularly provided below. In accordance with the FRICO Participant Water Resources Agreement, use of the RMD/ERU Water Credits is limited to property within Reunion (including the RMD Water Service Area). Pursuant to the Restrictive Covenant, neither the Developer nor the Issuer shall amend, modify, revise, or terminate the FRICO Participant Water Resources Agreement without the prior approval of the Consenting Parties, which approval of a Consenting Party shall not be unreasonably conditioned, delayed, or withheld provided that a Consenting Party shall have the right to withhold, in its sole discretion, approval of any amendment, modification, or revision of the Water Resources Agreement that would have the effect of expanding the area in which an RMD/ERU Water Credit can be used beyond the boundaries of the RMD Water Service Area. Without the prior approval of the Consenting Parties, which the Consenting Parties shall have the right to withhold in their sole discretion, the Developer and the District, owners shall not request South Adams to (i) expand the area in which an RMD/ERU Water Credit issued pursuant to the FRICO Participant Water Resources Agreement can be used beyond the boundaries of the RMD Water Service Area or (ii) modify the South Adams Resolutions or Rules [define] to permit the expansion of the area of use of an RMD/ERU Water Credit issued pursuant to the FRICO Participant Water Resources Agreement. Without the prior approval of the Consenting Parties, the Developer and the Issuer, Reunion Builders and Reunion Owners shall not amend, modify, release, or waive a Landowner Covenants and Restriction during any period in which "Bonds" (as defined in the Restrictive Covenant, including the Bonds described herein) are outstanding and unpaid.

Pursuant to the Restrictive Covenant, the Issuer designates, reserves, and sets aside: (a) 5,953 RMD/ERU Water Credits for use in providing potable water service or irrigation water service to private property and Buildings constructed (or being constructed) on Entitled Land located in the RMD Water Service Area (a "**Permitted ERU Building Use**"); and (b) 1,283 RMD/ERU Water Credits for the sole purpose and use by the Issuer or a Reunion District requiring water service for irrigation of Reunion Public Areas located in the RMD Water Service Area (a "**Permitted ERU Irrigation Use**").

With respect to the RMD/ERU Water Credits reserved for **Permitted ERU Building Uses (RMD/ERU Building Credits)**, the Restrictive Covenant provides that, except with respect RMD/ERU Water Credits purchased as the result of an exercise of Deficit Purchase Rights (described in "—ERU Consent and Agreement" below), the Issuer shall: (a) only transfer such RMD/ERU Building Credits to parties who will certify that they will only use such RMD/ERU Building Credits for a Permitted ERU Building Use within the RMD Water Service Area, (b) not transfer to any party more RMD/ERU Building Credits for Permitted ERU Building Use than the number of RMD/ERU Building Credits needed to satisfy the water resources requirements for development of Entitled Land owned by such party, (c) only transfer RMD/ERU Building Credits for Permitted ERU Building Use to parties who provide evidence reasonably satisfactory to the Issuer that such parties intend to construct one or more Buildings on Entitled Land located in the RMD Water Service Area, and (d) establish reasonable procedures, regulations, and rules for (1) certification by transferees that they will only use RMD/ERU Water Credits for Permitted ERU Building Uses and (2) verification that, after giving effect to such transfer, such transferee will not hold more

RMD/ERU Water Credits than the number of RMD/ERU Building Credits needed for development of the Entitled Land in the RMD Water Service Area owned by such transferee. The foregoing requirements do not apply to the Developer, LCF or Shea acquiring RMD/ERU Water Credits in exercise of its Deficit Purchase Rights provided in the ERU Consent and Agreement, provided that the transfer of such RMD/ERU Water Credits remain subject to the limitations of the Restrictive Covenant described in "—*Restrictions on Transfer of RMD/ERU Water Credits*" below. See "—ERU Consent and Agreement—*Deficit Purchase Rights*" below. A party exercising its Deficit Purchase Rights may transfer RMD/ERU Building Credits to Reunion Builders and Reunion Owners for use in the RMD Water Service Area if such transfer otherwise complies with the Restrictive Covenant.

With respect to the RMD/ERU Water Credits reserved for **Permitted ERU Irrigation Uses (RMD/ERU Irrigation Credits)**, the Issuer is to hold and use RMD/ERU Irrigation Credits for irrigation of Reunion Public Areas located in the RMD Water Service Area and is to transfer such RMD/ERU Irrigation Credits only to a Reunion District that will certify in a manner reasonably acceptable to the District that such Reunion District will only (a) use such RMD/ERU Water Credits for a Permitted ERU Irrigation Use in the RMD Water Service Area and (b) transfer such RMD/ERU Water Credits to a transferee that is a Reunion District that can provide evidence reasonably satisfactory to the Issuer that such Reunion District intends to, and will, use such such RMD/ERU Water Credits for a Permitted ERU Irrigation Use in the RMD Water Service Area. Notwithstanding the foregoing, if the Issuer determines during the [ERU Term][define] that the RMD/ERU Irrigation Credits set aside exceed the RMD/ERU Irrigation Credits needed as of the date of such determination for Permitted ERU Irrigation Use of Reunion Public Areas, the Issuer may re-designate such excess as RMD/Building Credits and use such re-designated RMD/ERU Credits for Permitted ERU Building Uses as described in the immediately preceding paragraph.

Notwithstanding any of the foregoing, a transfer of the RMD/ERU Water Credits resulting from a Bulk Sale following an Event of Default under the Indentures does not constitute a violation of the Restrictive Covenant provided that the RMD/ERU Water Credits acquired by a transferee at a Bulk Sale shall remain subject to the Restrictive Covenants and a transferee shall only transfer such RMD/ERU Water Credits in accordance with, and subject to, the above-described provisions (including the Transfer Restrictions), provided that the transferee at such Bulk Sale shall have the right to determine the amount it will charge for the transfer of RMD/ERU Water Credits.

Water Credit Fees. Pursuant to the Restrictive Covenant, the Issuer is to charge for the transfer of an RMD/ERU Water Credit a Water Credit Fee and related charges on a basis that is (a) uniform throughout the RMD Water Service Area, and (b) equal to, and consistent with, the Water Credit Fees and related charges for RMD/ERU Water Credits as adopted and published by the Issuer in its Water Credit Fees Resolution at the time of such transfer (See "—Water Credit Fee Revenues; Lien of Water Credit Fees Resolution and Related Procedures" above).

Landowner Covenants and Restrictions. The Restrictive Covenant provides that Reunion Owners shall enjoy, hold, own, and use the RMD Water Service Area subject to, and in accordance with, the following conditions, covenants, limitations, and restrictions (collectively the "**Landowner Covenants and Restrictions**") until the earlier to occur of the date that (a) the Issuer has Recorded releases of all land in the RMD Water Service Area from the Restrictive Covenant as provided in the Restrictive Covenant or (b) all 7,236 RMD/ERU Water Credits have been surrendered to South Adams for the issuance of [ERU Water Connection][defined?] permits to provide potable and/or irrigation water for land located in the boundaries of the RMD Water Service Area.

South Adams Sole Permitted Source of Water Service. The Restrictive Covenant requires that unless South Adams is no longer providing water service to the RMD Water Service Area sufficient for the construction of Improvements on, and development of the RMD Water Service Area, Reunion Builders and

Reunion Owners shall (a) only obtain water service from South Adams, (b) not obtain water service for the construction of Improvements on, or development of, any part of the RMD Water Service Area from any source or supplier other than South Adams, and (c) not propose, or petition for, the organization of a special district that would acquire water rights or acquire, construct, or operate a water facility or system that will compete with the water service provided by South Adams.

Required Purchase of RMD/ERU Water Credits from the Issuer; Permitted Use. The Restrictive Covenant requires that, for so long as the Issuer has, and is making, RMD/ERU Water Credits available for purchase, Reunion Builders and Reunion Owners shall only acquire RMD/ERU Water Credits for use in the RMD Water Service Area from the Issuer and not from any other source, supplier, or Transferor [defined], provided that (i) if the Issuer no longer has RMD/ERU Water Credits available for purchase as the result of a Bulk Sale, Reunion Builders and Reunion Owners may acquire RMD/ERU Water Credits for use in the RMD Water Service Area from a Bulk Sale Transferee subject to, and as provided in, the Transfer Restrictions (defined below) and (ii) Reunion Builders may acquire RMD/ERU Credits for use in the RMD Water Service Area from parties exercising their Deficit Purchase Rights (described in "—ERU Consent and Agreement" below).

Permitted Use of RMD/ERU Water Credits. The Restrictive Covenant further provides that Reunion Owners shall (i) when applying to South Adams for potable and irrigation water connections in the RMD Water Service Area, only use RMD/ERU Water Credits, towards the partial payment of the water resources component of the South Adams connection fee, (ii) only use RMD/ERU Building Credits for Permitted ERU Building Uses in the RMD Water Service Area, and (iii) only use RMD/ERU Irrigation Credits for Permitted ERU Irrigation Uses in the RMD Water Service Area.

Restrictions on Transfer of RMD/ERU Water Credits by Purchasers. The Restrictive Covenant imposes restrictions on the transfer of RMD/ERU Water Credits (referred to herein as the "**Transfer Restrictions**"), which provide that, except as provided below, persons holding or owning an RMD/ERU Water Credit shall (i) not transfer an RMD/ERU Water Credit for an amount less than the Water Credit Fee in effect at the time of such transfer (or if no Water Credit Fee is then in effect, then for the Water Credit Fee as last adopted and published by the Issuer), (ii) not transfer a RMD/ERU Water Credit to a transferee without first providing to the Issuer commercially reasonable evidence that (A) such transferee is a Reunion Owner, (B) such transferee intends to use such RMD/ERU Water Credit only for the construction of an Improvement located in the RMD Water Service Area, and (C) after giving effect to such transfer, such transferee will not hold more RMD/ERU Water Credits than that number of RMD/ERU Building Credits needed for development of the Entitled Land in the RMD Water Service Area owned by such transferee, and (iii) follow the procedures established by the Issuer for providing the commercially reasonable evidence and verification. The Restrictive Covenant further provides that, notwithstanding the foregoing, the Transfer Restrictions do not apply to the following transfers: (A) transfers made to South Adams to obtain potable and irrigation water connections for use in the RMD Water Service Area, (B) transfers made in accordance with, and subject to, the provisions described in "—Reservation and Permitted Uses of RMD/ERU Water Credits; Limitation to RMD Water Service Area" above, (C) transfers made in connection with providing a security interest therein to persons providing financing to property owners, as described in the immediately following paragraph, (D) transfers made to persons exercising Deficit Purchase Rights, and (E) a Bulk Sale transfer.

Notwithstanding the Transfer Restrictions, a transferor of RMD/ERU Water Credits may collaterally assign, grant an encumbrance or a security interest in, or pledge a RMD/ERU Water Credit to a transferee providing financing to a transferor subject to the following: (i) the transferor shall only grant such security interest with respect to the financing of Entitled Land located in the RMD Water Service Area and owned by the transferor, (ii) the number of encumbered RMD/ERU Water Credits shall not exceed the number of RMD/ERU Water Credits needed for development of the Entitled Land being financed by the

transferor, and (iii) such transfer shall be subject to the condition that, if the transferee forecloses on its security interest in, and acquires title to, the encumbered RMD/ERU Water Credit, the transferee shall thereafter enjoy, hold, own, transfer, and use the encumbered RMD/ERU Water Credit subject to the Transfer Restrictions and the other covenants and restrictions of the Restrictive Covenant.

Covenant Runs with the Land; Release of Lots from Restrictions. The Restrictive Covenants provide that the same (i) run with the land, (ii) constitute a benefit to, and a burden on, the RMD Water Service Area as an equitable servitude, (iii) bind all parties having, or acquiring, any interest in the RMD Water Service Area, (iv) inure to the benefit of, and bind, every part of, and interest in, the RMD Water Service Area; and (v) inure to the benefit of the owners and enforceable by the District on behalf of all owners.

Within a commercially reasonable time following written application of a Reunion Builder or Reunion Owner and on a form approved by the Issuer for such purpose, the Issuer is to release (or cause the release of) Entitled Land from the Restrictive Covenant if the applicant for such release provides (i) commercially reasonable evidence to the Issuer that the applicant has surrendered a RMD/ERU Water Credit to South Adams to obtain a water connection for an Improvement constructed, or to be constructed, such Entitled Land; and (ii) the address or legal description of the Entitled Land for which the applicant has surrendered such RMD/ERU Water Credit. Persons seeking a release of Entitled Land from the Restrictive Covenant shall follow the procedures established by the District for obtaining such a release and providing such verification.

Excluded Government Entities. The restrictions, conditions and terms of the Restrictive Coevnant, do not apply to, bind, limit, or restrict Brighton School District 27-J, the City, South Adams, or the South Adams County Fire Department.

Enforcement; Default and Remedies.. In accordance with the Restrictive Covenant, the Issuer has the exclusive authority, power and right to enforce the Restrictive Covenant; subject to the provisions of the Restrictive Covenant, including the exercise of all powers granted to metropolitan districts by the Special Districts Act and pursuant to the Water Resource Act and including the authority and power to (a) adopt and amend budgets for revenues, expenditures and reserves for performing its duties under the Restrictive Covenants, (b) adopt and enforce regulations and rules of uniform applicability in the RMD Water Service Area regarding the RMD/ERU Water Credits and their transfer as provided in the Restrictive Covenants, (c) adopt the Water Credit Fees Resolution (as may be amended) in which the Issuer will establish the Water Credit Fees that the Issuer will charge during each calendar year for the transfer of RMD/ERU Water Credits, (d) assess, charge, fix, levy, and collect charges and fees in connection with the sale of RMD/ERU Water Credits as provided in the Restrictive Covenants and for reimbursement of the actual out-of-pocket costs and expenses incurred by the Issuer in performing its duties and obligations under the Water Credit Fees Resolution and the Restrictive Covenants, (e) authorize, contract with and empower a manager to assist the Issuer in the administration and enforcement of the Restrictive Covenant, (f) enforce the Restrictive Covenants by commencement of civil actions seeking relief at law or in equity or actions to foreclose liens to the extent, and in the manner, provided in the Restrictive Covenant and permitted by the Special Districts Act, and (h) establish the forms and procedures pursuant to which the Issuer will enforce and monitor the Restrictive Covenants, and release Entitled Land from the Restrictive Covenant.

Default. A default (a "**Default**") shall exist under the Restrictive Covenant if a Bound Party (a "**Defaulting Party**") fails to perform any Covenant and Restriction and such failure continues for ten business days (the "**Default Cure Period**") following the giving of a notice (a "**Default Notice**") from the Issuer provided that if the failure to perform cannot be cured within ten business days from the giving of the Default Notice, then the Issuer shall extend the Default Cure Period by no more than thirty-five days from the giving of the Default Notice to permit such cure if the Defaulting Party (i) gives Notice to the

Issuer within ten business days from the giving of the Default Notice and requests an extension of the Default Cure Period, (ii) commences cure of the Default within ten business days following the giving of the Default Notice, and (iii) cures the Default within forty-five days from the giving of the Default Notice.

Remedies. Following the occurrence of a default under the Restrictive Covenants, the District shall have the authority to pursue all remedies and rights available to special districts pursuant to the Special Districts Act including (i) commencement of civil actions seeking damages or equitable relief (including injunctive relief, rescission, and specific performance), as appropriate, and (ii) recording, and enforcing by foreclosure, liens against Entitled Land of a Defaulting Party. If a Default results from a Defaulting Party failing to acquire RMD/ERU Water Credits exclusively from the Issuer, then, in addition to the other remedies set forth in the Restrictive Covenants, the Issuer can demand payment from the Defaulting Party of liquidated damages in an amount equal to 125% of the Water Credit Fee in effect as of the giving of the Default Notice multiplied by the number of RMD/ERU Water Credits acquired, applied, or purchased by the Defaulting Party from a source or transferor other than the Issuer.

Step-In Enforcement Rights. Each of the Trustee (while Bonds are outstanding) and, while a Reunion Owner, the Developer, LCF and Shea is a "**Step-In Enforcing Party**" under the Restrictive Covenant, entitled to enforce the provisions of the Restrictive Covenant (including against the Issuer, and including a failure by the Issuer to take action to enforce the Landowner Covenants and Restrictions), subject to the requirement to provide notice and opportunity to cure to the Issuer as provided therein, and further subject to any determination made by the Issuer, in good faith and in its commercially reasonable judgment, that the failure identified in a notice by a Step-In Enforcing Party does not constitute a failure under the Landowner Covenants and Restrictions (which determination by the Issuer is to be conclusive and binding). Any Step-In Enforcing Party is to (i) retain any amounts collected from the defaulting party that represent compensation for damage, injury, or loss resulting from such failure that is unique to the Step-In Enforcing Party and not suffered Reunion Owners in general and (ii) pay to the Issuer any other damages or other amounts collected pursuant to such enforcement less the actual costs of collection incurred by the Step-In-Party.

Lien on RMD/ERU Water Credits; Release Upon Sale of RMD/ERU Water Credits in Ordinary Course and Upon Bulk Sale

Under the Indentures, the Issuer has granted for the benefit of the Trustee, as beneficiary, a security interest in the RMD/ERU Water Credits pursuant to the Colorado UCC. Notice of the lien of such security interest encumbering the RMD/ERU Water Credits is evidenced by a UCC-1 financing statement to be filed by the Trustee on the date of issuance of the Bonds with the Colorado Secretary of State and naming the Issuer, as debtor, and the Trustee, for the benefit of the Owners of the Bonds, as secured party (as previously defined herein, the "UCC Statement").

Within seven (7) Business Days of receipt by the Trustee of certification by the Issuer, in the form attached to the Indentures, that the conditions of the Water Credit Fees Resolution have been met, the Trustee shall file an amendment to the UCC Statement releasing the number of ERU Water Credits for which such Water Credit Fees were paid and stating the total number of ERU Water Credits which remain subject to the lien of the Indentures. See "--Water Credit Fee Revenues; Lien of Water Credit Fees Resolution and Related Procedures" above for a discussion of such conditions of the Water Credit Fees Resolution.

Within seven (7) Business Days after consent to assignment by South Adams of RMD/ERU Water Credits to the Bulk Sale Purchaser, the Trustee is to file an amendment to the UCC Statement releasing the number of RMD/ERU Water Credits for which such Water Credit Fees or Net Bulk Sale Proceeds, as

applicable, were paid, and stating the total number of RMD/ERU Water Credits which remain subject to the lien of the Indentures.

Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits

Net Bulk Sale Proceeds. "**Net Bulk Sale Proceeds**," consists of the "**Bulk Sale Proceeds**" (meaning amounts received by the Trustee as a result of the Trustee's exercise of remedies under the Colorado UCC and the sale of any RMD/ERU Water Credits in accordance with the bulk sale procedures set forth in the Indentures), net of all "**Trustee Sale Costs**" (all reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing of ERU Water Credits, and includes reasonable fees of Counsel and legal expenses incurred by the Trustee in conjunction with the Bulk Sale) and any Trustee Fees then payable.

Acceleration of Bonds; Trustee Direction to Commence Bulk Sale. Upon the occurrence of events specified in the respective Indentures (for purposes of this Limited Offering Memorandum, referred to herein as the "**Acceleration Events**," defined below), the Trustee is to: (i) provide written notice thereof to the Issuer, the Developer, the Owners of the Bonds and registered owners of any obligations secured on a parity with the Bonds and to the MSRB (as more particularly provided in the Continuing Disclosure Agreement) in the form attached to the Indentures, and (ii) promptly take such actions as the Trustee, being advised by counsel and any consultant engaged by the Trustee to advise on such matters, shall deem most expedient and in the interests of the Owners in accordance with the provisions of the Colorado UCC, to (A) (unless directed otherwise by the Owners pursuant to the applicable Indenture as described in "THE SERIES 2021A SENIOR BONDS—Certain Indenture Provisions—Majority of Consent Parties May Control Proceedings" and "THE SERIES 2021B SUBORDINATE BONDS—Certain Indenture Provisions—Majority of Consent Parties May Control Proceedings") declare all principal and interest on obligations identified in the applicable Indenture (for purposes of this Limited Offering Memorandum, referred to herein as the "**Accelerated Obligations**," defined below) due and payable, and (B) commence sale proceedings in a commercially reasonable manner and pursuant to the Indentures with respect to <u>all</u> RMD/ERU Water Credits (unless directed otherwise by the Owners pursuant to the applicable Indenture).

"**Acceleration Events**" consist of (a) with respect to the Series 2021A Senior Bonds as set forth in the Senior Indenture, failure to pay the principal of or interest on the Series 2021A Senior Bonds when due, and a Senior Reserve Fund Transfer or a Senior Parity Reserve Fund Transfer; and (b) with respect to the Series 2021B Subordinate Bonds as set forth in the Subordinate Indenture, failure to pay the principal of or interest on the Bonds when due, and a Senior Reserve Fund Transfer or a Senior Parity Reserve Fund Transfer.

"**Accelerated Obligations**" consist of (a) with respect to the Series 2021A Senior Bonds as set forth in the Senior Indenture, the Series 2021A Senior Bonds, any Senior Parity Bonds, and any Subordinate Obligations (including the Series 2021B Subordinate Bonds); and (b) with respect to the Series 2021B Subordinate Bonds as set forth in the Subordinate Indenture, failure to pay the principal of or interest on the Series 2021B Subordinate Bonds when due, failure to pay the principal of or interest on the any Senior Obligations when due, and a Senior Reserve Fund Transfer or a Senior Parity Reserve Fund Transfer (other than to redeem all Senior Obligations secured thereby at final maturity).

Bulk Sale Procedures; Costs and Indemnification.

At least twenty (20), but not earlier than thirty (30) days prior to the UCC Notice Date, the Trustee shall request (in a commercially reasonable manner) information concerning financing statements indexed under the Issuer's name with the office of the Colorado Secretary of State.

The UCC Notice Date shall occur only after an Acceleration Event pursuant to the applicable Indenture and at least ten (10) days prior to the earliest time of the Bulk Sale.

On the UCC Notice Date, the Trustee shall provide written notice, in the form attached to the Indentures, to: (A) the Issuer; (B) the Owners of the Bonds; (C) the registered owners of, in the case of an Acceleration Event under the Senior Indenture, any Parity Bonds or Subordinate Obligations and, in the case of an Acceleration Event under the Subordinate Indenture, any Senior Obligations, Subordinate Parity Bonds or Junior Lien Obligations; (D) any person from which the Trustee has received (prior to the UCC Notice Date) an authenticated notification of a claim of an interest in the RMD/ERU Water Credits; (E) any other secured party or lienholder that, ten (10) days before the UCC Notice Date, held a security interest or other lien on the RMD/ERU Water Credits by the filing of a financing statement; and (F) any other secured party that ten (10) days before the UCC Notice Date, held a security interest in the RMD/ERU Water Credits perfected by compliance with a statute, regulation or treaty described in Section 4-9-311(a) of the Colorado UCC.

No sooner than ten (10) days after the UCC Notice Date, the Trustee is to commence the Bulk Sale. The Bulk Sale is to in all respects, including the method, manner, time, place, and other terms, be conducted in a commercially reasonable manner. Upon the completion of the Bulk Sale, the Trustee is to execute a transfer statement with respect to the RMD/ERU Water Credits sold pursuant to the Bulk Sale in accordance with Section 4-9-619 of the Colorado UCC for delivery to South Adams.

The Trustee at its option shall be indemnified as provided in the applicable Indenture for all actions taken pursuant to the provisions of the Indentures described herein under "—Acceleration of Bonds; Bulk Sale of RMD/ERU Water Credits." The Trustee shall be entitled to engage such Counsel, accountants, experts and consultants as it reasonably determines are necessary and appropriate to carry out its duties under such provisions of the Indentures, and to retain from any amounts received as a result of the Trustee's exercise of remedies under the Colorado UCC and the Bulk Sale, the Trustee Sale Costs.

Application of Net Bulk Sale Proceeds to Series 2021A Senior Bonds. In accordance with the Senior Indenture, all Bulk Sale Proceeds are to be immediately deposited in the Bulk Sale Escrow Fund (which does not constitute part of the Trust Estate). Upon release from the Bulk Sale Escrow Fund (which is to occur upon the consent to assignment by South Adams of the RMD/ERU Water Credits sold to the Bulk Sale Purchaser) the Trustee is to first apply the Bulk Sale Proceeds to pay the Trustee Sale Costs. Thereafter, the Trustee is to immediately apply (i) all Net Bulk Sale Proceeds received and (ii) all moneys in funds and accounts held by the Trustee under the Senior Indenture (except the Rebate Fund) in the following order of priority:

FIRST: To the credit of the Rebate Fund, in an amount equal to any deposits required to be made therein pursuant to the Senior Indenture;

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

THIRD: To the Owners of the Series 2021A Senior Bonds, for payment of interest due and payable in connection with the Series 2021A Senior Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) ratably, without preference or priority of any kind, according to the amounts due and payable on such Series 2021A Senior Bond;

FOURTH: To the Owners of the Series 2021A Senior Bonds, for the payment of the principal of and premium, if any, on the Series 2021A Senior Bonds, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2021A Senior Bonds for principal until paid in full;

FIFTH: To the payment of amounts due and payable in connection with any Subordinate Obligations until paid in full; and

SIXTH: To the Issuer, to be used for any lawful purpose.

The Trustee may fix a record date and payment date for any payment to Owners of the Series 2021A Senior Bonds pursuant to the above-described provisions of the Senior Indenture. At least fifteen (15) days before such record date, the Trustee shall mail to each Owner of the Series 2021A Senior Bonds and the Issuer a notice that states the record date, the payment date and the amount to be paid.

Application of Remaining Net Bulk Sale Proceeds (if any) to Series 2021B Subordinate Bonds. **Only in the event that any Net Bulk Sale Proceeds remain after the payment in full of the Series 2021A Senior Bonds and the other amounts required in accordance with FIRST through FOURTH described in "—Application of Net Bulk Sale Proceeds to Series 2021A Senior Bonds" above will any Net Bulk Sale Proceeds be applied to payment of the Series 2021B Subordinate Bonds.**

In accordance with the Subordinate Indenture, upon release from the Bulk Sale Escrow Fund, the Trustee shall first apply the Bulk Sale Proceeds to pay the Trustee Sale Costs ***and all amounts due in connection with any Senior Obligations***. Thereafter, the Trustee shall immediately apply (i) all Net Bulk Sale Proceeds received and (ii) all moneys in funds and accounts held by the Trustee under the Subordinate Indenture in the following order of priority:

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

SECOND: To the Owners of the Series 2021B Subordinate Bonds, for payment of interest due and payable in connection with the Series 2021B Subordinate Bonds (including without limitation current interest, accrued but unpaid interest, and interest due as a result of compounding, if any) ratably, without preference or priority of any kind, according to the amounts due and payable on such Series 2021B Subordinate Bond;

THIRD: To the Owners of the Series 2021B Subordinate Bonds, for the payment of the principal of and premium, if any, on the Series 2021B Subordinate Bonds, ratably, without preference or priority of any kind, according to the amounts due and payable on the Series 2021B Subordinate Bonds for principal until paid in full;

FOURTH: To the payment of amounts due and payable in connection with any Junior Lien Obligations until paid in full; and

SIXTH: To the Issuer, to be used for any lawful purpose.

The Trustee may fix a record date and payment date for any payment to Owners of the Series 2021B Subordinate Bonds pursuant to the above-described provisions of the Subordinate Indenture. At least fifteen (15) days before such record date, the Trustee shall mail to each Owner of the Series 2021B Subordinate Bonds and the Issuer a notice that states the record date, the payment date and the amount to be paid.

Additional Provisions of the Indentures Pertaining to RMD/ERU Water Credits

Trustee Calculation of Water Credit Fee Revenue Shortfall under Senior Indenture. Pursuant to the Senior Indenture, on each Water Credit Fee Revenue Calculation Date (meaning March 1 and September 1 of each year, commencing September 1, 2021), the Trustee shall or shall cause to be: (i)

calculate(d) the amounts on deposit in the Senior Bond Fund and the Senior Surplus Fund; (ii) determine(d) whether a Water Credit Fee Revenue Shortfall exists; and (iii) send a written notice (by electronic means) to the Issuer and the Developer, in the form attached to the Indentures, indicating (i) whether the Minimum Water Credit Fee Revenues Amount has been met or (ii) the amount of the Water Credit Fee Revenue Shortfall.

"**Minimum Water Credit Fee Revenues Amount**" means the sum of (i) all Debt Service (generally, principal and interest on the Series 2021A Senior Bonds) due on the next succeeding Interest Payment Date, and (ii) any payable but unpaid Trustee Fees as of the next succeeding Interest Payment Date, and (iii) with respect to each Water Credit Fee Revenue Calculation Date occurring between June 1 and November 1 of each year, the amount of the Administrative Expenses for the succeeding Fiscal Year.

"**Water Credit Fee Revenue Shortfall**" means, with respect to any particular Water Credit Fee Revenue Calculation Date, the amount (if any) by which the Minimum Water Credit Fee Revenues Amount exceeds the amounts on deposit in the Senior Bond Fund and the Senior Surplus Fund.

In accordance with the ERU Consent and Agreement, the Developer, LCF and Shea are provided the opportunity, but not the obligation, to purchase the minimum number of RMD/ERU Water Credits necessary to fund the Deficit Amount, as defined therein, generally meaning the Water Credit Fee Revenue Shortfall amount. See "—ERU Consent and Agreement—*Deficit Purchase Rights*" below.

***Notice of Insufficient Funds under Subordinate Indenture at Final Maturity*.** If on June 1, 2044 there are insufficient moneys in the Subordinate Bond Fund to pay principal and interest on the Series 2021B Subordinate Bonds on December 15, 2044, the Trustee shall provide written notice thereof to the Issuer and the Property Owners, in the form attached to the Subordinate Indenture indicating the amount of such shortfall and the amount of any applicable Water Credit Fee Revenue Shortfall under the Senior Indenture (as described above).

Covenants of the Issuer. Pursuant to the Indentures, the Issuer irrevocably covenants and agrees with each and every Owner of the applicable Bonds that so long as any of such Bonds remain Outstanding:

(i) Beside the lien of the Bonds pursuant to the UCC Statement, the Issuer will not grant a security interest in or otherwise encumber the RMD/ERU Water Credits.

(ii) The Issuer will not sell more than 1,283 RMD/ERU Water Credits for Permitted ERU Irrigation Uses.

(iii) The Issuer shall use all commercially reasonable efforts to timely sell the ERU Water Credits in accordance with the terms of the Water Credit Fees Resolution.

(iv) The Issuer will enforce the Water Credit Fees Resolution and any remedies available to the Issuer thereunder, will enforce the collection of all Water Credit Fees in such time and manner as the Issuer reasonably determines will be most efficacious in collecting the same, will apply the Water Credit Fees as required under the Water Credit Fees Resolution, and will not reduce the amount of the Water Credit Fees, or amend or supplement the Water Credit Fees Resolution in any way which would materially adversely affect the amount or timing of the Water Credit Fees to be collected, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

(iv) Except sales of the RMD/ERU Water Credits pursuant to the Water Fee Credit Resolution and a Bulk Sale, the Issuer will not sell, convey or otherwise dispose of all or any part of the Project to any

Person unless (a) Bond Counsel has delivered a written opinion to the effect that such sale or other disposal will not adversely affect the exclusion from gross income for federal tax purposes of the interest on any Bonds that will be outstanding after such sale or other disposal or the exemption of any such Bonds and the transfer of and income from any such Bonds from all taxation and assessments in the State, and (b) a Financial Consultant has delivered a certificate to the effect that such sale or other disposal will not adversely affect the Issuer's ability to collect the Pledged Revenue or pay the Bonds when due, or materially affect the rights of Owners of the Bonds. This shall not limit the power of the Issuer to dispose of surplus property or to enter into contracts with respect to the lease or operation of all of any part of the Project (subject to any covenants of the Issuer set forth in the Tax Certificate).

(v) The Issuer will enforce the Restrictive Covenant and any remedies available to the Issuer thereunder and will not consent to an amendment or supplement to the Restrictive Covenant which would materially adversely affect in any way the Owners of the Bonds, without the prior written consent of the Consent Parties with respect to not less than 100% in aggregate principal amount of the Bonds then Outstanding.

ERU Consent and Agreement

In connection with its acquisition of the RMD/ERU Water Credits, the Issuer expects to enter into a Consent and Agreement Regarding Reunion ERUs (as previously defined, the "ERU Consent and Agreement") among the Issuer and the "Reunion Parties" (meaning the Developer, LCF and Shea).

Deficit Purchase Rights. The ERU Consent and Agreement provides that, notwithstanding the restrictions on the purchase of RMD/ERU Water Credits provided in the Restrictive Covenant, each Reunion Party has the right (the "**Deficit Purchase Right**"), but not the obligation, to purchase the minimum number of RMD/ERU Water Credits necessary to fund any deficiency in the amounts available to the Issuer to pay principal of and interest on the Bonds when due [AWAITING REVISION TO INCLUDE ADMIN FEE AND TRUSTEE FEES], taking into account amounts on deposit in the Senior Bond Fund and Senior Surplus Fund, but not amounts on deposit in the Senior Reserve Fund (as more particularly defined in the ERU Consent and Agreement, the "**Deficit Amount**"), which is to be set forth in Quarterly Notices to be provided each March 1 and September 1 by the Trustee (in accordance with direction of the Issuer) or the Issuer to the Reunion Parties. The purpose of the Deficit Purchase Rights is to provide the Reunion Parties an opportunity, but not obligation, to prevent an Event of Default under the Indentures that may result in an acceleration of the Bonds and bulk sale of the RMD/ERU Water Credits in accordance with the terms of the Indentures.

The ERU Consent and Agreement establishes the order of priority in which the Reunion Parties have the opportunity to exercise the Deficit Purchase Right, which is as follows: the Developer, Shea, and LCF. Reunion Parties are required to exercise such Deficit Purchase Right, if at all, by the applicable deadline, as follows: (i) for the Developer, by March 15 (with respect to a March Quarterly ERU Notice and a June Interest Payment Date) and September 15 (with respect to a September Quarterly ERU Notice and a December Interest Payment Date); (B) for Shea, by April 15 (with respect to a March Quarterly ERU Notice and June Interest Payment Date) and October 15 (with respect to a September Quarterly ERU Notice and a December Interest Payment Date); and (C) for LCF, by May 1 (with respect to a March Quarterly ERU Notice and June Interest Payment Date) and November 1 (with respect to a September Quarterly ERU Notice and a December Interest Payment Date).

Following the exercise of a Deficit Purchase Right, (A) a Reunion Party that is also a Reunion Builder may use RMD/ERU Water Credits so purchased by it for a Permitted ERU Building Use (as defined in the Restrictive Covenant) and (B) a Reunion Party may sell an RMD/ERU Water Credit purchased through the exercise of a Deficit Purchase Right , provided that such sale complies with the provisions of

the Restrictive Covenant applicable to RMD/ERU Building Credits acquired through the exercise of Deficit Purchase Rights described in "—The Restrictive Covenant—*Reservation and Permitted Uses of RMD/ERU Water Credits; Limitation to RMD Water Service Area*."

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

General. Proceeds from the sale of the Bonds will be used for the purposes of acquiring 7,236 RMD/ERU Water Credits from the Developer, for the purpose of facilitating the provision of water service to the RMD Water Service Area. A portion of the proceeds of the Bonds will also be used to fund: (a) the Senior Reserve Fund, (b) a portion of the interest to accrue on the Bonds, and (c) the costs of issuing the Bonds.

Acquisition of RMD/ERU Water Credits. [DISCUSSION OF ERU PURCHASE AGREEMENT AND TIMING TO COME][B BOND DELIVER IN EXCHANGE]

Estimated Sources and Uses of Funds. The estimated uses of the proceeds of the Series 2021A Senior Bonds are as follows:

SOURCE:

Series 2021A Senior Bonds Par Amount	.....
Total	

USES:

Purchase of RMD/ERU Water Credits	.....
Deposit to Senior Bond Fund (Capitalized Interest)	.....
Deposit to Senior Reserve Fund	.....
Costs of issuance, including underwriting discount [1] and contingency	.....
Total	

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

Debt Service Requirements

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

TABLE __
Debt Service Requirements

	Bonds [1]		
Year	**Principal***	**Interest**	**Annual Total**
2021	--		
2022	$ 580,000		
2023	680,000		
2024	785,000		
2025	895,000		
2026	985,000		
2027	1,080,000		
2028	1,175,000		
2029	1,280,000		
2030	1,395,000		
2031	1,510,000		
2032	1,635,000		
2033	1,765,000		
2034	1,905,000		
2035	2,050,000		
2036	2,185,000		
2037	2,330,000		
2038	2,480,000		
2039	2,640,000		
2040	2,810,000		
2041	2,985,000		
2042	3,170,000		
2043	3,365,000		
2044	3,570,000		
Total	$43,255,000		

* Preliminary; subject to change.

THE DISTRICT AND THE ISSUER

Organization and Description

Reunion Metropolitan District (as previously defined, the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado created pursuant to the Special District Act. The creation of the District was approved by the eligible electors of the District voting at the [Election]. The District was originally organized as "Buffalo Hills Metropolitan District" pursuant to an Order and Decree entered by Adams County District Court on December 1, 2000, and recorded on December 27, 2000. The District's name was changed to "Reunion Metropolitan District" pursuant to an Order and Decree entered by the Adams County District Court on June 20, 2001, and recorded on June 20, 2001.

The District, together with North Range Metropolitan District No. 1 ("**North Range District No. 1**"), North Range Metropolitan District No. 2 ("**North Range District No. 2**"), and subsequently North Range Metropolitan District No. 3 ("**North Range District No. 3**"), North Range Metropolitan District No. 4 ("**North Range District No. 4**"), and North Range Metropolitan District No. 5 ("**North Range District No. 5**") were created as part of a plan to serve the needs of the "Reunion" master-planned community (more particularly described below, and referred to herein as "**Reunion**"), which encompasses approximately 3,139 acres in the northeastern portion of the City of Commerce City (the "**City**"), in Adams County (the "**County**"), Colorado (the "**State**"). Reunion is located southeast of the intersection of East Chambers Road and 112th Avenue. It is approximately 20 miles from downtown Denver and approximately 12 miles from the Denver International Airport. See "AERIAL PHOTOS" and "VICINITY MAP." North Range District No. 1, North Range District No. 2, North Range District No. 3, and North Range District No. 4 (but not District No. 5) are collectively referred to herein as the "**North Range Districts**."

The boundaries of the District encompass approximately 5.6 acres. However, the District is authorized by its Service Plan to provide services to the entirety of Reunion, including the areas comprising the RMD Water Service Area, as more particularly described herein.

The District operates in accordance with the authority, and subject to the limitations, of a Service Plan for the District approved by the City Council of the City (the "**City Council**") on August 21, 2000, as amended by a First Amendment to Service Plan approved by the City Council on August 6, 2001 (collectively, the "**Service Plan**"). Pursuant to the Service Plan and the Special District Act (defined below), the District is authorized to provide for the design, acquisition, construction, installation, perpetual maintenance, and financing (to the extent permitted in the Service Plan) of certain street, water, sanitation, safety protection, park and recreation, transportation, television relay and translation facilities, mosquito control and fire protection improvements (collectively, the "**Public Improvements**") and services, within and without the boundaries of the District, to serve the future taxpayers and inhabitants of Reunion, except as specifically limited therein. According to District officials, all Public Improvements contemplated by the Service Plan to be constructed to serve Reunion have been or, upon completion, will be transferred to the City, South Adams, or will be owned and operated by the District (in accordance with the District Operating Services Agreement, described below) for operation and maintenance. See "THE DISTRICT—Service Plan Authorizations and Limitations."

Role as "Service District" for North Range Districts

Pursuant to the "**District Operating Services Agreement**" entered into by and among the District and the North Range Districts, as more particularly described herein, the District serves as the "service district" for the District and the North Range Districts and, in such capacity, provides administrative services, design review services, and covenant enforcement services for the North Range Districts and is

also to own, operate, maintain and construct the Public Improvements within the District and the North Range Districts, to the extent not transferred to other governmental entities or an owners association. In accordance with the Mill Levy Equalization and Pledge Agreement (as more particularly defined herein, the "**MLEPA**") entered into by and among the District and the North Range Districts, the North Range Districts are to impose ad valorem property taxes for the payment of administrative and operation and maintenance services provided by the District, as well as to pay debt service on bonds issued by the North Range Districts to fund costs of the Public Improvements, and to reimburse amounts owed to the Developer for costs of Public Improvements as well as administrative, operation and maintenance costs of the District, all as more particularly described herein. ***Although the MLEPA requires the remittance of revenues by the North Range Districts to the District for the foregoing-described purposes, none of such revenues are available for application to or pledged to the payment of the Bonds.***

Historically, in accordance with the foregoing-described agreements and other agreements entered into between the District and the Developer (or Shea, as the prior developer of property within Reunion), the District and the North Range Districts have cooperated in providing Public Improvements to serve Reunion. In particular, North Range Metropolitan District Nos. 1-3 have issued general obligation bonds payable from ad valorem property taxes collected from property in the applicable North Range District, and have remitted the net proceeds of such bonds to the District for application to the costs of Public Improvements (including reimbursement of such costs initially funded by the Developer or Shea). The District anticipates that it will continue to cooperate in such manner with the North Range Districts, and potentially other metropolitan districts that have been and may in the future be, formed to serve the Reunion development. Net proceeds of the Bonds will be applied to the acquisition of the RMD/ERU Water Credits and no other Public Improvements serving the Reunion development. No outstanding obligation of the District under any agreement with the North Range Districts, the Developer, or Shea pledges, encumbers or commits, or is otherwise payable from, the Water Credit Fees or any other portion or the Pledged Revenue or Subordinate Pledged Revenue, or any revenues or assets of the Water Activity Enterprise. Accordingly, only limited information is provided herein with respect to such agreements.

None of the North Range Districts are pledging any revenues for the payment of the Bonds, and the Bonds are not an obligation of the North Range Districts. Only certain revenues of the Issuer are pledged to the payment of the Bonds..

Enterprise

The District is undertaking the financing and acquisition of ERU Water Credits (as defined below), through the issuance of the Bonds, by and through an "enterprise" under State law. Specifically, the District has found and determined that, with respect to the business represented by the District's water activities, including the acquisition and sale of the ERU Water Credits not received, and the District has no present expectation that it will receive in calendar year 2021 or thereafter, 10% or more of its annual revenue relating to such business in grants from all Colorado state and local governments combined. Accordingly, the businesses represented by the District's water activities, including the financing and acquisition of ERU Water Credits constitute an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution ("**TABOR**") and the terms and provisions of Title 37, Article 45.1, C.R.S. (the "**Water Enterprise Act**"). The District adopted a resolution on January 14, 2021 (the "**Enterprise Resolution**"), establishing as an "enterprise" the business represented by the District's water activities, including the acquisition and sale of the ERU Water Credits (the "**Water Activity Enterprise**"). The Enterprise Resolution provides that it is the purposes of the Water Activity Enterprise to pursue or continue, as applicable, the District's water activities defined in the Water Enterprise Act, including the acquisition and sale of ERU Water Credits under the provisions of the ERU Purchase Agreement, and may further include but not necessarily be limited to water acquisition, or water project or facility activities, construction, operation, repair, and replacement of water facilities, using revenues and income generated by and earned

or acquired in connection with such water activities and held and managed in the District's water enterprise fund (the "**Enterprise Fund**"). As between the District and the Water Activity Enterprise, all water activities done and furnished by the Water Activity Enterprise shall be accounted for separately.

The Bonds are authorized and issued by the District acting by and through the Water Activity Enterprise and, when acting in such capacity, the District is referred to herein as the "**Issuer**." Accordingly, all actions and obligations of the District with respect to authorization, issuance and payment of the Bonds are described herein as actions and obligations of the Issuer. The Water Activity Enterprise does not constitute a separate corporate legal entity from the District and, accordingly, the Board of Directors of the District (as previously defined, the "**Board**") governs all actions of the Issuer. However, the financial activities of the District comprising the Water Activity Enterprise (which include the acquisition and sale of ERU Water Credits) are accounted for separately from all other financial activities of the District. From time to time, it is anticipated that the District will purchase ERU Water Credits comprising RMD/ERU Irrigation Credits (defined below) from the Issuer (i.e., the District acting by and through the Water Activity Enterprise) for the purpose of conducting its non-Enterprise activities, which include providing irrigation service to public areas in Reunion, as described herein [CONFIRM DISTINCTION RELATING TO PURCHASE OF ERUS BY DISTRICT] For more information on enterprises, see "FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending."

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act. The powers of the District are, however, limited both by the provisions of its Service Plan and its electoral authorization. See "—Service Plan Authorizations and Limitations" below. Pursuant to the Special District Act, special districts each have the power: to have a perpetual existence, to have and use a corporate seal, to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to have the management, control and supervision of all the business affairs of the district; to appoint, hire and retain agents, employees, engineers and attorneys; to fix and, from time to time, to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the special district; to waive or amortize all or part of any such fees or extend the time period for paying all or part of such fees for property within the district; to furnish services and facilities within and without the boundaries of the special district and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the special district and to accept gifts and conveyances made to the special district; and to have and exercise all rights and powers necessary in, incidental to or implied from the specific powers granted to the special district. Special districts also have the power, subject to constitutional and statutory limitations, to certify a levy for collection of ad valorem taxes against all taxable property of such special district.

In addition, the Board has the power to furnish security services for any area within the District, if the District has provided written notification to, consulted with, and obtained the written consent of all local law enforcement agencies having jurisdiction within the area and any applicable master association or similar body having authority to furnish security services. The District currently does not provide security services. The Board is further authorized to, and currently does provide, covenant enforcement and design review services.

Inclusion, Exclusion, Consolidation and Dissolution

Inclusion and Exclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property or exclusion of real property

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

Upon its creation, the District encompassed approximately 35 acres. Thereafter, several inclusions and exclusions of property into and from the boundaries of the District were processed resulting in the boundaries of approximately 5.6 acres. However, the District is authorized by its Service Plan to provide services to the entirety of Reunion, including the areas comprising the RMD Water Service Area, as more particularly described herein.

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

Dissolution of the District. The Special District Act allows a special district board of directors to file a dissolution petition with a district court. The district court must approve the petition if the special district's plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district's voters. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness. . See "—Service Plan Authorizations and Limitations" below for a description of Service Plan requirements for dissolution of the District, including certain events that would trigger dissolution

Service Plan Authorizations and Limitations

Pursuant to the Service Plan and the Special District Act, the District is authorized to provide public improvements within and without the boundaries of the District, subject to the limitations of the Service Plan. It is contemplated in the Service Plan that the District will be the "service district" and, in such capacity, is expected to coordinate the financing, construction and maintenance of all public improvements, and that North District Nos. 1 through 5 will be the "financing" districts, which will include all or substantially all of the future development comprising the Reunion development and are anticipated to provide the revenue to support the public improvements and other services to be provided by the District. However, the North District Nos. 1 through 5 are permitted to provide the public improvements and other services without being limited by these anticipated relationships.

Pursuant to the Service Plan, the District is required to ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction, and to obtain the City's approval of civil engineering plans and applicable permits for construction and installation of Public Improvements prior to performing such work. The District may dedicate certain completed Public Improvements to the City, South Adams, E-470

Public Highway Authority, other appropriate jurisdiction or owners association in a manner consistent with final plats and other entitlements approved for property within the Development, the rules and regulations of the City and the applicable provisions of the City Code.

[FURTHER REVISIONS TO CONFORM TO SP] The Service Plan authorizes the District to operate and maintain certain Public Improvements which have not been accepted by the City or other appropriate jurisdiction. The Districts are authorized to provide operation and maintenance services for street improvements, including but not limited to streets, curb, gutter, sidewalks, and drainage facilities and for those operational services specifically authorized therein, including, without limitation, common area landscaping and maintenance of neighborhood parks and trails, and provision of District administrative, legal and accounting services. It is contemplated that the water and sanitary sewer improvements financed or to be financed by the District will be owned and maintained by the South Adams County Water and Sanitation District. The Service Plan provides that fees and charges for connection and use of water and sewer facilities will be paid as required by the rules and regulations of South Adams and that the District will request South Adams to provide a resolution of consent with respect to the District's provision of water and sanitary sewer facilities. If the Districts do operate and maintain public improvements, the Service Plan permits such operating costs to be paid from property taxes and other revenues.

The Service Plan limits the District's issuance of revenue or general obligation bonds to a total aggregate principal amount of $280,000,000, excluding refundings.

The Service Plan permits the District to impose ad valorem property taxes, subject to certain limitations on ad valorem property taxes imposed for payment of debt more particularly set forth therein. The Service Plan permits the District to impose and collect rates, fees, tolls, and charges source of revenue for repayment of debt and/or the payment of capital costs and operating costs. The Service Plan prohibits the District from levying any sales or use tax. The City is not to be held liable for any of the District's obligations as set forth in the Service Plan.

The Service Plan permits the District's Board of Directors to set up enterprises to manage, fund and operate such facilities, services, and programs as may qualify for enterprise status using the procedures and criteria provided by Article X, Section 20, Colorado State Constitution. The Service Plan provides that to the extent provided by law, any enterprise created by the District will remain under the control of the Board of Directors of the District.

The Service Plan requires the District to file a petition for dissolution when there are no financial obligations or outstanding bonds, or any such financial obligations or outstanding bonds are adequately secured by escrow funds or securities meeting the investment requirements in Title 24, Article 75, Part 6, C.R.S., and upon an independent determination by the City Council that the purposes for which the District was created have been achieved. The Service Plan prohibits consolidation with another special district without prior written notice to the City.

The foregoing limitations of the Service Plan may be modified or amended with the approval of the City and as otherwise provided in the Special District Act.

Governing Board

The District is governed by a board of directors of up to five members (the "**Board**"), provided that State law permits the Board to have up to seven members, subject to certain conditions. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. However, pursuant to State law, special districts are required to move their biennial elections from even years to odd years beginning in 2023. Accordingly, the terms

commencing in 2020 and 2022 will be three-year terms and then will reset to four-year terms commencing in 2023 and 2025, respectively. Vacancies on the Board are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. There are currently no vacancies on the Board. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the Election, the eligible voters in the District voted to waive the statutory term limits, and therefore the District's directors are not subject to such limitations.

The Water Activity Enterprise does not constitute a separate corporate legal entity from the District and, accordingly, the Board of Directors of the District govern all actions of the Issuer.

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

Board of Directors

Name/Office	Occupation	Term Expires (May)
Bruce Rau, Treasurer	Developer	2022
Teresa Kershisnik, Assistant Secretary	Developer	2023
Kelly Leid, President	Developer	2023
Brett Price, Vice President	Developer	2022
Timothy Roberts, Assistant Secretary	Developer	2023

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, shall be entered into between the District and a Board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such Board member or owner submits the lowest responsible and responsive bid. All of the current Directors are or were principals or employees of, or are otherwise affiliated with, the Developer or Shea. Consequently, such Directors may from time to time have actual or potential conflicts of interest with respect to matters that come before the Board. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, all of the directors have disclosed any potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof as a result of their informal or formal business relationships with the Developer and Shea. See "RISK FACTORS—Directors' Private Interests."

Administration

The Board is responsible for the overall management and administration of the affairs of the District. The District retains CliftonLarsonAllen, LLP, Greenwood, Village, Colorado, as its accountant, and White Bear Ankele Tanaka & Waldron, Professional Corporation, Centennial, Colorado, as its General Counsel.

The District currently employs 26 employees, 10 of which are full-time, 10 part-time, and 6 seasonal. The management team of the District consists of a District Manager (currently CliftonLarsonAllen, LLP), a Recreation Facilities Manager, an Irrigation/Parks Manager, and their respective staff. Seasonal employees are primarily hired in the summer months for grounds maintenance and the pool. Benefits offered to full-time District employees include medical insurance, dental insurance, vision insurance, sick leave, and vacation time, and a deferred compensation plan in which the District matches up to 3% of eligible compensation. There is no employee union, and management of the District considers its relations with its employees to be good.

The District does not anticipate hiring any additional employees to run the activities of the Water Activity Enterprise.

Material Agreements of the District

The Special District Act authorizes the District to enter into agreements and contracts affecting its affairs. According to the District, the District is not a party to any agreements which materially affect the District's financial status or operations, other than the agreements described below and the ERU Purchase Agreement, the ERU Consent and Agreement and the MOU entered into by the District acting by and through the Water Activity Enterprise (i.e., the Issuer) described elsewhere in this Limited Offering Memorandum. See also the description of the Series 2017 Revenue Bonds and certain outstanding leases of the District set forth in [CROSS REF].

Mill Levy Equalization and Pledge Agreement. On June 3, 2016, the Districts entered into a Mill Levy Equalization and Pledge Agreement, as amended by the First Amendment to the Mill Levy Equalization and Pledge Agreement, dated May 1, 2017 (the "**MLEPA**") in order to promote the integrated plan of development set forth in the Districts' Service Plans as the same has historically been observed as between the Districts. The MLEPA is intended to ensure an equitable allocation among the Districts of the costs of administering, financing, operating, and maintaining streets, water, sanitation and various other Public Improvements and services, as well as covenant enforcement services (which the Districts are authorized to provide pursuant to the Districts' Service Plans) within Reunion.

Pursuant to the MLEPA, each North Range District agrees to impose an "**Equalization Mill Levy**," consisting of the Debt Service Mill Levy (as defined below) plus the Operations and Maintenance Mill Levy (as defined below), in order to pay the Developer Debt (as defined below), the North Range District Bonds (as defined below and which are referred to in the MLEPA as "**Senior Bonds**"), and the operations and maintenance costs of the Districts. The MLEPA generally defines the term "**Developer Debt**" as (a) amounts owed to the Developer by any North Range District for advancing of guaranty payments on the North Range District Bonds, for the provision of Public Improvements pursuant to agreements among the District, any North Range District and/or the Developer, or for advancing of amounts to fund operations shortfalls pursuant to agreements among the District, any North Range District and/or the Developer; and (b) any other repayment obligation incurred by the Districts in connection with advances made by the Developer to the Districts for the purpose of paying the costs of designing, acquiring, installing, and constructing the Public Improvements or paying the operations and maintenance costs of the Districts. (For purposes of the MLEPA, "Developer" generally means Clayton Properties Group II, Inc., its successors, assigns and affiliates, and any other entity developing Public Improvements within the Development which has received Developer Debt in recognition thereof.) The MLEPA defines "North Range District Bonds" (which are referred to as "Senior Bonds" in the MLEPA) as all bonds issued by the North Range Districts (now or in the future) which bonds shall be senior to any obligation of the North Range Districts under the MLEPA.

The MLEPA requires each North Range District to certify the debt service mill levy for the purpose of paying the costs of debt service on any North Range District Bonds and on the Developer Debt (the "**Debt Service Mill Levy**") in each year for so long as any North Range District Bonds or Developer Debt is outstanding. The amount of the Debt Service Mill Levy certified each year is to be determined by the District, but is not to exceed 50 mills for each North Range District, subject to the adjustment for changes in the method of calculating assessed valuation after August 6, 2001 (as of the date of the MLEPA, 57.475 mills) (the "**Debt Service Mill Levy Cap**"). The Debt Service Mill Levy Cap, however, does not preclude a North Range District from pledging or imposing an unlimited mill levy for payment of debt service on its North Range District Bonds in accordance with the documents pursuant to which such North Range District Bonds are issued. The MLEPA requires a North Range District that does not need the full amount of revenues generated by its Debt Service Mill Levy to pay debt service on any North Range District Bonds it has issued, to transfer excess revenues (the "**Surplus Debt Mill Levy Revenues**") to the District, provided that such transfer shall be made only after the amounts required to pay North Range District Bonds issued by such North Range District in any year have been collected, deposited and accounted for in accordance with documents pursuant to which such North Range District Bonds are issued. Further, each North Range District pledges its Surplus Debt Mill Levy Revenues to the District for the purpose of paying Developer Debt and North Range District Bonds. On or after May 1, 2017 no bonds, notes, Developer Debt or any other debt obligation may be incurred by the North Range Districts and no Debt Service Mill Levy is to be imposed by the North Range Districts to pay bonds, notes, Developer Debt or any other debt obligation incurred on or after May 1, 2017 without prior written consent of the District.

The MLEPA also requires each North Range District to certify each year a mill levy for the purpose of paying the total budgeted operations and maintenance costs of all Districts for such year (the "**Operations and Maintenance Mill Levy**"). Such Operations and Maintenance Mill Levy is required to be certified in perpetuity unless (a) there are no further facilities operated and maintained within Reunion by or through one of the Districts or (b) directed by the District that such levy is not required. The MLEPA provides that each of the North Range Districts will appropriate and transfer revenues collected pursuant to the imposition of the Operations and Maintenance Mill Levy to the District as soon as practicable, but no later than ten days after receipt thereof. The MLEPA provides that appropriations of the Operations and Maintenance Mill Levy Revenues are to occur on an annual basis, at the discretion of each of the Boards of Directors of the North Range Districts, and therefore are not intended to constitute a multiple fiscal year indebtedness or financial obligation subject to the requirements of TABOR (as defined herein).

The MLEPA provides that the Districts will cooperate and coordinate with each other in good faith to ensure that the Equalization Mill Levy is certified by each of the North Range Districts in an amount that is approximately equal in each year, but in no event is the Operations and Maintenance Mill Levy to be set so as to cause any individual North Range District to have a combined Debt Service Mill Levy and Operations and Maintenance Mill Levy that exceeds 99 mills (without adjustment for changes to the method of calculating assessed valuation). No Operations and Maintenance Mill Levy is to be imposed by a sub district without written consent of the District.

The MLEPA also requires that, upon the issuance of any North Range District Bonds by a North Range District, such North Range District must transfer the proceeds of such issuance to the District, which must then apply all proceeds of any such North Range District Bonds to the payment of the Developer Debt (except for any Developer Debt incurred to fund operations or maintenance costs of the Districts) or other capital projects. None of the proceeds of North Range District Bonds will be used to fund or reimburse operations or maintenance costs of the Districts.

District Operating Services Agreement. While the MLEPA sets forth the terms on which the North Range Districts impose the Equalization Mill Levy, which includes the Operation and Maintenance Mill Levy, and transfer specified proceeds thereof to the District, the District Operating Services Agreement,

which the North Range Districts and the District entered into on June 3, 2016 (the "**District Operating Services Agreement**") sets forth the obligations of the District with respect to the use of the proceeds of the Operations and Maintenance Mill Levy and with respect to its role as the "Service District", as contemplated by the Districts' (as defined in the District Operating Services Agreement) Service Plans. The District Operating Services Agreement states that, pursuant to the Districts' Service Plans, the Districts are intended to coordinate their efforts with respect to all activities authorized by the Districts' Service Plans, including, without limitation, management and administration, structuring of financing, coordination of construction, and operations and maintenance of the Public Improvements necessary and appropriate for the development of Reunion, with the District acting on behalf of the North Range Districts to lead such coordination.

In order to facilitate such coordination, the District Operating Services Agreement requires that the District provide Administrative Services and O&M Services (each as defined below) to the North Range Districts on the terms set forth therein, on the condition that the North Range Districts observe and perform certain covenants and agreements, and are not otherwise in default under the District Operating Services Agreement. "**Administrative Services**" as defined by the District Operating Services Agreement, includes, among other services, coordination of board meetings and financial reporting, insurance and election administration, budget preparation, supervision of contractors, investment oversight, coordination of professional services, and obtaining any and all governmental and/or administrative approvals necessary to the provision of the Public Improvements. "**O&M Services**" as defined by the District Operating Services Agreement includes the provision of the administrative services, and ownership, operation and maintenance of certain Public Improvements along with architectural review and covenant enforcement services to property within the Districts for the benefit of the Districts (the "Covenant Services"), to be provided through an agreement with an owners association, or as set forth in a declaration of covenants, conditions or restrictions, or similar instrument, as otherwise permitted by Title 32, C.R.S.

The District Operating Services Agreement further authorizes the District to establish from time to time a fair and equitable fee to provide a source of funding to pay for the O&M Services (a "User Fee"). Each North Range District acknowledges in the District Operating Services Agreement that the District will make determinations as to the appropriate User Fees on an annual basis, taking into account mill levy revenues received under the MLEPA for operations in each fiscal year. They further acknowledge that they shall be responsible for any and all costs, fees, charges and expenses incurred by the District (the "**Costs**") in providing the Administrative Services and O&M Services (collectively, the "**Operating Services**") through the imposition of the Operations and Maintenance Mill Levy, as well as the Debt Service Mill Levy to the extent the District borrows revenues to pay the Operating Services. In the event revenues from the Operations and Maintenance Mill Levy received by the District under the MLEPA are not appropriated by the North Range Districts or are otherwise insufficient to pay the Costs for whatever reason, the District may impose User Fees to pay all such Costs in accordance with the District Operating Services Agreement. The District agrees to apply revenues from the Operations and Maintenance Mill Levy received by it under the MLEPA to pay the Costs of the Operating Services in accordance with the MLEPA and the District Operating Services Agreement.

The District Operating Services Agreement provides that the North Range Districts may not consent to the exclusion of any real property from within their boundaries if such exclusion would materially impact their ability to pay the District for the Costs as provided in the District Operating Services Agreement, without first obtaining the consent of the District, which consent will not be unreasonably withheld.

Any North Range District is permitted to terminate the District Operating Services Agreement as it relates to the provision of Administrative Services by the District for such North Range District upon 90 days' written notice to the District. However, the District Operating Services Agreement provides that the

North Range Districts' obligation to remit revenues to the District, and the District's obligation to provide the O&M Services, may only terminate after a written notice has been provided by one of the Districts to all other Districts and a termination agreement is approved by each of the North Range Districts, which addresses matters related to the ownership and operations and maintenance of Public Improvements, the payment of obligations incurred to finance the same and other matters set forth in the District Operating Services Agreement.

Events of default under the District Operating Services Agreement include, without limitation, the failure of any North Range District to impose the Operations and Maintenance Mill Levy as required by the MLEPA. In the event of failure of a North Range District to make any payments due under the MLEPA, the District may, pursuant to the District Operating Services Agreement, suspend the provision of the Administrative Services to such North Range District until such time as such North Range District cures such default and/or impose User Fees directly upon the applicable users within the defaulting North Range District for the provision of the O&M Services in lieu of collecting the amount of Costs related to the O&M Services from the North Range District

Funding and Reimbursement Agreement (Capital). The District and the Developer entered into a Funding and Reimbursement Agreement (Capital) dated as of December 19, 2017, as amended, including as most recently amended through a Seventeenth Addendum thereto dated as of May 4, 2021, and a First Amendment thereto dated as of July 2, 2019 and a Second Amendment thereto (the "**Second Amendment**") dated as of October 21, 2020, which was acknowledged and agreed to by the District (collectively, the "**Capital Funding and Reimbursement Agreement**").

Pursuant to the Capital Funding and Reimbursement Agreement, the Developer agreed to loan the District one or more sums of money, in an amount up to $58,228,707.97 (the "**Maximum Loan Amount**") through December 31, 2022 (the "**Loan Obligation Termination Date**"), which Loan Obligation Termination Date shall automatically extend for an additional year unless the Developer provides written notice to the District of termination at least 30 days prior to December 31st of each year. Upon each automatic one year extension of the Loan Obligation Termination Date, the Developer agrees to continue to loan to the District one or more sums of money up to the Maximum Loan Amount. The District agreed to use such advances for the purpose of paying "**Capital Costs**" of the District.

In addition to providing a means by which the Developer is to be reimbursed for loans made to the District, the Capital Funding and Reimbursement Agreement also provides a means by which the District may reimburse the Developer for Certified District Eligible Costs (as defined below) of Public Infrastructure financed and constructed by the Developer. "**Certified District Eligible Costs**" means Capital Costs incurred by the Developer with respect to which the District has issued an Acceptance Resolution (as defined therein). The District is authorized, but not obligated, to accept any Public Infrastructure and/or Capital Costs incurred by the Developer for reimbursement. The Capital Funding and Reimbursement Agreement establishes guidelines to be followed by the Board in evaluating any request to accept Public Infrastructure for ongoing ownership, operation and/or maintenance, and establishes guidelines to be followed by the Board in evaluating any request from the Developer to accept Capital Costs incurred by the Developer which may be eligible for reimbursement in accordance with the Funding and Reimbursement Agreement. However, the existence of circumstances falling within the guidelines set forth therein do not establish any obligation on behalf of the District to accept any Public Infrastructure or make any reimbursement.

Any such loan advances made to, and Certified District Eligible Costs accepted by, the District are to bear interest at the rate of 6.5% per annum from the date any such advance is made or the date such Certified District Eligible Costs are accepted, to the earlier of the date the Reimbursement Obligation (defined below) is issued to evidence such advance or Certified District Eligible Costs, or the date of

repayment of such amount. The Capital Funding and Reimbursement Agreement states that the District intends to repay any advances made or Certified District Eligible Costs accepted from ad valorem taxes available to the District or other legally available revenues of the District, net of any debt service or current operations and maintenance costs of the District. It is acknowledged in the Capital Funding and Reimbursement Agreement that the ad valorem taxes available to the District for the purpose of repaying advances made or Certified District Eligible Costs accepted thereunder are not to exceed the mill levy allowed pursuant to MLEPA and are to be further subject to any restrictions provided in the District's or North Range Districts' Service Plan, electoral authorization, or any applicable laws. Historically, the District has repaid advances under the Capital Funding and Reimbursement Agreement from revenues made available to the District by the North Range Districts in accordance with the MLEPA (including the proceeds of general obligation bonds issued by the North Range Districts and ad valorem property tax revenues of the North Range Districts) [, and revenues made available to the District in accordance with the City Agreement][is this correct?]. Furthermore, pursuant to the Second Amendment, the District agreed to repay funds advanced for Certified District Eligible Costs relating to Capital Costs that are constructed in connection with and for the benefit of North Range District No. 3 ("**District No. 3 Improvements**") from: (i) proceeds of publicly offered bonds issued by North Range District No. 3 in 2020, (ii) through the issuance from time to time by North Range District No. 3 to the Developer of subordinate bonds (in a principal amount equal to the amount of any funds advanced or Certified District Eligible Costs accepted under the Capital Funding and Reimbursement Agreement for District No. 3 Improvements), which subordinate bonds are to be payable from ad valorem property taxes of North Range District No. 3, and (iii) from funds determined by the District to be available within any fiscal year and not otherwise required for operations, capital improvements and debt service costs and expenses of the District. *No revenues of the Water Activity Enterprise have been, or are anticipated to be, applied to fund any financial obligations of the District under the Funding and Reimbursement Agreement*.

Pursuant to the Capital Funding and Reimbursement Agreement, subject to the conditions thereof, the District agrees to issue, to or at the direction of the Developer, "**Reimbursement Obligations**" to evidence any repayment obligation of the District. Upon issuance of any such Reimbursement Obligation, unless otherwise consented to by the Developer, any interest then accrued on any previously advanced amount or accepted Certified District Eligible Costs shall be added to the amount of the loan advance or the amount of the Certified District Eligible Costs and reflected as principal of the Reimbursement Obligation, and shall thereafter accrue interest as provided in such Reimbursement Obligation. Such Reimbursement Obligations are to be payable upon the terms and conditions set forth therein; provided that the term for repayment of any Reimbursement Obligation issued under the Funding and Reimbursement Agreement is not to extend beyond 30 years from the date thereof (or December 19, 2047). No Reimbursement Obligations have been issued by the District under the Capital Funding and Reimbursement Agreement as of the date of this Limited Offering Memorandum.

The repayment of advances made or Certified District Eligible Costs accepted under the Funding and Reimbursement Agreement, and the District's agreement to issue Reimbursement Obligations as set forth therein, are subject to annual appropriation by the District and the Capital Funding and Reimbursement Agreement is not to constitute a debt or indebtedness of the District.

The District's obligations under the Capital Funding and Reimbursement Agreement terminate at the earlier of the repayment in full of the amounts advanced and the Certified District Eligible Costs accepted hereunder, or thirty (30) years from the execution date thereof (or December 19, 2047). At such time, the Parties hereby agree and acknowledge that any obligation created by thereunder which remains due and outstanding, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts.

As of June 1, 2021, there was $114,114 ($111,290 in principal and $2,824 in interest) outstanding under the Capital Funding and Reimbursement Agreement.

City Agreement. The District and the City entered into an Intergovernmental Agreement dated February 24, 2003 (the "**City Agreement**"), for the purpose of setting forth agreements regarding the sharing, crediting, and/or reimbursement of the revenues derived from sales taxes, use taxes, building permit fees and impact fees generated from property comprising the "**IGA Property**" (as more particularly defined therein, generally comprising the property included within the boundaries of one or more of the District, North Range District No. 1, North Range District No. 2, North Range District No. 3, North Range District No. 4, and North Range District No. 5). Pursuant to the City Agreement, for a term of twenty (20) years commencing on January 1, 2002, the City agrees to remit to the District on a quarterly basis thirty-three percent (33%) of any City sales and use tax collected within the IGA Property (not to exceed 33% of a three percent (3%) sales and use tax) and thirty-three percent (33%) of any building permit fees collected in connection with the construction of any and all improvements, including but not limited to single or multi-family residential dwelling units, within the IGA Property during the respective immediately preceding calendar quarter (collectively, the "**Public Improvement Monies**") The City and the District agree that the District shall utilize said revenues for payment of bonded indebtedness, construction or acquisition costs or other financing of public infrastructure improvements by the District. The District acknowledges and agrees that the aggregate Public Improvement Monies payable under the City Agreement shall in no event exceed the "**Actual Costs**" for public infrastructure improvements, meaning the actual costs suffered or incurred by the District to construct and/or install public infrastructure improvements specifically identified herein or identified in and required to be constructed under Developer's Agreements, as confirmed by the City in accordance with the procedures set forth in the City Agreement. [The City shall have no obligation to deliver Public Improvement Monies to the District unless and until the City approves, and the City and the District have executed, a Developer's Agreement in the form attached to the City Agreement for certain public infrastructure improvements.][DOES THIS EXIST? DON'T THINK DISTRICT IS PARTY TO DEVELOPER'S AGREEMENT WE HAVE?]

The City Agreement also provides that certain "**Impact Fees**" of the City (including a Drainage Impact Fee, a Transportation Impact Fee and a Parks, Trails and Recreation Facilities Impact Fee) attributable to the IGA Property are to be credited in accordance with the Developer's Agreement, and that the District is authorized to impose a fee (referred to as the "**City Credit Fees**") equal to, and in lieu of, the Impact Fees so credited. See "[CROSS FEE RESOLUTION IN FINANCIAL INFORMATION SECTION]." The District is to apply the revenue derived from the City Credit Fees to the acquisition, construction, installation, financing and/or maintenance of the Public Improvements contemplated by the Developer's Agreement and authorized by the District's Service Plan (the "**Service Plan Improvements**"). So long as the District imposes such City Credit Fees and applies them in accordance with the foregoing, the City is to provide a credit against the City Impact Fee otherwise payable for each building permit applied for in the IGA Property. In the event that the Service Plan Improvements to which the Impact Fees in the normal course of development would be allocated, are not fully constructed and initially accepted by the City, or are not the subject of a Developer's Agreement between the City and the District, at the time credit is given by the City against the City's Impact Fees, the District is to account and pay over to the City for the calendar quarter just ended those funds collected by the District in conjunction with collection of its City Credit Fee and which are allocated in the normal course of development for projects for which the City's Impact Fees would otherwise be payable (the "**Advanced Funds**"). The Advanced Funds are to be held by the City in a segregated account and remitted to the District if and to the extent that Service Plan Improvements to which the Impact Fees in the normal course of development would be allocated are either (i) fully constructed and initially accepted by the City, or (ii) become the subject of a Developer's Agreement between the City and the District and are thereafter fully constructed and initially accepted by the City.

The City also agrees in the City Agreement that it shall not issue building permits for improvements to be constructed within the IGA Property to any applicant unless such applicant can demonstrate prior payment of the District's City Credit Fee.

Revenues payable to the District pursuant to the City Agreement have not been, and will not be, accounted for a revenues of the Water Activity Enterprise, and have not been and will not be pledged to or otherwise available for the payment of the Bonds.

Funding and Reimbursement Agreements Relating to the Bonds and RMD/ERU Irrigation Credits. The District anticipates entering into two Funding and Reimbursement Agreements with the Developer in connection with the issuance of the Bonds and the District's acquisition of RMD/ERU Irrigation Credits. *The terms of such agreements have not been agreed upon by the District or the Developer, but the District presently expects such agreements to provide as described below. Such provisions remain subject to change.*

The District anticipates entering into a Funding and Reimbursement with the Developer (the "**COI Funding and Reimbursement Agreement**") pursuant to which the Developer will agree to make one or more loans to the District, through December 31, 2021 (unless otherwise extended by agreement of the Developer) for the purpose of funding fees charged by various law firms and consultants in connection with the ERU Purchase Agreement and the Bonds (collectively, the "**Costs of Issuance**"). Such loans are anticipated to bear simple interest of 6.50% per annum, and are to be payable from proceeds of the Bonds when issued. In the event that the Bonds are not issued, such loans are to be payable from available revenues of the District, as more particularly provided in such Funding and Reimbursement Agreement.

The District also anticipates entering into a Funding and Reimbursement Agreement with the Developer a Funding and Reimbursement with the Developer (the "**RMD/ERU Irrigation Credit Funding and Reimbursement Agreement**") pursuant to which the Developer will agree to make one or more loans to the District, for a specified period of time for the purpose of paying to the Issuer, if and to the extent the District does nto have funds available terefor, the ERU Irrigation Credit Fees for RMD/ERU Irrigation Credits acquired by the District for the purpose of irrigating Reunion Public Areas. It is anticipated that such loans will bear interest at a rate agreed upon by the District and the Developer, and will be repaid from revenues determined by the District to be available for such purposes, anticipated to consist of revenues made available to the District by the North Range Districts in accordance with the MLEPA (including the proceeds of general obligation bonds issued by the North Range Districts and ad valorem property tax revenues of the North Range Districts). The District's obligation to repay loans made under the RMD/ERU Irrigation Credit Funding and Reimbursement Agreement is expected to be subject to annual appropriation by the District and such agreement is not expected to constitute a debt or indebtedness of the District. *No revenues of the Water Activity Enterprise will be applied to fund any financial obligations of the District under the RMD/ERU Irrigation Credit Funding and Reimbursement Agreement*.

Other Agreements Concerning Provision of Public Improvements. From time to time, the District has entered into, and is expected to continue to enter into, various agreements concerning the parties' respective responsibilities for the construction and funding of Public Improvements for Reunion. Pursuant to such agreements, the District has undertaken, and is expected to continue to undertake, all or a portion of the planning, design, construction and installation of specified Public Improvements, and has agreed, and is expected to continue to agree, to fund all or a portion of the costs thereof. In some cases, the counter-parties to such agreements have agreed to contribute a specified portion of the costs of the Public Improvements. Historically, the funding obligations of the District under such agreements have been funded primarily from revenues made available to the District by the North Range Districts in accordance with the MLEPA (including the proceeds of general obligation bonds issued by the North Range Districts and ad valorem property tax revenues of the North Range Districts), advances made by Shea and the

Developer in accordance with funding agreements entered into with the District (including as described in "—Funding and Reimbursement Agreement (Capital)" above) and revenues made available to the District in accordance with the City Agreement. *No revenues of the Water Activity Enterprise have been, or are anticipated to be, applied to fund any financial obligations of the District under such agreements*. As of the date of this Limited Offering Memorandum, the following such agreements are in effect: a Cost Share Agreement Phase I-112th Avenue Improvements Chambers Road to Parkside Drive North entered into with the City, dated as of November 4, 2019; an Intergovernmental Agreement regarding Phase I – 112th Avenue Improvements Chambers Road to Parkside Drive North entered into with South Adams, dated as of December 11, 2019; and an Intergovernmental Agreement regarding Phase 1 of the Public Improvements for Reunion Ridge Filing No. 1 entered into with South Adams, dated as of June 10, 2020.

[HOA Management Agreement. Pursuant to the Declaration for Reunion Homeowners Association, Inc., recorded on August 27, 2002 in the real property records of the County at Reception No. C1015874 (the "**HOA Declaration**"), as well as its own governing documents, the Reunion Homeowners Association, Inc., a Colorado nonprofit corporation (the "**HOA**") is charged with providing covenant enforcement and architectural review and approval services, as well as certain other administrative services as necessary and appropriate in connection with such services, including, but not limited to, budget preparation, subcontracting, assessment calculation, communicating with HOA members, coordinating member and director meetings, and obtaining insurance (collectively, the "**Services**") to all property subject to the HOA Declaration.

On July 1, 2007, the District, the District, and the HOA entered into a Management Agreement (the "**HOA Management Agreement**") in which the HOA delegated all powers and authority to enforce and provide the Services to the District and the District accepted such powers and authority. All parties to the HOA Management Agreement agreed that the District would administer and coordinate the Services on behalf of the HOA.][IS THIS IN EFFECT?] [how is this funded? MLEPA revenues? Or HOA revenues?]

Facilities and Services Provided by the District

Pursuant to the Service Plan and the Special District Act, the District is authorized to provide for the Public Improvements, subject to the limitations of the Service Plan more particularly described therein. The District currently owns and operates various public improvements, including parks and recreation and drainage improvements. Recreation improvements include, but are not limited to an extensive trail system, a recreation center, two district owned swimming pools, and multiple parks located throughout the community. **Any revenues generated from the District's operations of such facilities will not be available for payment of, and are not pledged to, the Bonds.**

Notwithstanding that the Issuer owns and will be marketing the ERU Water Credits for sale to builders within the RMD Water Service Area, neither the District nor the Issuer provides or is authorized to provide any water or wastewater services to residents within Reunion. Instead, all of such services are provided by South Adams. [cross ref Indenture and Restrictive Covenant provisions]

Risk Management

The Board acts to protect the District against loss and liability by obtaining and maintaining certain insurance coverage in amounts which the Board believes will be adequate. Currently, the District is insured through the Colorado Special Districts Property and Liability Pool ("**CSDPLP**"). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, public officials' liability and workers' compensation insurance coverage as an alternative to the traditional insurance market. CSDPLP provides insurance coverage for over 1,160 special

districts and is governed by an eleven-member board of special district representatives. The District's current policies expire on December 31, 2021. There is no guarantee that the District will continue to maintain such insurance in the future; provided that the Indentures require that the Issuer cause the District to carry general liability, public officials liability, and such other forms of insurance coverage on insurable District and Issuer property upon the terms and conditions, and in such amount, as in the judgment of the Issuer would protect the Issuer and its operations.

THE RMD WATER SERVICE AREA

The following information has been supplied by the Developer, provided that, where noted herein, certain information has been obtained from other sources, including publicly available records of the City and the County. ***Neither LCF nor Shea have participated in the preparation of this Limited Offering Memorandum.***

None of the District, the District's advisors, or the Underwriter make any representation regarding projected development plans within the RMD Water Service Area, the financial soundness or managerial ability of the Developer, LCF, or future owners of property, A significant portion of property within the RMD Water Service Area is in the very early stages of conceptual development planning, and no representations can be made as to whether any of such present or future owners of property will ultimately determine, for any reason, to proceed with development of property within the RMD Water Service Area as projected herein. Construction starts within the RMD Water Service Area (in connection with which RMD/ERU Water Credits are anticipated to be purchased) may be affected by factors such as governmental policies with respect to land development, the availability of water and other utilities, the availability of energy, construction costs, interest rates, competition from other developments, and other political, legal, and economic conditions. In addition, the particular type of land uses ultimately pursued for any particular portion of property in the RMD Water Service Area may be impacted by the foregoing-referenced factors, market demands, and the applicable property owner's internal financial calculations as to comparative return on investment in light of such market demands. Finally, while certain information is provided herein with respect to existing and anticipated encumbrances of property within the RMD Water Service Area, in particular encumbrances recorded or to be recorded by the Developer, property within the RMD Water Service Area not owned by the Developer may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect development activity, including the anticipated purchase of RMD/ERU Water Credits, as described herein. See "RISK FACTORS—Development Not Assured."

Overview of Projected Development in RMD Water Service Area

The District is purchasing the RMD/ERU Water Credits for the purpose of facilitating the provision of water service by South Adams to the "**RMD Water Service Area**," which comprises approximately 1,495.52 acres within the larger Reunion master-planned development encompassing approximately 3,139 acres located in the City. Three homebuilders, in addition to the Developer, are actively building within Reunion. The RMD Water Service Area represents substantially all of the property remaining to be developed in Reunion, with the exception of properties sold by the Developer to such homebuilders or lots being developed by the Developer, in both cases for which ERU Water Credits have otherwise previously been surrendered, as more particularly described in "*—Reunion*; *Exclusions from RMD Water Service Area*" below. See also "AERIAL PHOTOS" and "VICINITY MAP." For purposes of this Limited Offering Memorandum, the discussion of development within the RMD Water Service Area is divided into three areas: (a) the Developer Planned Neighborhoods, (b) Village 1/Reunion Center, and (c) Village 8 Mixed Use. (Village 1/Reunion Center and Village 8 Mixed Use are sometimes referred to collectively herein as the "**Mixed-Use Areas**.")

All of the property within the RMD Water Service Area is subject to the Restrictive Covenant and the Water Credit Fees Resolution and, accordingly, owners of property within the RMD Water Service Area are anticipated to purchase RMD/ERU Water Credits from the District in connection with the development of such property, as more particularly described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Restrictive Covenant" and "—Water Credit Fees." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS— RMD/ERU Water Credits" for information concerning the value and role of RMD/ERU Water Credits relative to securing water delivery service to the subject property. The Developer has projected that the RMD Water Service Area will require a total of a total of 7,236 RMD/ERU Water Credits comprised of: (a) 5,953 RMD/ERU Building Credits in connection with the delivery of private potable and irrigation water service to structures (as more particularly provided in the Restrictive Covenant, Permitted ERU Building Uses) , and (b) 1,283 RMD/ERU Irrigation Credits for irrigation of Reunion Public Areas (as more particularly provided in the Restrictive Covenant, Permitted ERU Irrigation Uses). Such RMD/ERU Water Credit usage has been estimated based on the ultimate uses of such property as projected herein, and historical average RMD/ERU Water Credit usage for comparable areas and calculations and classifications historically used by, or otherwise agreed to, by South Adams, as more particularly described herein. See "—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage." The Developer's projected "absorption" of such RMD/ERU Water Credits, meaning the number of RMD/ERU Water Credits (both for Permitted ERU Building Uses and for Permitted ERU Irrigation Uses) projected to be purchased in each year, is included in the schedules attached hereto as APPENDIX [__], which are collectively referred to herein as the "**Projected Development and ERU Absorption Schedules**."

The RMD Water Service Area is projected to be developed over a period of approximately 12 years into an estimated 7,672 residential units (comprised of an estimated 5,592 "for sale" units and an estimated 2,080 "for rent" units), an estimated 80.6 acres of commercial/office/library uses and an estimated 31.3 acres of parks and detention pond area uses (provided that the foregoing excludes uses for the Excluded Shea Parcels described below, which are not projected herein). While Clayton Properties Group II, Inc. (as previously defined, the "**Developer**") has developed subdivision-specific development plans for a portion of the property planned for residential uses within the RMD Water Service Area (described below as Developer Planned Neighborhoods), and conceptual plans for other areas within the RMD Water Service Area, ***development activities with respect to a significant portion of such property are in the very early stages***. Furthermore, in the case of properties comprising "Village 1/Reunion Center" and "Village 8 Mixed-Use" anticipated to be developed into a mix of residential and commercial uses, the Developer expects to sell a significant portion of such property to residential and commercial builders unrelated to the Developer. The Developer has not initiated discussions with any builders or developers concerning the development of such property, and it is not possible to predict with any degree of certainty the development plans that may be pursued by such builders or developers. Accordingly, the development plans for the RMD Water Service Area described herein, *which form the basis for the total projected number of RMD/ERU Water Credits anticipated to be purchased by owners of property in the RMD Water Service Area as such property is developed, and the absorption schedules therefor*, are comprised of the following (all as more particularly described herein):

(i) the Developer's current subdivision-specific development plans for approximately 3,829 single-family homes on approximately 1,018.81 acres (the "**Developer Planned Neighborhoods**"), anticipated to be constructed by the Developer and other homebuilders unrelated to the Developer; and

(ii) one *possible* conceptual "bubble level" development plan under consideration by the Developer (referred to as the "**Option C Plan**") for an approximately 442.80-acre area referred to as "**Village 1/Reunion Center**" anticipated to be developed into retail, commercial, office, multi-family and other residential uses and public uses; and

(iii) one *possible* scenario of uses under consideration by the Developer for an approximately 33.91-acre area referred to as "**Village 8 Mixed-Use,**" comprised of two parcels presently anticipated to be developed into senior living and commercial uses, respectively (Village 8 Mixed-Use and Reunion Center are collectively herein as the "**Mixed-Use Areas**").

Of the 5,953 RMD/ERU Building Credits projected to be required by the RMD Water Service Area, approximately 3,131.05 RMD/ERU Building Credits are projected to be needed for the Developer Planned Neighborhoods, and the remaining approximately 2,821.88 RMD/ERU Building Credits are projected to be needed for the Mixed-Use Areas.

Because the development plans for a significant portion of property within the RMD Water Service Area described herein are preliminary and conceptual in nature, there is no assurance that the property will ultimately be developed as described herein or that the number of ERU Water Credits project to be needed for development within the RMD Water Service Area will not change. None of the Developer or other future homebuilders or developers are obligated or expected to be obligated to develop the property within the RMD Water Service Area as described herein or in any particular timeframe or at all. Final development plans that require fewer ERU Water Credits than projected herein could materially adversely affect the repayment of the Bonds.

The development plans for the RMD Water Service Area and resulting projected RMD/ERU Water Credit usage produced by the Developer and described herein (and in the Projected Development and ERU Absorption Schedules) do not include anticipated land uses and resulting projected RMD/ERU Water Credit usage for a portion of the property in the RMD Water Service Area owned by Shea as follows (collectively referred to herein as the "**Excluded Shea Parcels**"): (a) approximately 4.51 acres in Village 1/Reunion Center, and (b) approximately 6.44 acres in the Developer Planned Neighborhoods (in Village 8). While such property is subject to the Restrictive Covenant and the Water Credit Fees Resolution, no information is available as to the potential intended uses of such property or the likelihood of development in any particular timeframe or at all. In evaluating a purchase of the Bonds, investors should not assume that any RMD/ERU Water Credits will be purchased by the owners of such property

As reflected in the Projected Development and ERU Absorption Schedules, the Developer has projected full "absorption" of the 3,829 homes planned for the Developer Planned Neighborhoods to occur in 2033, and has projected development in the Mixed-Use Areas to commence in 2022, with full "absorption" of development therein (as reflected in the Developer's conceptual plans described herein) projected by the Developer to occur in 2030 with respect to non-residential uses and 2033 with respect to residential uses. As used herein, "absorption" of development refers to the commencement of vertical development activity for the subject property (i.e., "construction start," as opposed to construction completion), at which time it is assumed that the requisite RMD/ERU Water Credits for such property would be purchased. Zonda Advisory, Centennial, Colorado ("**Zonda**") has been engaged by the District for the purposes of assessing the competitive position of the property within the RMD Water Service Area and future demand therein for residential product. The resulting Reunion Housing Demand Analysis Study dated April 15, 2021 (with minor edits/adjustments as of May 7, 2021) (the "**Residential Demand Study**") produced by Zonda is attached hereto as Appendix [__]. The Residential Demand Study represents only projections of "for-sale" housing starts and absorption of "for-rent" residential units generally in the subject area calculated using projected total for-sale housing starts and total for-rent residential unit absorption for an identified competitive market area and an assumed capture rate for the RMD Water Service Area, based on the factors and considerations more particularly described therein. The Residential Demand Study is <u>not</u> an assessment of the feasibility of any particular development plans for the RMD Water Service Area, or the likelihood of achieving any particular absorption schedule for particular product in the subject area, including those described herein and in the Projected Development and ERU Absorption Schedules, and does not provide any estimations with respect to the demand for commercial properties in the subject area.

The feasibility of the Developer's current development plans for the Developer Planned Neighborhoods, the above-referenced conceptual plans for the Mixed-Use Areas and the Projected Development and ERU Absorption Schedules has not been assessed by any third party consultant, nor has any third party consultant provide an assessment of future demand for retail, commercial office or any other non-residential product that may be developed in the RMD Water Service Area. [While the Developer has stated that it believes that the Projected Development and ERU Absorption Schedules attached in Appendix B hereto are reasonable,-CHECK VERSUS REP LETTER] no representations have been made by the Developer or any other owner of property within the RMD Water Service Area that the RMD Water Service Area *will* be developed in accordance with the development plans and Projected Development and ERU Absorption Schedules described herein, or at all, and neither the Developer nor any other present or future owner of property within the RMD Water Service Area is contractually required to pursue the development of such property as described herein.][DISCUSS WHAT REPRESENTATIONS TO BE MADE BY DEVELOPER] See also "RISK FACTORS—Development Not Assured," "APPENDIX A—FORECASTED SURPLUS CASH BALANCES AND CASH RECEIPTS AND DISBURSEMENTS" and "APPENDIX B—MARKET STUDY."

Of the approximately 1,495.52 acres within the RMD Water Service Area, as of May 21, 2021, the Developer owned approximately 270.31 acres, Shea owned approximately 22.15 acres, the City owned approximately 62.88 acres and the District owned approximately 40.37 acres. The remaining approximately 1,099.81 acres in the RMD Water Service Areas were owned by LCF as of May 21, 2021, subject to the Developer's option to purchase such property in accordance with an Option Agreement, defined and more particularly described herein. See "—Land Ownership; Option Agreement."

The Developer's plans for the Developer Planned Neighborhood, and the conceptual plans for the Mixed-Use Areas presented herein, conform to the permitted uses for such property as set forth in the applicable zoning documentation; however, other than property planned for approximately 639 single-family homes in the Developer Planned Neighborhood, for which final subdivision plats have been approved, additional City approvals of preliminary and final subdivision plats (or re-plats) and/or site specific development plans are anticipated to be required to develop property in the RMD Water Service Area, in addition to the issuance by the City of building permits and certificates of occupancy as more particularly described in "_____." Final Plats for an additional 1,058 single-family lots have been submitted by the Developer to the City for review and approval. No assurance is provided that the City will approve such final plats or any future final plats submitted in the timeframe anticipated to accomplish development within the RMD Water Service Area as anticipated herein, or at all. Furthermore, no assurance is provided that final plats for the remainder of the RMD Water Service Area will be submitted by the property owners as anticipated herein or at all.

[SUMMARIZE ANY INFRASTRUCTURE DISCUSSION; NO COST ESTIMATES TO BE PROVIDED; DISCUSS REUNION DISTRICT ANTICIPATED INVOLVEMENT?]

Reunion; Exclusions from RMD Water Service Area. The Reunion master-planned development encompasses approximately 3,139 acres located in the City, planned for nearly 10,000 dwelling units (including townhomes, single family detached homes and apartments), neighborhood parks, schools, and commercial uses (including, but not limited to corporate offices and hotels). Established in 2002, Reunion is presently home to over 2,000 families and includes an award-winning, 25,000 square-foot recreation center overlooking the lakes at the eastern end of Reunion Park in addition to an outdoor pool with interactive water features, Buffalo Run Golf Course and 10 miles of trails with 8 acres of lakes.

The RMD Water Service Area represents substantially all of the property remaining to be developed in Reunion, *except as described in this paragraph*. The Developer is presently actively building in five "filings" (platted subdivisions) within multiple "villages" (planned community areas) in Reunion.

In addition, three homebuilders—Lennar Homes, Richmond Homes and TriPointe Homes—are actively building in various filings and villages in Reunion. ERU Water Credits for such properties under active development by the Developer and other homebuilders have previously been surrendered. S*uch properties are excluded from the RMD Water Service Area, and are not subject to the Restrictive Covenant or the Water Credit Fees Resolution. The owners of such properties are not anticipated to purchase RMD/ERU Water Credits from the District resulting in Pledged Revenue to be applied to payment of the Bonds*. The summary of the Developer Planned Neighborhoods set forth in Table [___] below does not include in development areas titled "Misc. Villages" and Villages 7, 8 and 9, properties that are under active development and are not included in the RMD Water Service Area.

Development Plans and Projected RMD/ERU Water Credit Usage

General. Set forth below are the Developer's present development plans and/or projections, as applicable, for property within the RMD Water Service Area (excluding the Excluded Shea Parcels), as well as the Developer's estimates of RMD/ERU Water Credit usage for such areas, based on such development projections and the assumptions more particularly set forth herein.

For additional information concerning the bases for the Developer's projected RMD/ERU Water Credit usage, see "—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage." See also the Projected Development and ERU Absorption Schedules in **Appendix C** hereto, which reflects the Developer's projected absorption for development in the RMD Water Service Area (excluding the Excluded Shea Parcels), and resulting projected absorption for RMD/ERU Water Credits.

Notwithstanding any of the following projections as to development in the RMD Water Service Area, neither the Developer, nor any other existing or future property owner is contractually obligated to pursue the development of any property in the RMD Water Service Area, and no assurance is given that development will occur in accordance with the present permitted land uses, modifications thereof, or at all.

Developer Planned Neighborhoods. Approximately 1,018.81 acres within the RMD Water Service Area (referred to herein as the "**Developer Planned Neighborhoods**") are anticipated to be developed into a total of 3,829 single-family residential homes, comprised of 1,646 "standard" homes anticipated to require 1.0 RMD/ERU Water Credits per home for Permitted ERU Building Uses, and 2,183 "cluster" homes, anticipated to require 0.5 RMD/ERU Water Credits per home for Permitted ERU Building Uses. In addition, it is anticipated that, for the purpose of irrigating private common areas in the "cluster" home communities, the applicable homeowner's association will purchase RMD/ERU Water Credits for Permitted ERU Building Uses in an amount equal to 0.2 RMD/ERU Water Credits per "cluster" home. See "—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage."

Of the 3,829 single-family homes planned for the Developer Planned Neighborhoods, approximately 3,079 homes are anticipated to be constructed by the Developer, while the remaining 750 homes may be constructed by the Developer or other homebuilders unrelated to the Developer. No purchase and sale agreements or letters of intent have been executed by any other homebuilders for property within the Developer Planned Neighborhoods. The Developer expects to offer ten (10) different product types, each with multiple floorplans. Of the 3,829 single-family homes planned for the Developer Planned Neighborhoods, 813 homes are presently planned to be developed as active adult communities. All product types within the Developer Planned Neighborhoods are anticipated to be "for-sale" homes. Anticipated product types have been classified as "standard" or "cluster" based on classifications historically agreed to by South Adams with respect to properties developed in Reunion, as described in "—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage."

The following table sets forth a summary of planned "standard" and "cluster" homes within the Developer Planned Neighborhoods, the ownership of such property as of May 21, 2021, the entitlement status, and the projected number of RMD/ERU Water Credits anticipated to be required (all of which are to be RMD/ERU Building Credits for Permitted ERU Building Uses, including anticipated private irrigation uses for cluster homes, estimates for which are indicated separately). The below does not include RMD/ERU Irrigation Credits anticipated to be purchased by the District (or other Reunion District) for Permitted ERU Irrigation Uses comprised of irrigating Reunion Public Areas within the referenced villages and subdivisions, which are described in "*—Anticipated Reunion Public Areas and Permitted ERU Irrigation Use*" below.

TABLE [__]
Developer Planned Neighborhoods—
Summary of Planned Development Status and RMD/ERU Building Credit Projected Demand[1]

Village/Filing	Builder	Property Owner	Total Homes Planned	"Standard" Homes [2]	"Cluster" Homes[2]	Projected RMD/ERU Building Credits (Building)[3]	Projected RMD/ERU Building Credits (Irrigation)[3]	Final Plat	Final Plat Pending Approval	Unplatted
Misc. Villages										
No. 20	Oakwood	Oakwood	3	--	3	1.5	--	3	--	--
No. 35	Oakwood	Oakwood	7	7	--	7	--	7	--	--
No. 36(4E)	Oakwood	Oakwood	96	--	96	48	--	96	--	--
Subtotal			*106*	*7*	*99*	*56.5*	*0*	*106*	--	--
Village 7[4]										
No. 37	Oakwood	Oakwood	355	279	76	317	9.43[5]	355	--	--
No. 38	Oakwood	Oakwood	153	--	153	76.5	22.83[5]	--	153	--
Subtotal			*508*	*279*	*229*	*393.5*	*32.27*	*355*	*153*	--
Village 9[6]										
No. 1 (V9)	Oakwood	Oakwood	178	16	162	97	22.68[5]	178	--	--
No. 1 (A2)	Oakwood	Oakwood	140	--	140	70	28	--	140	--
No. 1 (A4/5)	Oakwood	Oakwood	221	--	221	110.5	44.2	--	221	--
No. 2 (PA4/5)	Oakwood	LCF	300	--	300	150	60			300
No. 3 (11/12)	TBD	LCF	150	150	--	150	--			150
No. 4 (14/15)	TBD	LCF	200	200	--	200	--			200
Phase 3	Oakwood	LCF	539	--	539	269.5	107.8			539
Phase 3	TBD	LCF	400	400	--	400	--			400
Subtotal			*2,128*	*766*	*1,362*	*1,447*	*262.68*	*178*	*361*	*1,589*
Village 8[7]										
AA F1	Oakwood	LCF	184	50	134	117	26.8	--	184	--
AA F2-6	Oakwood	LCF	629	270	359	449.5	71.8	--	--	629
No. 40	Oakwood	LCF	78	78	--	78	--	--	78	--
No. 39 (8A/D)	Oakwood	LCF	196	196	--	196	--	--	196	--
Subtotal			*1,087*	*594*	*493*	*840.5*	*98.6*	--	*458*	*629*
TOTAL			**3,829**	**1,646**	**2,183**	**2737.5**	**393.55**	**639**	**972**	**2,218**
% of Total										

[1] [to come]

[2] [to come – explain distinction in product]
[3] Projected RMD/ERU Building Credit usage is comprised of 1.0 RMD/ERU Building Credits per standard home and 0.5 RMD/ERU Building Credits per cluster home (reflected in the column titled "(Building)", plus additional RMD/ERU Building Credits for private irrigation uses associated with cluster homes (reflected in the separate column titled "(Irrigation)." RMD/ERU Building Credits for private irrigation uses reflect an assumed 0.2 RMD/ERU Building Credits per cluster home, except where noted.
[4] Excludes lots in Village 7 that have been purchased and are being developed by Lennar and Richmond, for which ERUs have previously been purchased.
[5] RMD/ERU Building Credits for private irrigation uses for the indicated areas reflect the actual requirement of South Adams for the indicated property (as set forth in the applicable _____), and are not a projection of the Developer. [may not foot due to rounding]
[6] Excludes lots in Village 9 that have been purchased and are being developed by Lennar and TriPointe, for which ERU Water Credits have previously been surrendered.
[7] Excludes approximately 6.45 acres owned by Shea in Village 8 (an Excluded Shea Parcel), for which development projections are not provided herein.
Source: The Developer

Proposed Mixed-Use Areas Plans. Two planning areas within the RMD Water Service Area—"Village 1/Reunion Center" and "Village 8 Mixed-Use"—comprising a total of approximately 476.71 acres (as previously defined, collectively, the "**Mixed-Use Areas**"), are anticipated to be developed into mixed uses. With the exception of 210 single-family attached homes anticipated to be constructed by the Developer in Village 1/Reunion Center, a significant portion of development of the Mixed-Use Areas is expected to be undertaken by entities unrelated to the Developer. No purchase and sale agreements or letters of intent have been executed by any other builders or developers for property within the Mixed-Use Areas. For information concerning the ownership of property in the Mixed-Use Areas, see "_____." ***Planning for such areas is in the very preliminary stages. The following descriptions of proposed development in the Mixed-Use Areas reflect only one possible conceptual development plan for such areas, and is subject to change.***

Village 1/Reunion Center. Village 1/Reunion Center comprises approximately 442.80 acres at the northeast corner of the RMD Water Service Area, bordering State Highway E-470. The Developer is presently at the stage of considering highly conceptual "bubble level" plans for such area. One such plan that the Developer believes represents, at a conceptual level, a reasonable expectation of the development that may occur within Village 1/Reunion Center (excluding Excluded Shea Parcels) is a plan designated "Alternate Land Use Plan - Option C" (referred to herein as the "**Option C Plan**"). See "CONCEPTUAL DEVELOPMENT PLAN FOR REUNION CENTER." The Option C Plan identifies seven different land uses—commercial, multi-family, single-family, office flex, parks, detention and library--for particular areas aggregating approximately 383.57 acres within Village 1/Reunion Center. The Option C Plan does not specify building types, total square footage or specific retail/commercial/office uses within such broad land use categories, and does not identify the number or type of residential units, *all of which could impact the ultimate number of RMD/ERU Water Credits required to serve such area*. See "RISK FACTORS--_____." In addition, the 383.57 acres in the Option C Plan for Village 1/Reunion Center described herein excludes areas planned for use as a public high school and public right of way.

The Developer has projected the development to occur in Village 1/Reunion Center (excluding Excluded Shea Parcels), as reflected in Table [__] below, based on: (i) the anticipated land uses and associated acreages set forth in the Option C Plan, and (ii) the Developer's assumptions as to density for residential areas (within permitted densities of applicable zoning documentation), except as noted below. Pertinent assumptions relating to residential uses are as follows:

- Densities in **residential** areas are assumed to be as follows: (i) all single-family residential areas are assumed to have densities of 10-12 dwelling units per acre, (ii) a portion of multi-family residential areas are assumed to be townhomes with densities of 12.6 dwelling units per acre, (iii) a portion of multi-family residential areas are assumed to be apartments with densities of 17.7 dwelling units per acre; provided, however, that for the approximately 15.67 acres comprising "Area 4" in Village 1/Reunion Center, the projected unit count reflects the anticipated subdivision of such property into 210 single-family lots as reflected in a proposed final plat submitted and pending approval by the City.
- All units in **single-family residential** areas are assumed to be "cluster" product.

Using its projections of the development to occur in Village 1/Reunion Center developed as described above, the Developer has made further assumptions relative to private irrigation needs of the property anticipated to be developed into cluster product, and has estimated the RMD/ERU Water Credit Usage for Village 1/Reunion Center, based on the historical average ERU Water Credit usage for comparable areas and calculations and classifications historically used by, or otherwise agreed to, by South Adams, as more particularly described herein. See "—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage." The following table summarizes the total acreage contemplated in the

Option C Plan for each land use and the projected number of RMD/ERU Building Credits (for Permitted ERU Building Use, including private irrigation) based on the indicated calculations. The below does not include RMD/ERU Irrigation Credits anticipated to be purchased by the District (or other Reunion Public User) for Permitted ERU Irrigation Uses comprised of irrigating Reunion Public Areas within Village 1/Reunion Center, which are described in "*—Anticipated Reunion Public Areas and Permitted ERU Irrigation Use*" below.

TABLE [__]
Village 1/Reunion Center—
Summary of Conceptual Development Plan and RMD/ERU Building Credit Projected Demand[1]

Land Use	Acreage	Approximate Assumed Density (Residential Only)	Assumed Residential Units	RMD/ERU Building Credits Calculation (Building)	Projected RMD/ERU Building Credits (Building)	RMD/ERU Building Credits Calculation (Irrigation)	Projected RMD/ERU Building Credits (Irrigation)
Commercial/ Retail/Hotel	39.1	--	--	4.13/acre	161.5		
Office Flex	35.5	--	--	4.13/acre	146.6		
Library	6.0	--	--	4.13/acre	24.8		
Multi-family[2]	59.9	12.6 du/acre	757	0.5/unit	378.5	15% of acres drip	29.7
Multi-family[2]	53.6	17.7 du/acre	951	0.5/unit	475.5	15% of acres drip	26.6
Single-family[3]	70.3	12 du/acre [4]	835	0.5/unit	417.5	0.2/unit	167
Single-family[3]	72.2	10 du/acre [4]	718	0.5/unit	359	0.2/unit	143.6
SF – Area 4 [4]	15.67		210[1]	0.5/unit	105	0.2/unit	42.0
Park[5]	9.0	--	--	--	--	2.5x acres/ 0.53	42.5
Detention[5]	22.3	--	--	--	--	50% acres at 2.5x acres/ 0.53	52.6
Total	**383.57**		***3,471***		***2,068.3***		***504***

[1] Does not reflect acreage, projected development or RMD/ERU Water Credit usage for Excluded Shea Parcels within Village 1/Reunion Center, property planned for a public high school, or public right-of-way areas planned for Village 1/Reunion Center.
[2] All "multi-family" land uses are assumed to be "for rent" product.
[3] All "single-family" land uses are assumed to be "for sale" product.
[4] The Developer has submitted a proposed final plat for the approximately 15.67 acres comprising "Area 4" in Village 1/Reunion Center, which contemplates that such area will be subdivided into 210 single-family lots. Accordingly, the actual anticipated unit count for this area is used in projecting the number of RMD/ERU Water Credits, rather than an estimated unit count based on acreage and assumed density.
[5] Park and detention pond areas identified above are anticipated to be owned and irrigated by the Developer and, accordingly, are anticipated to require the purchase by the Developer of RMD/ERU Building Credits
Additional explanatory footnotes to this table to be added. *[rounding]*

Village 8 Mixed-Use. Village 8 Mixed-Use is comprised of a "West Parcel" (comprising approximately 21.01 acres) and an "East Parcel" (comprising 12.90 acres), located immediately south of the planned active adult communities in Village 8. Current conceptual plans for the West Parcel anticipate development of a [senior living community], which is projected to have 372 residential units, based on an assumed density of 17.7 dwelling units per acre. Current conceptual plans for the East Parcel anticipate a commercial development, though more specific uses have not been identified. All of the property in Village 8 Mixed-Use is presently owned by LCF, subject to the Developer's option to purchase as described herein.

The following table summarizes the number of RMD/ERU Building Credits (for Permitted ERU Building Use, which includes private irrigation) projected to be required for Village 8 Mixed-Use. See also

"—Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage." The below does not include RMD/ERU Irrigation Credits anticipated to be purchased by the District for Permitted ERU Irrigation Uses comprised of irrigating Reunion Public Areas within Village 8 Mixed Use, which are described in "*—Anticipated Reunion Public Areas and Permitted ERU Irrigation Use*" below.

TABLE [__]
Village 8 Mixed Use—
Summary of Conceptual Development Plan and RMD/ERU Building Credit Projected Demand[-]

Area/Land Use	Acres	Assumed Density (Residential Only)	Assumed Residential Units	RMD/ERU Building Credits Calculation (Building)	Projected RMD/ERU Building Credits (Building)	RMD/ERU Building Credits Calculation (Irrigation)	Projected RMD/ERU Building Credits (Irrigation)
West-Senior Living	21.01	17.7du/acre	372	0.5/unit	186	15% acres on drip	10.4
East-Commercial	12.9	--	--	4.13/acre	53.28		--
Total					***239.28***		***10.4***

Anticipated Reunion Public Areas and Permitted ERU Irrigation. The RMD Water Service Area is anticipated to require 1,283 RMD/ERU Irrigation Credits for irrigation by the Issuer or other Reunion District of Reunion Public Areas (as more particularly provided in the Restrictive Covenant, Permitted ERU Irrigation Uses). In accordance with the Restrictive Covenant, "**Reunion Public Areas**" means areas that the Issuer, or other metropolitan district authorized to serve the RMD Water Service Area will either own or maintain as set forth in an Entitlement Document that will require irrigation (including landscaped tracts along sidewalks or streets, open space, parks, trails or similar areas dedicated to public enjoyment and use).

The District anticipates owning and maintaining Reunion Public Areas throughout the RMD Water Service Area, generally consisting of pocket parks, tree lawns, subdivision entryways and other landscaped areas, and also a public par 3 golf course. Detailed plans for public areas requiring irrigation are often identified in the late stages of a development plan, and the amount of irrigation required will vary based on the type of irrigation system installed (drip irrigation or direct spray), the size of the area to be irrigated and the nature and density of the vegetation requiring irrigation. Because most of the RMD Water Service Area is in the early stages of development, the Developer has not yet identified specific Reunion Public Areas anticipated to require irrigation, the nature of the vegetation, or the type of irrigation for any particular area. Accordingly, the developer has projected the number of RMD/ERU Irrigation Credits required by the RMD Water Service Area, as follows:

- Except for subdivisions for which final plats have been approved or have been submitted to the City, the Developer has estimated, for Villages 7 and 9 in the Developer Planned Neighborhoods and Village 8 Mixed Use, an approximate amount of acreage to require drip irrigation and, separately, direct spray irrigation, based on the Developer's historical experience as to irrigation needs in other areas of Reunion, and then has estimated the RMD/ERU Irrigation Credits to be required for such areas by applying water usage calculations historical used by South Adams based on the type of irrigation (drip irrigation or direct spray), as more particular described in "--Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage—Water Usage for Irrigation Purposes" below.

- In the case of subdivisions for which final plats have been approved or have been submitted to the City, the Developer has projected RMD/ERU Irrigation Credits based on actual requirements of South Adams indicated for such subdivision.

- For the remaining areas in the RMD Water Service Area anticipated to require irrigation of Reunion Public Areas (Village 9 in the Developer Planned Areas and Village 1/Reunion Center), based on its historical experience in Reunion and advice of its consultants, the Developer has estimated the total number of acres anticipated to comprise Reunion Public Areas and has then assumed five (5) RMD/ERU Water Credits will be required per acre.

The following table summarizes the Developer's projection of total RMD/ERU Irrigation Credits to be required in the RMD Water Service Area, based on such methodology.

TABLE [__]
Summary of Projected RMD/ERU Irrigation Credits

Area	Projected RMD/ERU Building Credits
Developer Planned Neighborhoods	
Misc. Villages	--
Village 7	31.72
Village 8 (excluding golf course)	476.50
Village 8 (par 3 golf course)	57.00
Village 9	370.80
Subtotal	*936.02*
Mixed-Use Areas	
Village 1/Reunion Center	339.22
Village 8 Mixed Use	8.00
Subtotal	*347.22*
Total	***1,283.24***

[add source and footnotes]

Residential Demand Study; Summary of Developer's Projected Residential Absorption as Compared to Residential Demand Study

The District engaged Zonda Advisory, Centennial, Colorado (as previously defined, "**Zonda**") for the purpose of assessing the competitive position of the property within the RMD Water Service Area and future demand therein for residential product only. The resulting Reunion Housing Demand Analysis Study dated April 15, 2021 (with minor edits/adjustments as of May 25, 2021) (as previously defined, the "**Residential Demand Study**") produced by Zonda is attached hereto as **Appendix C** hereto. The Residential Demand Study provides three projections of "for-sale" housing starts and absorption of "for-rent" residential units for the RMD Water Service Area based on projected total for-sale housing starts and total for-rent residential unit absorption for an identified competitive market area and using three ranges (low, medium, and high) of capture rates for the RMD Water Service Area, based on local market conditions and the factors and considerations more particularly described therein. The Residential Demand Study is not an assessment of the feasibility of any particular development plans for the RMD Water Service Area, or the likelihood of achieving any particular absorption schedule for particular product in the subject area, including those described herein and in the Projected Development and ERU Absorption Schedules. See "RISK FACTORS—Risks Inherent in Financial Forecast, Projected Development and ERU Absorption Schedules and Residential Demand Study."

The following two charts, excerpted from the Residential Demand Study, summarize the projections of "for-sale" housing starts and absorption of "for-rent" residential units for the RMD Water Service Area, as set forth therein. *See the full Residential Demand Study for assumption and notations relating thereto.* [add source footnote]

Key Findings

Reunion For-Sale Home Starts Activity Projection Summary

Reunion			
Range of Volume Annual Starts Capture			
Year	Full Range		
	Low	Mid	High
2021F	170 -	256	- 358
2022F	184 -	277	- 387
2023F	199 -	299	- 418
2024F	211 -	317	- 443
2025F	224 -	335	- 470
2026F	235 -	352	- 493
2027F	246 -	369	- 517
2028F	256 -	384	- 537
2029F	266 -	399	- 558
2030F	278 -	417	- 584
Beyond 2031 Avg Annual Rate	175 -	263	- 368

Reunion CMA	Potential Capture of the Market
Low Capture	12.0%
Mid Capture	15.0%
High Capture	18.0%

Reunion	Potential Capture of CMA
Low Capture	10.0%
Mid Capture	12.0%
High Capture	14.0%

Based on Projection & Current Remaining Lots	
Low Capture	2046 Completion
Mid Capture	2037 Completion
High Capture	2031 Completion

Key Findings

Reunion For-Rent Demand Activity Projection Summary

	Reunion Competitive Market Area				Reunion		
					MR Rental Units		
Year	Household Projection	New For-Sale Households	For-Rent Projection Annual New Demand	Owner Occ Rate	Low 12.0%	Mid 14.0%	High 16.0%
2021F	61,145	15,756	799	67.3%	0	0	0
2022F	63,366	18,406	903	67.1%	108	126	145
2023F	65,553	21,225	970	66.9%	116	136	155
2024F	67,265	24,219	1,040	66.7%	125	146	166
2025F	69,012	27,368	1,131	66.4%	136	158	181
2026F	70,850	30,675	1,203	66.1%	144	168	192
2027F	72,785	34,114	1,200	66.0%	144	168	192
2028F	74,377	37,690	1,254	65.9%	150	176	201
2029F	75,987	41,405	1,350	65.7%	162	189	216
2030F	77,806	45,331	1,437	65.5%	172	201	230
			Beyond 2030 Remaining Units		450	240	30
			Mature Stage Ann Rate		155	180	206
			Completion Est.		2032	2031	2031

The Projected Development and ERU Absorption Schedules attached as **Appendix B** hereto present the Developer's projected absorption of development in the RMD Water Service Area (as reflected in the Developer's conceptual plans described herein, excluding the Excluded Shea Parcels), including projections of for-sale housing starts and absorption of for-rent residential units. The Projected Development and ERU Absorption Schedules also present a comparison of such Developer projections [(for for-sale housing starts only) to the mid-and high-range projections in the Residential Demand Study. (See [line/page] of the Projected Development and ERU Absorption Schedules.) As reflected therein, in each year of the projection, the Developer's number of projected for-sale housing starts are less than the high-range projection in the Residential Demand Study but, in most years, are more than the mid-range projection in the Residential Demand Study. [any comparison to be done for for-rent residential units absorption?]

Methodologies and Assumptions for Projected RMD/ERU Water Credit Usage

The Developer has estimated the RMD/ERU Water Credit usage for the RMD Water Service Area based on its prior experience in Reunion, the calculations and classifications historically used by, or otherwise agreed to, by South Adams, and other historical information provided by South Adams, and additional assumptions made by the Developer, all as more particularly described below.

RMD/ERU Water Credits for Permitted ERU Building Uses. "**Permitted ERU Building Use**" means use in providing potable water service or irrigation water service to private property and Buildings constructed (or being constructed) on Entitled Land located in the RMD Water Service Area. Below is information concerning the [MISSING WORDS]

Multi-family residential. According to the South Adams Rules and Regulations effective August 10, 2017, multi-unit residential development requires 0.5 ERU Water Credits per residential unit for indoor usage. Accordingly, the Developer has estimated 0.5 RMD/ERU Building Credits (for Permitted ERU Building Uses) for all "for-rent" multi-family projects.

Single-family residential. According to the South Adams Rules and Regulations effective August 10, 2017, single-family residential homes require 1.0 RMD/ERU Water Credits for indoor usage, while multi-unit residential homes require 0.5 RMD/ERU Water Credits per residential unit for indoor usage. However, according to the Developer, South Adams has historically agreed to the classification of certain single-family detached residential homes constructed in by the Developer in Reunion, including homes in communities with pod configurations and alley-loaded product, as "cluster" product and has applied the requirement of 0.5 RMD/ERU Water Credits for indoor usage for such product . Accordingly, and based on its prior experience with South Adams requirements as applied to Reunion, all property projected to be developed into single-family attached product or single-family detached product in pod configurations or alley-loaded is assumed to require 0.5 RMD/ERU Building Credits (for Permitted ERU Building Uses).

Commercial (Non-Residential) Uses. For all areas in the RMD Water Service Area contemplated for commercial, retail, hotel, library and office flex uses—including such areas in Village 1/Reunion Center and Village 8 Mixed Use—the number of required RMD/ERU Building Credits (Permitted ERU Building Use) is estimated at 4.13 RMD/ERU Building Credits per acre, based on the average ERU Water Credit usage in Reunion Marketplace. Reunion Marketplace is an approximately [24]-acre commercial development located in Reunion, at the northwest corner of Chambers Road and 104th Avenue. See "REUNION ILLUSTRATIVE DEVELOPMENT PLAN." Reunion Marketplace contains a mix of uses, including grocery, fast-food restaurants, hair and nail salons, dentist and other medical office, and automotive, hardware and cell phone retail stores. Based on documentation provided by South Adams, the number of ERU Water Credits required for such uses at Reunion Marketplace varied significantly, ranging from 0.95 ERU Water Credits per acre for the grocery to 13.17 ERU Water Credits per acre for a fast-food restaurant. For purposes of projecting the ERU Water Credit usage for commercial areas in the RMD Water Service Area, the Developer has calculated an average ERU Water Credit usage for Reunion Marketplace by dividing the total number of ERU Water Credits required for all properties in Reunion Marketplace by the total acreage of Reunion marketplace. *The calculated average amount of 4.13 ERU Water Credits is being provided for illustrative purposes only and as a bases for the estimates provided herein, and does not reflect the requirement applicable to any specific property within Reunion Marketplace, nor does it reflect the requirement applicable to any specific property within the RMD Water Service Area*. [Add: no assurance language as to property in RMD Water Service Area may not be comparable and ERU requirements vary greatly for commercial uses]

Water Usage for Irrigation Purposes. RMD/ERU Water Credits purchased for the purpose of providing private irrigation water services are also classified as RMD/ERU Building Credits, while RMD/ERU Water Credits purchased for irrigation of Reunion Public Areas are classified as RMD/ERU Irrigation Credits. Pertinent assumptions of the Developer as to private [and public] irrigation needs of the property within the RMD Water Service Area, on which the Developer's projections of RMD/ERU Building Credits to be purchased for private irrigation, [as well as RMD/ERU Irrigation Credits,][confirm] are based are set forth below. Note that park and detention pond areas identified in Table [__] above (in Village 1/Reunion Center) are anticipated to be owned and irrigated by the developer and, accordingly, are anticipated to require the purchase by the Developer of RMD/ERU Building Credits.

- All **single-family residential** units classified as "cluster" product (including 2,183 single-family residential units projected for the Developer Planned Neighborhoods and all 1,763 single-family residential units projected for the Village 1/Reunion Center) are anticipated to require private irrigation, requiring 0.2 RMD/ERU Building Credits, which is the average historical usage of cluster product constructed by the Developer in Reunion; provided, however, that in the case of subdivisions for which final plats have been approved or have been submitted to the City, the Developer has projected RMD/ERU Building Credits based on actual requirements of South Adams indicated for such subdivision.
- All units within **multi-family residential** areas within Village 1/Reunion Center (projected at 1,708 units) are assumed to require drip irrigation of 15% of the total acreage. Such drip irrigation is anticipated to require RMD/ERU Building Credits calculated as follows: acreage x 2.5 divided by 0.53 x 0.7, based on historical calculations applied by South Adams in Reunion.
- For areas contemplated for **park uses**, based on calculation estimates provided by South Adams to the Developer, the number of required RMD/ERU Water Credits is anticipated to equal the number of acres multiplied by 2.5, and then divided by .53.
- For areas contemplated for **detention uses**, it is assumed that half of the acres will require irrigation with native seed; accordingly, the number of required RMD/ERU Water Credits is projected by applying the above calculation for parks to a number of acres equal to one-half of the anticipated detention acreage.

Land Ownership; Option Agreement

Of the approximately 1,495.52 acres within the RMD Water Service Area, as of May 21, 2021, the Developer owned approximately 270.31 acres (approximately 242.18 acres in the Developer Planned Neighborhoods and approximately 28.13 acres in Village 1/Reunion Center), Shea owned approximately 22.15 acres (approximately 15.71 acres in the Village 1/Reunion Center and approximately 6.44 acres in Village 8 in the Developer Planned Neighborhoods, the City owned approximately 62.88 acres (approximately 42.11 acres in Village 9 of the Developer Planned Neighborhoods and approximately 20.77 acres in Village 1/Reunion Center) and the District owned approximately 40.37 acres (approximately 8.07 acres in Village 1/Reunion Center and approximately 32.530 acres in the Developer Planned Neighborhoods). The remaining approximately 1,099.81 acres in the RMD Water Service Areas were owned by "**LCF**" as of May 21, 2021, subject to the Developer's option to purchase such property in accordance with an Option Agreement, defined and more particularly described below. "**LCF**" means, collectively, DIBC Buffalo Hills Ranch, LLC, a Colorado corporation, FFP-DIA, LLC, a Colorado corporation, and DIBC 96th And Potomac, LLC, a Colorado limited liability company. Where property is described herein as "owned by LCF," such property is owned by one or more of such entities, but not necessarily all of such entities. The following table summarizes land ownership within the RMD Water Service Area, as of May 21, 2021.

TABLE [__]
Summary of Land Ownership – RMD Water Service Area[1]

Area	Developer	LCF	Shea[2]	District	City[3]	Total Acres
Developer Planned Neighborhoods						
Misc. Villages	6.69	--	--	--	--	6.69
Village 7	111.53	--	--	--	--	111.53
Village 8	19.89	363.64	6.44[2]	32.30	--	422.27
Village 9	104.07	332.14	--	--	42.11	478.32
Subtotal	*242.18*	*695.78*	*6.44*	*32.30*	*42.11*	*1,018.81*
Mixed-Use Areas						
Village 1/Reunion Center	28.13	370.12	15.71[2]	8.07	20.77	442.80
Village 8 Mixed Use	--	33.91	--	--	--	33.91
Subtotal	*28.13*	*404.03*	*15.71*	*8.07*	*20.77*	*476.71*
Total	***270.31***	***1,099.81***	***22.15***	***40.37***	***62.88***	***1,495.52***

[1] Reflects the approximate number of acres owned by the Developer, LCF, Shea, the City and the District in the indicated areas, as of May 21, 2021.
[2] Development projections and resulting projected RMD/ERU Water Credit usage is not provided herein with respect to the approximately 6.44 acres owned by Shea in Village 8 of the Developer Planned Neighborhoods, or with respect to 4.51 acres of the approximately 15.71 acres owned by Shea in Village 1/Reunion Center.
[3] The City is not subject to the requirements of the Restrictive Covenant, and is not expected to purchase RMD/ERU Water Credits from the Issuer. Accordingly, not projection of RMD/ERU Water Credit usage for such property owned by the City is included herein.
Source: Developer and [---]

In accordance with an Option Agreement dated August 30, 2000, between LCF and Shea, as subsequently amended and assigned by Shea to the Developer (the "**Option Agreement**"), the Developer has the option to purchase the remaining property in the RMD Water Service Area, as more particularly described in "—Encumbrances on Land—*Existing and Anticipated Takedown Mortgages*."

Platting, Zoning/Land Use and Public Approvals

Development of the property comprising the Development will be subject to, and is being undertaken in accordance with: (a) the Annexation Agreements; (b) the limitations on land uses provided in the applicable zoning documentation, including the Reunion PUD (defined below); (c) the subdivision of property in accordance with final plats; (d) site improvement plans; and (e) the issuance by the City of building permits and certificates of occupancy and the City's land development policies and procedures, as more particularly described below.

Annexation Agreements. The City and certain prior owners of the property comprising Reunion (including the RMD Water Service Area) (including their successors and assigns, the "**Annexors**") entered into the following annexation agreements for, in addition to other property, certain property within Reunion (including the RMD Water Service Area): (a) an Annexation Agreement, dated as of January 19, 1998 and (b) an Annexation Agreement, dated as of May 15, 2000 (together, the "**Annexation Agreements**") for purposes of annexing the subject property (the "**Annexed Property**") into the City. According to the Developer, there are no outstanding obligations of the Developer (or any other property owner) under the Annexation Agreements with respect to the property within the RMD Water Service Area.

Zoning. The property comprising the RMD Water Service Area is presently zoned PUD (Planned Unit Development). Accordingly, permitted use of property within the RMD Water Service Area are set forth in the Reunion PUD Zone Document (as amended, the "**Reunion PUD**"), the most recent amendment of which was recorded in the real property records of the County on June 28, 2019. The Reunion PUD allows for the construction of [15,316 dwelling units and approximately 900 acres of mixed-use and

commercial properties]. [**Make sure updated for Fifth Amendment]** According to the Developer, the conceptual development plans set forth herein for the RMD Water Service Area are consistent with the permitted uses for the applicable properties as set forth in the Reunion PUD.

Notwithstanding the foregoing, development plans are subject to change and no assurance is given that the Developer or other property owners will not pursue a rezoning of the property within the Development. See "RISK FACTORS—Development Not Assured."

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

Pursuant to the City Code and in implementation of State statutes, vested property rights may be obtained through the approval of a site specific development plan, which includes a planned unit development document, final subdivision plat, or development plan. In the case of Reunion, the Consolidated Development Agreement (see "—Agreements Concerning Public Improvements" below) provides that it is to be considered a site specific development plan; however, the vesting of property rights thereunder expire *December 16, 2021*. Developer is currently negotiating an extension to the Consolidated Development Agreement and vested rights with the City. However, the lack of vested property rights does not, in and of itself, change the entitlements provided in the applicable zoning documents. Furthermore, regardless of whether the City agrees to such an extension, pursuant to the City Code and applicable State statutes, upon approval by the City of site-specific development plans, the Developer will obtain vested property rights with respect to the subject property.

In addition to the Consolidated Development Agreement, the Developer has received additional approvals which include vested property rights. The Reunion PUD noted above granted permanent zoning approval with no reversion clause. Each recorded and subsequently recorded plat further vests property rights with legally subdivided parcels eligible for building permits after infrastructure construction is completed.

Platting. The City's subdivision process, as set forth in the City Code, provides for submittal of an application for a sketch plat and a final plat to the Director of Community Development for review and approval. In the event there is a written objection received by the City during the final, ten-day posting period, the Director of Community Development may schedule the final plat for a public hearing before the Planning Commission and City Council for review and approval. After such approval, the final plat may be recorded.

As of May 21, 2021, final subdivision plats ("**Final Plats**") have been approved by the City and recorded with respect to 639 single-family residential lots in the Developer Planned Neighborhoods. Final Plats for an additional 1,058 single-family lots have been submitted by the Developer to the City for review and approval. No assurance is provided that the City will approve such final plats or any future final plats submitted in the timeframe anticipated to accomplish development within the RMD Water Service Area as anticipated herein, or at all. Furthermore, no assurance is provided that final plats for the remainder of the RMD Water Service Area will be submitted by the property owners as anticipated herein or at all, or that the Developer or other property owners will not pursue a re-platting of property within the RMD Water Service Area into fewer lots than anticipated herein. See "RISK FACTORS—Continued Development Not Assured."

Agreements Concerning Public Improvements

For the purpose of providing assurances to the City concerning the construction and funding of public improvements necessary to serve the RMD Water Service Area, the following agreements have been executed by the Developer or its predecessor in ownership interests in such property, as further described below.

Consolidated Development Agreement. On December 17, 2001, the City, Shea Homes Limited Partnership ("**Shea**") (the former developer of property within the Development) and various other property owners within Reunion at that time (together with the Developer (to whom such agreement has since been assigned), the "**Property Owners**") entered into a Consolidated Development Agreement (the "**Consolidated Development Agreement**") to arrange for coordinated development of the property within Reunion consistent with the development standards and land use entitlements set forth in the Reunion PUD. The parties to this agreement declared their mutual intent that the Reunion PUD, together with the Consolidated Development Agreement itself, serve as an approved "site specific development plan" for Reunion in accordance with Title 24, Article 68 of Colorado Revised Statutes.

As part of this coordinated development, the Consolidated Development Agreement provides that the Property Owners will convey to the City all rights of way and utility easements as reasonably necessary to enable the City to improve all public streets within Reunion to the City's standards. The Property Owners agree to improve certain portions of any arterial streets, to landscape and maintain certain portions of any rights of way which have been conveyed to the City but not yet improved, and to design and construct storm drainage facilities in conformance with City standards. After completion of construction, either by the City or the Property Owners, the agreement provides that the City will accept all streets conveyed to it for continued maintenance, with any street constructed by a Property Owner subject to a one-year warranty period. Over the course of development, the Property Owners pay the City's standard impact fees to the City at the time of issuance of each building permit, including drainage impact fees, transportation impact fees and parks, trails, and recreation facilities impact fees. However, the Property Owners are eligible for credits against such impact fees for any work completed at the direction of the City to make improvements to facilities to which such impact fees, in the normal course of development, would be allocated.

In order to promote the uninterrupted development of Reunion, the Consolidated Development Agreement ratifies the statutory vested property rights of the Property Owners to undertake and complete the development of the property within Reunion for a 20-year period in a manner consistent with the Reunion PUD. Such vested property rights run with the land and effectively preclude the City from taking any zoning or land use action during such 20-year period (*expiring on December 16, 2021*) which would alter, impair, prevent, diminish, impose a moratorium on the development of, or otherwise delay the development or use of such property in accordance with the Reunion PUD. As discussed above, the Developer is currently negotiating an extension to the Consolidated Development Agreement and vested rights with the City, although no assurance can be given that the City will agree to any extension. .

The City covenants to cooperate with the Property Owners through the course of obtaining approvals, from the City or from other governmental entities that are necessary to the development of Reunion. The City also agrees to enter into an agreement with any special districts created by Property Owners to allow these districts to utilize 33% of any City sales or use tax or building permit fees collected from property within these districts for the payment of bonded indebtedness or other financing of public improvements within and adjacent to such property. The City subsequently entered into an agreement with the Reunion District to implement such sales tax sharing. No portion of the sales tax revenue received by the Reunion District pursuant to such agreement is pledged to the payment of the Bonds, so limited information about such agreement is set forth herein.

Shea Development Agreement. On February 25, 2002, Shea entered into a Developer's Agreement with the City (the "**Shea Development Agreement**"), and the same was recorded with the County on March 8, 2002. Such agreement has since been assigned to the Developer. Pursuant to the Shea Development Agreement, the Developer agrees to provide storm drainage facilities, streets, curbs and gutters, sidewalks and tree lawn landscaping, and other improvements to serve each phase of Reunion, subject to pre-approval by the City with respect to the improvements planned for each phase in accordance with procedures set therein, including the submission of construction plans and costs estimates. The parties agree that it will be the sole responsibility of the Developer at its sole expense to design, construct and install such improvements for initial acceptance, and to repair such improvements until final acceptance by the City.

The parties agree that, with respect to each phase of Reunion, until the improvements with respect to such phase of Reunion are provided by Developer, initially accepted by the City, and until the Developer has posted a warranty performance guarantee with respect to such improvements for the benefit of the City, no building permit will be issued by the City with respect to such phase of Reunion. Notwithstanding the foregoing, prior to such conditions being satisfied, the Developer or its assign is permitted to commence construction on up to 6 single-family model houses per subdivision filing of at least 100 lots, provided that the required fire hydrants, water for fire suppression, and access to such models are satisfactory to the City. Upon completion of the improvements for each phase and the City's initial acceptance of the same, the restriction on building permits will be removed with respect to such phase, and the Developer and the Developer's successors will be eligible to apply for building permits pursuant to the City's customary procedures and regulations then in effect. The Developer may, at its discretion, choose to remove the building permit restriction applied by the Shea Development Agreement with respect to any phase of Reunion by posting a construction bond in an amount equal to 115% of an engineer's cost estimate for the improvements for such phase at any time during the development of Reunion.

The Shea Development Agreement requires the Developer to procure at its sole expense all engineering, landscaping, and testing services necessary and appropriate in conjunction with the development of Reunion, which are required to fully conform to City ordinances, standards, and specifications. Professional services are to be performed by engineers, surveyors, architects or other professionals duly licensed by the State, and landscaping architecture and design services are to be performed by persons trained in landscape architecture or horticultural design. The City has the right to inspect all improvements at all times during construction. The Developer is responsible, at its own expense, for keeping on-site streets used as construction routes, and rights-of-ways clean of mud, rocks and debris at all times during construction.

The Shea Development Agreement establishes procedures for both initial and final acceptance of all improvements by the City. Initial acceptance requires conveyance to the City of easements necessary to maintain improvements, and final acceptance requires certification by the Developer that all contractors have been paid. Pursuant to the Shea Development Agreement, the Developer warrants that all proposed improvements to be provided thereunder will be free from defects, including but not limited to defects of materials, workmanship and design, and that such improvements will otherwise fully comply with all applicable City standards and specifications. The warranty performance guarantee to be provided by the Developer with respect to each phase of improvements is required to be equal to 15% of the total estimated cost of such improvements, excluding landscape improvements, plus 50% of the total estimated cost of landscape improvements in the public rights-of-way, including all vegetative materials, irrigation and recreation facilities. Each warranty performance guarantee is required to provide security for the costs which may be incurred in repairing and/or replacing improvements during a warranty period of one year following initial acceptance by the City. After final acceptance of a phase of improvements, the Developer may request, and the City is required to release the warranty performance guarantee with respect to such improvements.

Required Public Infrastructure

Completion of the development within the RMD Water Service Area will require the completion of Public Improvements in accordance with the requirements of the Reunion PUD, the final plats, and any applicable construction documents. A builder or developer of property within the RMD Water Service Area may determine to proceed with the purchase of RMD/ERU Water Credits for a particular property only upon the completion of the requisite Public Improvements, or upon concluding that sufficient funds are available to such builder or developer, or other responsible party, to complete such Public Improvements. A significant portion of property in the RMD Water Service Area is in the very early planning stages and, accordingly, no estimates are available for the costs of Public Improvements that may be required to support development in the RMD Water Service as projected by the Developer. Furthermore, while the Developer, the District and the North Range Districts may continue to cooperate in the provision of Public Improvements for Reunion through bond financings of the North Range District and the advancement of funds by the Developer, particular sources of funds or financings have not been identified for such purpose. No assurance can be given that such districts or other metropolitan districts formed to support the Reunion development, the Developer or other current or future owners of property within the RMD Water Service Area, will have the resources necessary to complete such Public Improvements in the timeframe necessary to support buildout of the RMD Water Service Area as anticipated herein, or at all.

Water and Sewer

Water and sewer service to properties within the RMD Water Service Area will be provided by South Adams in accordance with the terms and conditions set forth the Rules and Regulations of South Adams. In general, as a condition of receiving water and sewer service from South Adams, a property owner within the RMD Water Service Area will be required to transfer a sufficient number of ERU Water Credits (such as, e.g., the RMD/ERU Water Credits) and pay certain water and sewer connection fees to South Adams. ERU Water Credits represent partial payment of the water resources component of the connection fees. No information is known or set forth herein regarding any specific or additional requirements that South Adams may impose on any particular property owner in the RMD Water Service Area in order for such property to obtain water and sewer service. The Rules and Regulations provide that the provision of public water and sewer service to properties within South Adams is contingent upon South Adams having sufficient water treatment capacity, wastewater treatment capacity, and water resources and specifically provide that, because of these limitations, South Adams cannot guarantee that it will be able to provide water and wastewater service to properties within its boundaries. The existence of lands within South Adam's boundaries does not guarantee the provision of water and sewer service by South Adams. There is no assurance that property owners within the RMD Water Service Area will be able to receive water or sewer service from South Adams even if sufficient RMD/ERU Water Credits are purchased for such property from the Issuer.

Encumbrances on Land

The following describes certain encumbrances presently existing on all or portions of the property comprising the RMD Water Service Area, to the extent known by the Developer. Such property is also subject to various easements and rights of way of record which, to the extent of record only, the Developer has reviewed, and the Developer does not believe is inconsistent with the development of the property as described herein. Property within the RMD Water Service Area may be subjected to additional encumbrances as development progresses, including encumbrances securing financial obligations of the applicable property owner, which may provide for rights of foreclosure upon the occurrence of events that may or may not be within the control of such property owner. No assurance is given that encumbrances will not be recorded by the Developer or other present or future owners of property in the RMD Water

Service Area which impact the ability of the owners of such property to proceed with its development in accordance with the Developer's projections described herein.

Existing and Anticipated Takedown Mortgages. The approximately 270.31 acres in the RMD Water Service Area owned by the Developer (as of May 21, 2021) was acquired by the Developer from affiliates of L.C. Fulenwider ("**LCF**") pursuant to an option agreement between the Developer and LCF (as previously defined, the "**Option Agreement**"). To finance the acquisition of such property, instead of making a cash payment to LCF, the Developer granted to LCF multiple mortgages (referred to as "**Takedown Mortgages**") as more particularly described below. As the Developer sells lots to other homebuilders and/or homes to homeowners, it pays down such Takedown Mortgages, as more particularly provided therein. As of the date of this Limited Offering Memorandum, [all][CONFIRM] of the property in the RMD Water Service Area which is currently owned by the Developer remains encumbered by such Takedown Mortgages.

The Option Agreement, which terminates on August 30, 2030, subject to possible extensions, gives Shea the right to be the master developer of all the residential and commercial land owned by LCF within Reunion. The Developer has assumed Shea's position under the Option Agreement. With respect to lots sold to the Developer, as more particularly described below, LCF receives a note of unspecified amount secured by a mortgage on the land purchased by the Developer. The final land purchase price is a percentage of the gross sales price. In addition, a percentage is paid to Shea upon the closing of each lot. An additional payment to LCF per homesite is applied towards the final lot "true-up" and is made upon the issuance of each building permit. Upon closing of each lot, the remainder of the percentage amount owed is paid to LCF and the mortgage is released on that lot.

Takedown Mortgages. In connection with the Developer's purchase from LCF of property ("**Takedown Property**") the Developer and LCF entered into a Mortgage, Security Agreement, and Assignment of Rents (the "**Takedown Mortgage**") which is recorded in the real property records of the County. In connection with each Takedown Mortgage, LCF made a loan to the Developer and the Developer executed a note in favor of LCF (the "**Takedown Note**"), in each case, in an amount determined in accordance with certain provisions of the Option Agreement. According to the Developer, the "purchase price" of each "takedown" of property under the Option Agreement, and thus the principal amount of the note and mortgage granted to LCF by the Developer in connection with the purchase of such "takedown" (which is secured by and encumbers the property therein), is determined based on the type of lots or pads (e.g. residential lots, residential superpads), within such "takedown" of property. See Table __ -- "Summary of Existing Developer Mortgages Encumbering RMD Water Service Area" below for a description of the Takedown Mortgages presently outstanding.

Pursuant to the Takedown Mortgages, the Developer irrevocably granted to LCF, with rights of entry, all of the Developer's rights and interest in the Takedown Properties, and certain ancillary rights in connection therewith, for the purpose of securing, among other things, the Developer's prompt payment of the indebtedness evidenced by the Takedown Notes and the Developer's prompt observance and performance of the covenants and agreements contained in the Takedown Notes, the Takedown Mortgages, the Option Agreement, and other agreements related thereto. Such covenants include, without limitation, obligations of the Developer to complete certain infrastructure improvements on the Takedown Properties in accordance with the provisions of the Option Agreement. Such infrastructure improvements include, without limitation, zoning and platting, roadway improvements, wet utilities (storm drainage, public water, public sanitary sewer), retention/detention facilities, dry utilities (electric, telephone, cable), grading and community areas (open space and park improvements). The Developer has stated that it is in compliance with the timing requirements of the Option Agreement for the completion of such required infrastructure improvements.

The Takedown Mortgages state that, at any time and from time to time, any or all of the superpads or lots comprising the Takedown Properties may be sold, LCF will release the applicable superpads or lots, as the case may be, from the lien of the Takedown Mortgages upon satisfaction of the conditions provided in the Option Agreement, which include, without limitation, payment of amounts payable under the Takedown Notes, or if such amounts have not then been determined, payment of an amount determined by LCF into an escrow account for such purposes. The Takedown Mortgages also permit release of their lien with respect to community areas upon the request of the Developer without any payment of the Takedown Notes, provided that no default exists and that the applicable community area is conveyed to a public or quasi-public entity (such as the District or the City) or a property owners' association or other entity formed for the purpose of ownership of such community area.

Events of default under the Takedown Mortgages include, among others, bankruptcy, insolvency, certain changes of control, and certain litigation or condemnation events (unless cured within any applicable cure periods). As provided in the Takedown Mortgages, a breach or violation of any covenant or agreement set forth in the Option Agreement, the Takedown Notes, or certain other related loan documents, or any other default thereunder (unless such default is cured within an applicable cure period set forth in the applicable agreement) constitutes a default under the Takedown Mortgages. Defaults under the Option Agreement, the Takedown Notes, and such other loan documents, include, without limitation, the failure of the Developer to pay the "purchase price" with respect to any mortgage encumbering a "takedown" of property under the Option Agreement (with respect to property outside of the Takedown Properties) and the failure of the Developer to act in a "commercially-reasonable" manner, as determined by LCF, but subject to arbitration and various cure rights of the Developer. Remedies available to LCF upon an event of default include, among others, acceleration of amounts due under the Takedown Notes, the right to enter and take possession of the Takedown Properties, the right to appoint a receiver, and the right to institute judicial foreclosure proceedings with respect to the Takedown Properties.

As of the date of this Limited Offering Memorandum, all of the property in the RMD Water Service Area owned by the Developer remains encumbered by the Takedown Mortgages. [CONFIRM] The balance of each Takedown Note (as determined in accordance with the Option Agreement) becomes due on the maturity date of the applicable Takedown Mortgage, as indicated in "TABLE [__]—Summary of Existing Developer Mortgages Encumbering RMD Water Service Area" below. The Developer intends to pay off such balance, and obtain releases from the lien of the Takedown Mortgages from LCF, as it sells the lots in the RMD Water Service Area to other homebuilders or homeowners, as applicable, using the proceeds of such sales.

Shea Mortgages. In 2016, the Developer entered into a purchase and sale agreement dated as of October 11, 2016, with Shea, pursuant to which, among other things, Shea agreed to make a loan to the Developer with respect to property acquired by the Developer from LCF. In connection with the Developer's purchase of certain property within Reunion (including certain property in the RMD Water Service Area) , the Developer and Shea have entered into multiple Mortgage, Security Agreement, and Assignment of Rents (collectively, the "**Shea Mortgages**"). In connection with the Shea Mortgages, Shea made a loan to the Developer and the Developer executed a note in favor of Shea (the "**Shea Notes**"), in each case, in an amount determined in accordance with certain provisions of the purchase and sale agreement with Shea. According to the Developer, the "purchase price" of each "takedown" of property under the purchase and sale agreement with Shea, and thus the principal amount of the note and mortgage granted to Shea by the Developer in connection with the purchase of such "takedown" (which is secured by and encumbers the property therein), is determined based on the type of lots or pads (e.g. residential lots, residential superpads), within such "takedown" of property.

The terms of the Shea Mortgages are similar to the Takedown Mortgages described above. The Shea Mortgages are subordinate to the Takedown Mortgages. See Table __ -- "Summary of Existing

Developer Mortgages Encumbering RMD Water Service Area" below for a description of the Shea Mortgages presently outstanding.

Summary of Outstanding Takedown Mortgages and Shea Mortgages. [All] of the approximately 270.31 acres in the RMD Water Service Area owned by the Developer as of May 21, 2021 (as more particularly described in "—Land Ownership; Option Agreement" above) is presently subject to both a Takedown Mortgage and a Shea Mortgage. The Takedown Mortgage and the Shea Mortgage encumbering any particular property have the same date of recordation and the same maturity date. There are presently six (6) outstanding Takedown Mortgages and six (6) outstanding Shea Mortgages. The following table summarizes the property within the RMD Water Service Area encumbered by such mortgages and the date of recordation and maturity date for each. Because the amounts secured by such mortgages are determined based on the ultimate resale of the subject property, no projections of the payoff amounts for such mortgages has been provided by the Developer.

Table – [__]
Summary of Existing Developer Mortgages Encumbering
RMD Water Service Area

Encumbered Property (Filing)	Date of Recordation of Mortgages	Maturity Date of Mortgages
Filing No. 20	8/18/17	2/4/30
Filing No. 35	8/18/17	11/22/26
Filing No. 36	8/18/17	11/22/26
Filing No. 37	4/17/20	4/17/30
Reunion Ridge		
Filing No. 1	2/4/20	2/4/30
Filing No. 38	10/13/20	10/13/30

Source: The Developer

Appraisal. No appraisals of property within the RMD Water Service Area have been provided by the Developer to the District in connection with the preparation of this Limited Offering Memorandum.

Declaration of Covenants, Conditions, and Restrictions. Portions of property within the RMD Water Service Area is presently subject to, or may in the future become subject to, one or more Declarations of Covenants, Conditions and Restrictions or similar restrictions recorded against and encumbering the subject property (collectively, the "**Covenants**"). Such Covenants generally provide, or are anticipated to provide [KCR FURTHER REVISING/CONDENSING]

[BELOW IS FROM NORTH RANGE 3 PLOM AND HAS NOT YET BEEN UPDATED FROM MATERIAL PROVIDED. WE ARE IN RECEIPT OF MASTER DECS FOR PROPERTY IN NORTH RANGE DISTRICTS 1, 2 AND 3, REUNION HOA AND REUNION SOUTH COMMERCIAL ASSOCIATION. CONSIDERING GENERAL DESCRIPTION ABOUT EXISTING AND FUTURE MASTER DECS, RATHER THAN DESCRIBING EACH HERE.]

A Master Declaration of Covenants, Conditions and Restrictions for the Development (the "**Covenants**") is expected to be recorded on property within the Development by the Developer, as

"**Declarant**." *The foregoing summarizes the anticipated provisions of the Covenants; however, no assurance is provided that the final terms of the Covenants will be as set forth below.*

The Covenants subject such property (referred to therein as the "**Annexed Area**") to the provisions thereof for the purpose of, among other things, (a) protecting and enhancing the quality, value, desirability and attractiveness of all property within the Annexed Area and (b) providing for the District, as an initial enforcing district, to perform certain design review services, covenant enforcement and other functions for the benefit of owners of privately owned sites within the Annexed Area. Additional property may be added to the Annexed Area from time to time. Portions of the Annexed Area may also be made subject to a Neighborhood Declaration, which means a declaration of covenants, conditions and restrictions affecting a portion of the Annexed Area and any such portions of the Annexed Area are to be, in such case, subject to both the Covenants and the applicable Neighborhood Declarations. The District is to have the right, among others, to levy reasonable fees, fines, and penalties for violations of the Covenants.

The Covenants provide that all lots and units are to be used for residential use only, subject to certain limited exceptions set forth therein. Subject to the Declarant's right to exercise the special declarant rights specified in the Covenants, the approval of Architectural Review Committee ("**ARC**") is to be required for any improvement to property on any single family residential site, except for any improvement to property made by the Developer, and except as prior approval may be waived or certain improvements to property may be exempted in writing or in written guidelines or rules promulgated by the ARC. Certain fees are authorized to be charged by ARC in connection with its obligations under the Covenants.

The Declarant is granted special declarant rights under the Covenant, which include, among other things, the right to grant or create temporary or permanent easements for access, utilities, drainage, water and other purposes incident to development and sale of property within the Development, the right to restrict on signs and advertising devices, the right to restrict on mining or drilling, and the right to transfer or assign the Declarant's rights. No provision of the Covenants may be construed to prevent or limit the Declarant's rights to complete the development of property within the Development. No common area, privately owned site or improvement in the Annexed Area (other than a privately owned site or improvement thereon owned by the Developer) may be further subdivided. The special declarant rights terminate one hundred years after the recordation of the Covenants.

The Covenants run with and bind the land. Subject to the rule against perpetuities, the Covenants are to be effective until December 31, 2064, and, thereafter, are to be automatically extended for successive periods of 10 years each unless terminated by the record owners of at least 67% of the privately owned sites then within the Annexed Area.

Environmental Matters

Environmental Site Assessments. Certain Phase I Environmental Site Assessments ("**Phase I ESAs**") concerning property in Reunion (including, in some cases, the RMD Water Service Area) were prepared for Shea in 2001 and provided to the Developer in 2017 in connection with the Developer's acquisition of certain property in Reunion and its assumption of option rights under the Option Agreement. Additional Phase I ESAs were prepared for the Developer in December 2016 in connection with such 2017 acquisition. Set forth in the table below is a summary of such Phase I ESAs provided to the Developer by Shea, and such ESAs prepared for the Developer, which the Developer has determined relate to a portion of property in the RMD Water Service Area. **Not all property in the RMD Water Service Area is the subject of a Phase I ESA described below.** In particular, no Phase I ESA has been provided with respect to certain property in Village 1/Reunion Center and [Village 7, Filing No. 38].

Table – [__]

Summary of Phase I ESAs Provided for Portions of RMD Water Service Area			
Provider	**Report Date/ Reference No.**	**General Area of Subject Property in RMD Water Service Area**	**Approximate Acreage**
Phase I ESAs prepared for Shea			
CTL/Thompson, Inc. ("CTL")	5/31/01		2,300 acres
Environmental Assessment and Remediation Corporation	7/16/01		19.887 acres
Phase I ESAs prepared for Developer			
A.G. Wassenaar, Inc. ("AGW")	12/9/16 - No. 1	Filing Nos. 35 and 36	85 acres
A.G. Wassenaar, Inc.	12/9/16 - No. 2	Filing No. 20	70 acres
A.G. Wassenaar, Inc.	12/9/16 - No. 3	Village 7, Filing No. 37	108 acres
A.G. Wassenaar, Inc.	12/9/16 - No. 4	Village 8	450 acres
A.G. Wassenaar, Inc.	12/9/16 - No. 5	Village 9	600 acres
Source: Phase I ESAs and the Developer			

No recognized environmental conditions were identified in the above-referenced Phase I ESAs except as set forth below. The Developer has stated that, with respect to any portion of the RMD Water Service Area acquired by it, it has followed any recommendations with respect to addressing environmental conditions described in the applicable Phase I ESA (if any).

- The CTL Phase I ESA identified five active oil and gas wells with tank batteries and nine additional wells that had been abandoned or converted into injection wells as recognized environmental conditions. The CTL Phase I ESA also identified two 500-gallon aboveground storage tanks at the Buffalo Run Golf Course in the subject property, which would be considered recognized environmental conditions, but noted that it was anticipated the golf course would be excluded from the acquisition by Shea. CTL also recommended that a Phase II investigation with drilling and sampling be conducted for each well and tank facility within the subject property to determine whether any soil or ground water contamination existed. See "*—Oil and Gas*" below. No Phase II assessments have been provided to the Developer, or conducted on behalf of the Developer, with respect to the subject property.

- The AGW No. 1 Phase I ESA identified a recognized environmental condition of an oil/gas well, which the reports states began production in 1979 and was plugged and abandoned in 1989, and associated tank battery located on or adjacent to the subject property boundaries.

- The AGW No. 3 Phase I ESA identified a recognized environmental condition of an oil/gas well, which the reports states began production in 1975 and was plugged and abandoned in 1986, and associated tank battery located on or adjacent to the subject property boundaries.

- The AGW No. 5 Phase I ESA identified a controlled recognized environmental condition based on the presence of contamination plumes beneath the subject property emanating from the former Rocky Mountain Arsenal located to the south of the subject property, which was established to produce chemical warfare agents and incendiary munitions during World War II and designated as a superfund site in the 1980s. The contamination of the groundwater beneath the subject property has been and will be subject to ongoing remediation and monitoring, until the levels have reached established remediation goals. The subject property is also subject to an institutional control, which requires well permit owners to be notified of the potential groundwater contamination. The AGW No. 5 Phase I ESA states that the institutional control should not be a concern for future residents of the subject property since water service will be provided by South Adams. The AGW No. 5 Phase I ESA further noted that a 2004 Environmental Protection Agency study determined that potential inhalation exposure to indoor concentrations of vapors emanating from the Rocky Mountain Arsenal groundwater plumes was within the acceptable risk range for protection human health. The AGW No. 5 Phase I ESA states that this recognized environmental condition is considered controlled based on the remediation and monitoring activities, as well as the institutional control. The AGW No. 5 Phase I ESA concludes that so long as all future occupants of the subject property do not use for any purpose or consume the groundwater on or under the property the contaminated groundwater plumes will not pose a threat to human health and it was the opinion of AGW that the property is suitable for residential development.

- Although not a recognized environmental condition, the AGW No. 1 Phase I ESA and the AGW No. 3 Phase I ESA noted that there may be important considerations with development based on the presence and/or historical presence of oil and gas wells in the area and active or abandoned transmission lines that may be present beneath the subject property. AGW noted that there is no publicly available information to determine if, and where, any transmission lines are present. AGW recommended that if oil and gas transmission lines are identified during future development activities that all excavation activities be ceased until the lines can be evaluated by a certified asbestos building inspector. AGW also noted that setbacks for development from oil and gas facilities, as designated by the appropriate local governing authority, should be implemented for development of the subject property.

- Although not considered to be recognized environmental conditions, AGW noted in the AGW No. 5 Phase I ESA that there may be important considerations with development based on the presence of a monitoring well located on the subject property that is owned by the U.S. Army for the purpose of ongoing monitoring of the groundwater contamination emanating from the former Rocky Mountain Arsenal. AGW recommended determining whether or not this well would need to be removed or relocated in order to maintain accessibility. AGW also recommended that the Developer be aware of the monitoring well locations and ensure wells are not damaged or destroyed.

Other Property Assessments. The foregoing describes assessments conducted on behalf of or otherwise provided to, the Developer with respect to the property within the RMD Water Service Area. No assurance can be given that such Phase I ESAs presented above include all Phase I ESAs prepared for Shea with respect to such property. In addition, it is possible that other homebuilders have obtained or will obtain additional geotechnical and other studies and/or assessments of the property for the purpose of identifying conditions of the subject property that may impact development and making recommendations for the appropriate course of particular development activities. Additional Phase I ESAs or other environmental assessments prepared for Shea or prepared for other owners or prospective owners of property within Reunion (including other homebuilders) may provide different conclusions or recommendations with respect to property within the RMD Water Service Area. However, no such reports (if any) have been made available to the District or the Developer.

Oil and Gas. Portions of property within the RMD Water Service Area are currently subject to, and may in the future become subject to, Easement, Right-of-Way and Surface Use Agreements (or similar agreements) with Extraction Oil & Gas, Inc. or other oil and gas operators (such agreements being referred to as "**Surface Use Agreements**"), which agreements provide terms and conditions related to the surface use of the subject property related to the production and maintenance of oil and gas wells and related facilities. Specifically, such Surface Use Agreements generally set forth provisions related to, among other things, the oil and gas operator's right to use the property, the location of oil and gas operations area, conduct of operations, lighting/noise mitigation, aesthetic measures, environmental safeguards, storm water and erosion control, access roads, pipelines, and water quality and quantity.

Competition

Residential product developed in the RMD Water Service Area is expected to compete with active competitive residential communities in the area. Such competition may adversely affect the rate of development within the RMD Water Service Area. For a discussion of competing developments, see the Residential Demand Study set forth in APPENDIX [B] hereto.

Services Available within the RMD Water Service Area

Residents within the RMD Water Service Area will be provided a wide range of services by various entities other than the District. South Adams County Fire Protection District provides fire protection services and the City provides police protection services. South Adams provides potable water service and wastewater services. Natural gas service and electrical service is provided by United. The District is served by School District 27J.

FINANCIAL INFORMATION

Certain financial information of the District is set forth below. [ADD FURTHER DISCLAIMER RE ALL REVENUES OF DISTRICT NOT PLEDGED]

Financial Statements and District Funds

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The District maintains a General Fund, a Special Revenue Fund – Recreation, a Special Revenue Fund – HOA, a Capital Projects Fund, and a Debt Service Fund. The General Fund is the chief operating fund of the District, and is used to account for all financial resources not accounted for in another fund. The Special Revenue – Recreation Fund is used for expenditures relating to the Reunion Recreation Center. The Special Revenue – HOA Fund is used for expenditures relating to the contractual management of the Reunion Homeowners Association. The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and facilities. The Debt Service Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs. [ADD STATEMENT RE WHY NO ENTERPRISE FUND]

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the District's financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. Audited financial information was prepared for the District by Haynie & Company for the fiscal year ended December 31, 2019 and such audited financial statements are attached in APPENDIX C. It is not anticipated that the annual audit of the District for the fiscal year ended December 31, 2020, will be available prior to the issuance of the Bonds.

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Historical Financial Information

Set forth in the following table is a comparative statement of revenues, expenses and changes in fund balance for the District's General Fund, Special Revenue Fund – Recreation, Special Revenue Fund – HOA, and Capital Projects Fund, for the fiscal years ending December 31, 2015 through 2019, and the District's Debt Service Fund for the fiscal years ending December 31, 2017 through 2019. Such information should be read together with the financial statements and accompanying notes appended hereto. [ADD STATEMENT RE WHY NO ENTERPRISE FUND AND THAT DISTRICT FUNDS NOT AVAILABLE FOR BONDS]

TABLE __
General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

	2015	2016	2017	2018	2019
Revenues					
Intergovernmental – taxes	$ 864,182	$1,094,754	$1,366,236	$ --	$ --
Intergovernmental – advances	258,000	258,000	--	--	--
MLEPA Payment – NRMD1	--	--	--	1,502,793	1,530,126
MLEPA Payment – NRMD2	--	--	--	317,321	425,165
MLEPA Payment – NRMD3	--	--	--	11,366	594
MLEPA Payment – NRMD4	--	--	--	11	6
Investment income	21	2,462	2,929	6,391	10,146
Alleyway costs reimbursement	--	--	3,000	3,000	3,000
Carriage Home (NRMD 1 & 2 Sub-District)	--	--	--	24,399	108,325
Miscellaneous income	10,596	6,693	12,039	27	49,713
Total	1,132,799	1,361,909	1,384,204	1,865,308	2,127,075
Expenditures					
General government	187,044	211,059	282,425	290,947	308,910
Park operations	976,819	--	--	--	--
Intergovernmental	19,232	30,734	40,457	26,141	24,747
District property management	--	1,064,957	1,096,554	1,291,417	1,721,095
Total	1,183,095	1,306,750	1,419,436	1,608,505	2,054,752
Net Change In Fund Balance	(50,296)	55,159	(35,232)	256,803	72,323
Beginning Fund Balance	123,171	72,875	128,034	92,802	349,605
Ending Fund Balance	$ 72,875	$ 128,034	$ 92,802	$ 349,605	$ 421,928

Source: District's audited financial statements for the years ended December 31, 2015 through 2019.
[ARE PARK OPERATIONS AND DISTRICT PROPERTY MAINTENANCE THE SAME?]

TABLE __
Special Revenue Fund – Rec Center Statement of Revenues, Expenditures, and Changes in Fund Balance

	2015	2016	2017	2018	2019
Revenues					
Recreation fees	$518,352	$558,428	$601,768	$664,161	$806,983
Recreation fees – other	23,757	21,373	23,907	20,710	17,179
Program fees	110,658	135,684	149,553	141,351	134,107
Event fees	--	1,880	1,925	1,932	1,876
Intergovernmental	170,826	208,835	--	--	--
Investment income	8	10	1,989	5,378	9,023
Miscellaneous income	10,021	7,796	8,432	2,966	4,230
Total	833,622	934,006	787,574	836,498	973,398
Expenditures					
Rec Center operations	397,866	397,143	441,478	501,701	573,830
Pool operations	120,259	119,244	142,317	95,370	111,012
Programs	128,487	130,621	134,071	117,708	123,418
Playground/Park pavilion	843	--	--	--	10,306
Concession building	10,932	6,037	8,318	8,737	13,871
Total	658,387	653,045	726,184	723,516	832,437
Net Change In Fund Balance	175,235	280,961	61,390	112,982	140,961
Other Financing Sources (Uses)					
Developer advance repayment	(125,000)	(200,000)	--	--	--
Total	(125,000)	(200,000)	--	--	--
Beginning Fund Balance	95,686	145,921	226,882	288,272	401,254
Ending Fund Balance	$145,921	$226,882	$288,272	$401,254	$542,215

Source: District's audited financial statements for the years ended December 31, 2015 through 2019.

TABLE __
Special Revenue Fund – HOA Statement of Revenues, Expenditures, and Changes in Fund Balance

	2015	2016	2017	2018	2019
Revenues					
Assessment	$172,784	$178,771	$192,645	$212,619	$234,823
Violations and penalties	17,746	17,163	18,228	38,470	46,287
AR processing fee	21,345	14,656	14,732	15,158	38,272
HOA other fees	--	--	2,249	--	--
Legal fees reimbursement	8,428	83,268	33,033	13,421	17,642
Investment income	--	--	14,296	2,634	5,685
Total	220,303	293,858	275,183	282,302	342,709
Expenditures					
HOA operations	182,347	304,592	194,457	178,397	249,363
Total	182,347	304,592	194,457	178,397	249,363
Net Change In Fund Balance	37,956	(10,734)	80,726	103,905	93,346
Beginning Fund Balance	138,753	176,709	165,975	246,701	350,606
Ending Fund Balance	$176,709	$165,975	$246,701	$350,606	$443,952

Source: District's audited financial statements for the years ended December 31, 2015 through 2019.

TABLE __
Debt Service Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

	2017	2018	2019
Revenues			
Investment income	$ 510	$ 15	$ 19
Total	510	15	19
Expenditures			
Bond principal	750,000	--	--
Bond interest	304,333	--	1,005
Miscellaneous	--	35	--
Total	1,054,333	35	1,005
Net Change In Fund Balance	(1,053,823)	(20)	(986)
Other Financing Sources (Uses)			
Transfer from other fund	1,054,830	--	--
Total	1,054,830	--	--
Beginning Fund Balance	--	1,007	987
Ending Fund Balance	$ 1,007	$ 987	$ 1

Source: District's audited financial statements for the years ended December 31, 2017 through 2019.

TABLE __
Capital Projects Fund Statement of Revenues, Expenditures, and Changes in Fund Balance

	2015	2016	2017	2018	2019
Revenues					
System development fees	$ 586,188	$ 723,750	$1,142,356	$1,233,750	$1,134,375
Impact fees – Commerce City	--	--	304,897	333,042	356,662
Sales/Use tax/Permit fees – Commerce City	--	--	800,611	972,722	825,995
Intergovernmental - MLEPA	637,554	810,945	1,194,672	--	--
MLEPA Payment – NRMD1	--	--	--	1,646,076	1,686,748
MLEPA Payment – NRMD3	--	--	--	27,878	1,527
MLEPA Payment – NRMD4	--	--	--	16	16
Investment income	224	--	5,316	27,832	41,947
Miscellaneous income	250	35,000	--	--	--
Total	1,224,216	1,569,695	3,447,852	4,241,316	4,247,270
Expenditures					
Intergovernmental	403,999	373,404	1,247,381	1,375,940	1,674,506
Legal	825	31,947	35,958	17,092	25,282
Accounting	--	523	16,920	20,848	12,269
District management	--	--	--	1,000	--
Professional services	73,510	20,143	--	--	--
Facilities and equipment	27,875	38,920	12,201	38,207	--
Infrastructure	573,450	7,449,372	5,361,268	--	--
Engineering	--	274,877	272,851	--	30,171
Engineering – 112th	--	--	--	474,572	639,729
Engineering – Tower Road	11,588	16,497	45,799	--	--
Underdrain repair	--	--	--	30,609	--
Water system fees	--	489,383	--	--	--
Landscape improvements	200,346	112,886	227,245	--	--
Fence repair	--	2,701	--	--	--
Pond engineering	3,670	--	--	--	--
Miscellaneous outside services	--	3,750	--	20,088	--
Cost of issuance	--	--	250,867	--	--
Repair services	--	--	--	4,120	--
Filing #34	--	--	--	2,369,681	11,135
112th/Changer/Parkside	--	--	--	--	501,485
10A/B/104th Ave landscape	--	--	--	--	311,745
Reunion Center	--	--	--	--	175,718
Storm sewer crossing project (Golf Course)	--	--	--	423,019	--
Second creek crossing – O'Brian Canal	--	--	--	210,736	450,133
Reunion Village 9	--	--	--	503,794	681,403
Reunion Village 7-B & 7-E	--	--	--	327,830	929,240
Southlawn Park/Pool	--	--	--	32,805	65,458
NR#2 Filing 19, 23, 25 & 26 improvements	--	--	--	6,290	--
Pond maintenance	--	--	--	36,930	--
Total	1,295,263	8,814,403	7,470,490	6,257,923	5,508,274
Net Change In Fund Balance	(71,047)	(7,244,708)	(4,022,638)	(2,016,607)	(1,261,004)
Other Financing Sources (Uses)					
Transfer to North Range #2	--	(139,364)	--	--	--
Transfer to other fund	--	--	(1,054,830)	--	--
Transfer from North Range #1 – bond proceeds	--	9,324,950	--	--	--
Transfer from North Range #2	--	--	5,800,000	--	--
Bond issuance	--	--	16,600,000	--	--
Developer advance repayment	(550,000)	(9,385,586)	(22,400,000)	(2,229,771)	(2,838,953)
Developer advance	573,450	7,249,008	5,275,937	3,306,255	3,252,635
Total	23,450	7,049,008	4,221,107	1,076,484	413,682
Beginning Fund Balance	676,249	628,652	432,952	631,421	(308,702)
Ending Fund Balance	$ 628,652	$ 432,952	$ 631,421	$ (308,702)	$(1,156,024)

Source: District's audited financial statements for the years ended December 31, 2015 through 2019. [[PLEASE EXPLAIN 2018 AND 2019 YE NEGATIVE BALANCE]]

Budget and Appropriation Procedure

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

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

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

The Board timely adopted the District's 20[__] budget and appropriation resolution pursuant to the above described procedure and expects to file such budget with the State Department of Local Affairs before January 31, 20[__].

Limitation on Certain Tax Revenues. [DELETE IF DISTRICT DOESN'T IMPOSE?] It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the District, and the debt service requirements of the District's outstanding bonds and the other obligations of the District that the rate of mill levy and amount of fees to be imposed 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 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 2020 and 2021 budgets and the 2020 year-end unaudited figures for the District's General Fund and Capital Project Fund, and the 20[__] budgets for the District's General Fund, Special Revenue – Recreation Fund, Special Revenue – HOA Fund, Capital Projects Fund, and Debt Service Fund. [[The District has not yet adopted a budget for its Enterprise Fund.]] [WHEN?]

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TABLE __
General Fund Budget Summary

	2020 Budget (as amended)	2020 Year-End (unaudited) [1]	2021 Budget (as adopted)
Revenues			
MLEPA Payment – NR1MD	$1,716,050	$1,716,074	$1,714,337
MLEPA Payment – NR2MD	637,946	637,880	825,742
MLEPA Payment – NR3MD	567	530	16,550
MLEPA Payment – NR4MD	159	147	141
Alleyway costs reimbursement (NRMD1 sub-district)	3,000	3,000	3,000
Carriage Homes (NRMD1 sub-district)	60,000	57,300	37,440
Carriage Homes (NRMD2 sub-district)	155,000	161,495	120,120
Interest income	1,750	1,562	1,000
Miscellaneous income	27,000	27,009	10,000
Total Revenues	2,601,472	2,604,997	2,728,330
Expenditures			
General and administration	369,953	342,937	328,600
North Range Districts Nos. 1-5	107,020	106,883	47,818
District property management	2,273,027	2,120,758	2,523,561
Total Expenditures	2,750,000	2,570,578	2,899,979
Beginning fund balance	421,928	421,928	332,666
Ending fund balance	$ 273,400	$ 456,347	$ 161,017

Source: District 2020 and 2021 budgets, and the District.

TABLE __
Special Revenue – Recreation Fund Budget Summary

	2020 Budget (as adopted)	2020 Year-End (unaudited) [1]	2021 Budget (as adopted)
Revenues			
Recreation fees	$ 889,200	$907,350	$1,182,600
(Allowance for fees not collected)	(5,000)	--	(5,000)
Recreation fees, other	25,000	1,673	25,000
Program fees	170,000	41,494	170,000
Interest income	1,900	1,818	2,900
Recreation fee credit	--	(192,360)	--
Miscellaneous income	10,000	2,788	5,000
Total Revenues	1,091,100	762,763	1,380,500
Expenditures			
Recreation Center operations	946,595	519,399	919,351
Pool operations	342,454	29,656	345,720
Recreation programs	169,162	105,571	166,041
Playground/Park pavilion	5,000	2,859	--
Recreation amenities	--	--	100,000
Concession building	17,100	7,389	17,100
Total Expenditures	1,480,311	664,874	1,548,212
Beginning fund balance	491,841	542,216	555,702
Ending fund balance	$ 102,630	$640,104	$ 387,990

Source: District 2020 and 2021 budgets, and the District.

TABLE __
Special Revenue - HOA Fund Budget Summary

	2020 Budget (as adopted)	2020 Year-End (unaudited) [1]	2021 Budget (as adopted)
Revenues			
Assessment	$250,000	$254,727	$ --
AR processing fee	15,000	4,050	15,000
HOA other fees	2,000	--	2,000
Violations, penalties, other	30,000	15,333	5,000
(Allowance for fees not collected)	(15,000)	--	(15,000)
Legal fees reimbursement	15,000	9,850	5,000
Interest income	3,000	1,739	1,500
Total Revenues	300,000	285,699	13,500
Expenditures			
HOA operations	275,050	204,764	275,550
Total Expenditures	275,050	204,764	275,550
Beginning fund balance	431,833	443,952	513,955
Ending fund balance	$456,783	$524,887	$251,905

Source: District 2020 and 2021 budgets, and the District.

TABLE __
Capital Projects Fund Budget Summary

	2020 Budget (as amended)	2020 Year-End (unaudited) [1]	2021 Budget (as adopted)
Revenues			
System Development fees NR2	$ 912,500	$ 832,500	$ 765,000
System Development fees NR3	105,000	420,000	1,207,500
Impact fees NR2	193,360	175,675	184,176
Impact fees NR3	28,344	113,376	325,956
Sales/Use tax/Permit fees	850,000	1,053,057	900,000
MLEPA payment from NR1MD	2,228,344	2,190,318	2,224,330
MLEPA payment from NR4MD	381	388	355
Developer advance	28,020,456	-- [1]	18,174,742
Cost reimbursement – South Adams County W&S	989,929	958,256	--
Cost reimbursement – Commerce City	5,442,726	5,409,409	--
Interest Income	2,500	2,800	6,200
Transfer from NRMD2 – Bond proceeds	55,870	55,869	--
Transfer from NRMD3 – Bond proceeds	35,460,574	31,864,010	4,451,000
Miscellaneous income	--	160,459	
Reimbursement MLEPA NRMD 3	1,866,465	--	--
Total Revenues	76,156,449	43,236,117	28,239,259
Expenditures			
10A/B/104th Ave Landscape (F35)	500,000	345,980	226,000
112th Ave/Chambers/Parkside	8,719,055	9,269,302	--
112th Ave/Parkside/Tower	--	--	750,000
11th Ave/Potomac/Chambers	--	--	75,373
4E/104th Ave Landscape	--	--	100,000
Accounting	15,000	19,542	25,000
Chambers Road (105th to 112th)	--	183,923	3,378,376
Contingency	3,544,399	--	239,676
Development debt repayment	26,050,000	--	--
Engineering	100,000	99,658	50,000
Engineering – 112th	750,000	84,345	75,373
Filing #34	375,558	438,419	861,000
Filing 26A landscape	136,336	116,135	--
Filing 36 Landscape	--	3,050	300,000
Filing 37	3,159,000	5,012,191	1,500,000
Filing 38	50,000	--	1,130,000
Intergovernmental – Impact fees NR2	193,360	175,675	184,176
Intergovernmental – Sales tax NR2	257,575	257,575	260,151
Intergovernmental – SDFs to NR2	822,500	717,500	651,000
Intergovernmental – SDFs to NR3	68,400	273,600	786,600
Legal	40,000	52,663	30,000
Monument at 100th Ave/Tower Road	--	--	125,000
Public Infrastructure	17,700,000	--	--
Reunion Center	508,275	--	--
Reunion Ridge Filing 1 infrastructure	6,500,000	13,169,230	6,500,000
Reunion Ridge Filing 1 landscape	--	--	3,820,000
Reunion Ridge Filing 2	250,440	--	--
Reunion Village	250,000	--	--
Reunion Village 7-B & 7-E	2,000,000	2,001,971	--
Reunion Village 9	572,603	208,967	--

Second Creek Crossing – O'Brian Canal/Pond	600,000	617,596	5,705,000
Second Creek Regional detention pond	--	--	100,000
Southlawn detention pond	50,000	--	--
Southlawn pool	1,580,000	1,725,000	--
Transfer to NR3	52,499	52,499	--
Reunion Village 7A	--	61,136	--
NR#2 Filing 19, 23, 25 & 26	--	4,770	--
Mobile Street (Village 7)	--	500,324	
Walden Street/104th traffic signal	155,000	119,261	539,000
Total Expenditures	75,000,000	35,510,312	27,411,725
Other Financing Sources (Uses)			
Developer repayment	--	(24,153,622)	--
Developer advance	--	22,255,813	--
Total Other Financing Sources (Uses)	--	(1,897,809)	--
Beginning fund balance	(1,156,024)	(1,156,024)	1,520,323
Ending fund balance	$ 425	$ 4,671,972	$ 2,347,857

1 The 2020 budget allocates Developer Advance as a revenue; the 2020 unaudited financials allocate it as other financing sources (uses).
Source: District 2020 and 2021 budgets, and the District.

TABLE __
Debt Service Fund Budget Summary

	2020 Budget (as adopted)	2020 Year-End (unaudited) [1]	2021 Budget (as adopted)
Revenues			
Interest income	$ 10	$--	$--
Total Revenues	10	--	--
Expenditures			
Miscellaneous debt service expense	100	--	--
Total Expenditures	100	--	--
Beginning fund balance	907	1	1
Ending fund balance	$817	$1	$1

Source: District 2020 and 2021 budgets, and the District.

Deposit and Investment of District Funds

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

[TO BE ADDED – RETIREMENT]

Property Taxes

While the District is authorized pursuant to the Special District to collect ad valorem property taxes, the District historically has not done so, and does not expect to do so in the future.

District Fees

In accordance with the authority provided by the Special District Act and the District's Service Plan, the Districts are authorized to fix fees, rates, tolls, charges and penalties for services or facilities provided by the Districts which, until paid, shall constitute a perpetual lien on and against the property served. The District presently imposes a District Recreation Fee, a Covenant Administration Fee, Administrative Fees (unrelated to the Administrative Fee established in the Water Credit Fees Resolution), System Development Fees, and City Credit Fees. ***None of such fees are pledged to, or will otherwise be available for application to, payment of the Bonds. None of the revenues resulting from the imposition of such fees constitute revenues of the Water Activity Enterprise.***

District Recreation Fee. Pursuant to a Resolution of the Board of Directors of the District Concerning the Imposition of District Fees adopted May 25, 2016 (the "**District Fees Resolution**"), the District imposes a "**District Recreation Fee**" on each Lot, Residential Unit and Commercial Property (all as defined in the District Fees Resolution), for the purpose of funding the costs of operating and maintaining certain park and recreation facilities and services, for its benefit and for the benefit of the North Range Districts, including a recreation center and appurtenant facilities. The District Recreation Fee is presently imposed on each Lot and Residential Unit in the amount of $25.00 per month, payable quarterly, commencing with the earlier to occur of transfer of such Lot or Residential Unit from homebuilder to third-party buyer, or when the Lot or Residential Unit is occupied for residential use.

Covenant Administration Fee. Pursuant to the District Fees Resolution, the District imposes a "**Covenant Administration Fee**" [to come]

Administrative Fees. Pursuant to the District Fees Resolution, the District imposes a "**Covenant Administration Fee**" [to come]

System Development Fees. [to come]

City Credit Fees. [to come]

Constitutional Amendment Limiting Taxes and Spending

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One ("**TABOR**"), and now constitutes Section 20 of Article X of the Colorado Constitution. TABOR imposes various limits and new requirements on the State and all Colorado local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this Section as a "**governmental unit**"). Any of the following actions, for example, now require voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in actual value of all real property in a governmental unit from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions from, taxable real property for government units other than school district, and the percentage change in student enrollment for a school district; (b) any increase in the real property tax revenues of a local governmental unit (not including the state) from one year to the next in excess of inflation plus the appropriate "growth factor" referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing

bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a State general election, at the governmental unit's regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

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

Enterprise Exemption. A governmental entity that qualifies as an "enterprise" is exempt from the provisions of TABOR. TABOR defines the term "enterprise" as a government owned business authorized to issue its own revenue bonds and receiving under 10% of annual revenue in grants from all State and local governments combined. Qualification as an enterprise is determined annually. If an activity that qualified as an enterprise in one year no longer qualifies in a subsequent year, the revenue and spending of the activity will be subject to TABOR's fiscal year spending limits in the subsequent year (the limit will be adjusted for the revenue and spending of the District during the previous year).

The District has concluded that the businesses represented by its water activities, including the financing and acquisition of RMD/ERU Water Credits, presently qualify as an "enterprise" under the provisions of TABOR. If such businesses should fail at some time in the future to qualify as an enterprise for purposes of TABOR, they would become subject to the limitations of TABOR, including, without limitation, the spending limits contained in TABOR, as described above. If the District fails to maintain the enterprise status of the businesses represented by its water activities, including the financing and acquisition of RMD/ERU Water Credits, that event will not adversely affect the validity or enforceability of the Bonds, [but it may affect the District's ability to collect Pledged Revenue in an amount sufficient to pay debt service.][discuss de-TABOR election questions][add ref to Indenture covenant]

DEBT STRUCTURE

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

Debt Restrictions

Pursuant to the Indenture, the Issuer may issue Additional Obligations payable from the Pledged Revenue and Subordinate Pledged revenue subject to certain conditions, as more particularly described in [[revise cross ref]["THE BONDS—Certain Bond Resolution Provisions—*Additional Obligations*."] The Indentures do not limit the issuance of obligations that do not constitute Additional Obligations (i.e., obligations payable from revenues available to the Issuer other than the revenue pledged to the payment of the Bonds, such as revenues that may be generated by the North Range Districts and payable to the District in accordance with the MLEPA).

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the District. Among such provisions, Article X, Section 20 of the Colorado Constitution requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds" and "FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending." However, such limitations do not apply with respect to obligation issued by the District, acting by and through its Water Activity Enterprise (so long as qualifying as an "enterprise" under TABOR) and, accordingly, electoral authorization is not required to authorize the issuance of the Bonds.

Service Plan Debt Limitations. [REVISE] See "THE DISTRICT—Service Plan Authorizations and Limitations."

Debt of the District

Outstanding Debt. The District has previously authorized the issuance of up to $21,600,000 of its Revenue Bonds, Series 2017 (the "**Series 2017 Revenue Bonds**") in accordance with a Trust Indenture dated as of June 1, 2017, between the District and UMB Bank, n.a., as trustee (as supplemented by a First Supplement thereto dated as of December 1, 2018, the "**2017 Indenture**"). Of the $21,600,000 in Series 2017 Revenue Bonds authorized to be issued, $16,600,000 were issued on June 30, 2017. [The District has no present plans with respect to the issuance of the remaining authorized principal amount of the Series 2017 Revenue Bonds.][CONFIRM]. In accordance with the 2017 Indenture, unless such 2017 Indenture is amended, the District will not be permitted to issue the remaining authorized principal amount of the Series 2017 Revenue Bonds after June 30, 2022. As of June 1, 2021, the Series 2017 Revenue Bonds were outstanding in the principal amount of $15,850,000, with accrued unpaid interest of $2,192,584 as of such date. The Series 2017 Revenue Bonds are cash-flow obligations payable annually to the extent of pledged revenue, mature on December 15, 2047, and bear interest at the rate of 4.00% per annum. The Series 2017 Revenue Bonds are to be deemed paid, satisfied and discharged on December 16, 2056, regardless of any amount then paid. The Series 2017 Revenue Bonds are payable from revenues of the District and not the Water Activity Enterprise. In particular, the District has pledged to the payment of the Series 2017 Revenue Bonds, certain revenues payable by the North Range Districts under the MLEPA, certain System Development Fees collected by the District, and certain City Credit Fee Revenues, use tax revenues and sales tax revenues payable to the District in accordance with the City Agreement. [add CROSS REF] However, in accordance with the 2017 Indenture, commencing January 1, 2018, all revenues pledged to the payment of the Series 2017 Revenue Bonds are to be deposited into a subaccount of a project fund held for North Range District No. 2 until such time there has been deposited thereto $10,200,000. Accordingly, no revenues will be available to pay the Series 2017 Revenue Bonds until such amount is accumulated for capital improvements, and the anticipated repayment of the Series 2017 Revenue Bonds is not known.

Authorized but Unissued Debt. At an election of the District held on May 5, 2020 (the "**2020 Election**"), the District's qualified electors voting at such election approved indebtedness of $270,000,000 in the aggregate to finance certain categories of Public Improvements such as streets, park and recreation, water, sanitation/storm sewer, transportation, mosquito control, safety protection, fire protection, TV relay, and security. The District's qualified electors also approved an additional $280,000,000 of indebtedness to refund certain existing debt of the District (if any), $10,000,000 of indebtedness for operation and maintenance expenses, $280,000,000 of indebtedness in the form of intergovernmental agreements and $88,000,000 of indebtedness in the form of agreements or other contracts with private parties. (The foregoing does not include authorization from elections prior to the 2020 Election, including the 2000

Election, which authority, with the possible exception of additional refunding authorization in the amount $342,000,000 [confirm], has expired.)

For purposes of TABOR, the Bonds are deemed to be issued by the District acting by and through the Water Activity Enterprise, which constitutes an "enterprise" under TABOR and, accordingly, the principal amount of the Bonds is not required to be allocated to the District's electoral authorization. Furthermore, the District allocated the maximum authorized principal amount of the Series 2017 Revenue Bonds to electoral authorization of the 2000 Election (prior to it As a result, the District presently has, and will have after issuance of the Bonds, all of the above-described electoral authorization of the 2020 Election.

Other Financial Obligations

The District also has the authority to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other financial obligations. The District presently has two leases with the option to purchase outstanding as follows: (i) a lease with KS StateBank for fitness equipment, outstanding as of June 1, 2021, in the amount of $111,290 in principal and $2,824 in accrued unpaid interest; and (ii) a lease purchase agreement with Ford Motor Credit Company LLC for a vehicle, outstanding as of June 1, 2021, in the amount of $31,639 in principal and $52 in accrued unpaid interest. The District has additional financial obligations outstanding under certain agreements more particularly described in "THE DISTRICT AND THE ISSUER—Material Agreements of the District."

LEGAL MATTERS

Sovereign Immunity

The Governmental Immunity Act, Title 24, Article 10, Part 1, 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 does not apply to injuries occurring as a result of certain specified actions or conditions. In general, public entities will not be held liable for willful and wanton acts or omissions or willful and wanton acts or omissions of its public employees which occurred during the performance of their duties and within the scope of their employment. However, if a plaintiff can meet the burden of proof required to show that any one of the exceptions specified in the Governmental Immunity Act applies, 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 was not willful and wanton, and which occurred during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person in any single occurrence, the sum of $350,000 for claims accruing before January 1, 2018 or the sum of $387,000 for claims accruing on or after January 1, 2018; and (b) for an injury to two or more persons in any single occurrence, the sum of $990,000 for claims accruing before January 1, 2018 or the sum of $1,093,000 for claims accruing on or after January 1, 2018, except in such instance, no person may recover in excess of $350,000 for claims accruing before January 1, 2018 or the sum of $387,000 for claims accruing on or after January 1, 2018. 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 mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, 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 in any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Legal Representation

Legal matters relating to the issuance of the Bonds, as well as the treatment of interest on the Bonds for purposes of federal and State income taxation, are subject to the approving legal opinions of Gilmore & Bell, P.C., Salt Lake City, Utah, as Bond Counsel. Such opinions will be dated as of and delivered at closing in substantially the forms set forth in APPENDIX G—FORM OF BOND COUNSEL OPINION. Ballard Spahr LLP has assisted in the preparation of this Limited Offering Memorandum in its capacity as Disclosure Counsel to the District. Ballard Spahr LLP represents the Underwriter from time to time on matters unrelated to the District or the Bonds. Ballard Spahr LLP does not represent the Underwriter or any other party in connection with the issuance of the Bonds. Certain legal matters pertaining to the organization and operation of the District will be passed upon by its general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. Kutak Rock, LLP, Denver, Colorado, has acted as counsel to the Underwriter. [**provider of opinion on Covenant**]

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

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

Pending and Threatened Litigation Involving the District

In connection with the issuance of the Bonds, General Counsel to the District is expected to render an opinion stating that, to the best of its actual knowledge, 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 Bond Resolution and other financing documents. [CONFORM CERT AND OPINIONS TO BPA]

[Additionally, in connection with the issuance of the Bonds, the District states that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, which has been served on the District or, to the best of the District's knowledge, threatened, (a) which in any way questions or affects (i) the powers of the District to issue the Bonds or to impose or collect the components of Pledged Revenue pledged to the payment of the Bonds, (ii) the validity of any proceeding taken by the District in connection with the issuance of the Bonds or the imposition or collection of said components of Pledged Revenue, or (b) wherein an unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by the Indenture, or (c) which, in any way, could adversely affect the validity or enforceability of the Indentures or ability of the District to comply with the terms

thereof, or (d) to the best of the District's knowledge, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes.]

Indentures to Constitute Contracts

The Indentures provide that they constitutes contracts among the Issuer, the Trustee, and the Owners of the respective Bonds issued thereunder and that they will remain in full force and effect until the respective Bonds are no longer Outstanding.

Future Changes in Law

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. [MODIFY TO RELATE TO ENTERPRISE OPERATIONS]

Limitations on Remedies Available to Bondholders

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

TAX MATTERS

The following is a summary of the material federal and State of Colorado income tax consequences of holding and disposing of the Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of State of Colorado, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under the law existing as of the issue date of the Bonds:

Federal and State of State of Colorado Tax Exemption. The interest on the Bonds [(including any original issue discount properly allocable to an owner thereof)] is excludable from gross income for federal income tax purposes and is exempt from taxation by the State of Colorado, except inheritance, estate and transfer taxes.

Alternative Minimum Tax. The interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Noncompliance with any of the federal income tax requirements set forth above resulting in the interest on the Bonds being included in gross income for federal tax purposes would also cause such interest to be included in gross income for State of Colorado income tax purposes. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of Colorado. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences

[***Original Issue Discount***. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[***Original Issue Premium***. For federal income tax purposes, premium is the excess of the issue price of a Bond over its stated redemption price at maturity. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under

Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale*, *Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Bond. To the extent a Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

See APPENDIX [__]—FORM OF BOND COUNSEL OPINION hereto for the proposed Form of Bond Counsel Opinion.

MISCELLANEOUS

No Rating

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

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE

UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

The "Colorado Municipal Bond Supervision Act," Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the "**Commissioner**") to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as "bonds") issued by a special district must first be registered with the Commissioner unless exempt under the act. The Bonds qualify for an exemption from registration because the Bonds are being issued in authorized denominations of not less than $500,000.

Interest of Certain Persons Named in this Limited Offering Memorandum

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

Undertaking To Provide Ongoing Disclosure

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (the "**Rule**"). The Issuer and the Developer have, however, agreed to obtain and to provide certain information to the Paying Agent on a quarterly and annual basis [CONFORM TO CDA WHEN DETERMINED] for dissemination to the public through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system, as more particularly provided in the Continuing Disclosure Agreement, a form of which is attached as APPENDIX F—FORM OF CONTINUING DISCLOSURE AGREEMENT to this Limited Offering Memorandum. A failure by the Issuer to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under the Indentures (although Bond owners will have any available remedy at law or in equity for failure by the Issuer to comply with its provisions).

The District has not previously entered into any continuing disclosure undertakings pursuant to the Rule and did not enter into any continuing disclosure agreements in connection with the Series 2017 Bonds.

Underwriting

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

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts

involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

Municipal Advisor

North Slope Capital Advisors is acting as municipal advisor (the "Municipal Advisor") to the [District][Issuer?] in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Limited Offering Memorandum. The Municipal Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Bonds.

Additional Information

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

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Limited Offering Memorandum Certification

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

REUNION METROPOLITAN DISTRICT, [[ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE]]

By _____
_____, President

APPENDIX A

FORECASTED SURPLUS CASH
BALANCES AND CASH RECEIPTS AND DISBURSEMENTS

(**attached**)

APPENDIX B

PROJECTED DEVELOPMENT AND ERU ABSORPTION SCHEDULES

(attached)

APPENDIX C

RESIDENTIAL DEMAND STUDY

(**attached**)

APPENDIX D

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 20[__]

(attached)

APPENDIX E

SELECTED DEFINITIONS

APPENDIX G

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by Development Research Partners, Inc. to give prospective investors general information concerning selected economic and demographic conditions existing in the geographic area within which the District is located. The statistics have been obtained from the referenced sources and represent the most current information available as of March 2021 from the sources indicated; however, since certain information is released with a significant time lag, the information in some cases will not be indicative of existing or future economic and demographic conditions. 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.

Overview

Colorado (the "**State**"), the most populous state in the Rocky Mountain region, has three distinct geographic and economic areas. The eastern half of the State consists of the eastern plains, which are flat, open, and largely devoted to agriculture. The Front Range lies along the eastern base of the Rocky Mountains and contains most of the State's metropolitan areas. The western half of the State – which includes the Rocky Mountains and the Western Slope – includes many acres of national park and forest land and significant reserves of minerals, natural gas, and other resources.

The State's population and wealth are concentrated in the Front Range, principally in four major metropolitan regions: Fort Collins/Greeley, Denver/Boulder, Colorado Springs, and Pueblo. This report presents data for Commerce City, Adams County, and the Denver-Aurora-Lakewood Metropolitan Statistical Area (the "**Denver MSA**"), consisting of the following 10 Colorado counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park. The District serves a portion of Commerce City, located in Adams County. Adams County represents 9% of the State's population and accounts for 8.5% of Colorado's jobs. Adams County is a prime area for business and industry growth, with its largest employment sectors including government, transportation and warehousing, construction, and retail trade.

[Remainder of Page Intentionally Left Blank]

Population

The following table sets forth population statistics for Commerce City, Adams County, the Denver MSA, the State, and the United States (the "**U.S.**").

Population Estimates (as of July 1)

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Population	% Change	Population	% Change	Population	% Change	Population	% Change	Population	% Change
1990	16,466	--	265,038	--	1,656,004	--	3,294,473	--	249,464,396	--
2000	21,194	28.7%	351,735	32.7%	2,193,964	32.5%	4,338,801	31.7%	282,162,411	13.1%
2010	46,145	117.7	443,711	26.1%	2,556,278	16.5	5,050,332	16.4	309,321,666	9.6
2011	47,542	3.0	452,208	1.9%	2,604,570	1.9	5,124,143	1.5	311,556,874	0.7
2012	48,546	2.1	460,539	1.8%	2,651,779	1.8	5,195,972	1.4	313,830,990	0.7
2013	49,795	2.6	469,996	2.1%	2,702,127	1.9	5,272,662	1.5	315,993,715	0.7
2014	51,600	3.6	480,072	2.1%	2,755,692	2.0	5,352,288	1.5	318,301,008	0.7
2015	53,357	3.4	490,562	2.2%	2,814,601	2.1	5,453,996	1.9	320,635,163	0.7
2016	54,788	2.7	498,007	1.5%	2,858,657	1.6	5,542,211	1.6	322,941,311	0.7
2017	56,169	2.5	503,890	1.2%	2,893,883	1.2	5,615,732	1.3	324,985,539	0.6
2018	58,444	4.1	511,707	1.6%	2,934,712	1.4	5,696,897	1.4	326,687,501	0.5
2019	60,392	3.3	517,885	1.2%	2,970,802	1.2	5,763,976	1.2	328,239,523	0.5

Source: U.S. Census Bureau, Decennial Census; Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

Income

The following tables set forth historical median household income and per capita personal income for Commerce City, Adams County, the Denver MSA, the State, and the U.S.

Median Household Income

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Income	% Change	Income	% Change	Income	% Change	Income	% Change	Income	% Change
2014	$64,672	--	$57,421	--	$64,206	--	$59,448	--	$53,482	--
2015	66,053	2.1%	58,946	2.7%	65,614	2.2%	60,629	2.0%	53,889	0.8%
2016	67,787	2.6	61,444	4.2	68,173	3.9	62,520	3.1	55,322	2.7
2017	69,268	2.2	64,087	4.3	71,884	5.4	65,458	4.7	57,652	4.2
2018	71,621	3.4	67,575	5.4	75,565	5.1	68,811	5.1	60,293	4.6
2019	77,065	7.6	71,202	5.4	79,664	5.4	72,331	5.1	62,843	4.2

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates.

Per Capita Personal Income in Current Dollars [1]

	Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Income	% Change	Income	% Change	Income	% Change	Income	% Change
2014	$36,809	--	$55,631	--	$50,711	--	$47,071	--
2015	38,452	4.5%	56,707	1.9%	52,254	3.0%	49,019	4.1%
2016	39,565	2.9	56,789	0.1	52,475	0.4	50,015	2.0
2017	41,321	4.4	60,812	7.1	55,604	6.0	52,118	4.2
2018	43,544	5.4	64,690	6.4	58,896	5.9	54,606	4.8
2019	45,481	4.4	67,236	3.9	61,157	3.8	56,490	3.5

[1] Per capita personal income is total personal income divided by the July 1 population estimate.
Source: U.S. Bureau of Economic Analysis.

School Enrollment

The following table presents a multi-year history of public school enrollment for the school districts serving Commerce City.

School District Historical Enrollment [1]

	Adams County School District 14		School District 27J	
	Enrollment	% Change	Enrollment	% Change
2015-16	7,577	--	17,042	--
2016-17	7,467	-1.5%	17,115	0.4%
2017-18	7,400	-0.9	17,883	4.5
2018-19	7,060	-4.6	18,712	4.6
2019-20	6,610	-6.4	19,248	2.9
2020-21	6,066	-8.2	19,188	-0.3

[1] Commerce City is serviced by two school districts, as listed above.
Note: Enrollment reflects grades pre-kindergarten through 12.
Source: Colorado Department of Education.

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Housing Stock

The following table sets forth a comparison of housing units within Commerce City, Adams County, the Denver MSA, the State, and the U.S.

Housing Units (as of July 1)

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Units	% Change	Units	% Change	Units	% Change	Units	% Change	Units	% Change
2013	16,019	--	165,879	--	1,105,709	--	2,265,392	--	133,538,615	--
2014	16,395	2.3%	167,270	0.8%	1,120,644	1.4%	2,291,806	1.2%	134,388,318	0.6%
2015	16,740	2.1	168,727	0.9	1,136,802	1.4	2,320,695	1.3	135,285,123	0.7
2016	17,075	2.0	170,044	0.8	1,152,576	1.4	2,349,438	1.2	136,286,436	0.7
2017	17,585	3.0	172,755	1.6	1,173,264	1.8	2,386,170	1.6	137,366,902	0.8
2018	18,354	4.4	175,843	1.8	1,197,158	2.0	2,426,935	1.7	138,516,439	0.8
2019	19,089	4.0	178,987	1.8	1,218,158	1.8	2,467,730	1.7	139,684,244	0.8

Source: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Annual Estimates of Housing Units.

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Residential Building Permit Activity

The following tables set forth a multi-year history of building permit activity and valuation for Commerce City, Adams County, the Denver MSA, the State, and the U.S.

Single-Family Detached Building Permit Activity

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation
2014	346	$59,228,183	1,085	$245,647,294	8,064	$2,109,218,000	17,104	$5,179,894,000	640,318	$149,633,416,000
2015	299	50,956,910	1,510	400,549,925	9,324	2,580,962,000	20,025	5,993,814,000	695,998	166,276,881,000
2016	442	114,245,479	1,997	571,283,907	10,247	2,811,105,000	21,577	6,675,789,000	750,796	182,207,413,000
2017	556	154,237,717	1,899	610,471,257	10,978	3,040,437,000	24,338	7,439,961,000	819,976	200,599,885,000
2018	719	186,214,432	2,415	714,587,400	11,808	3,342,067,000	26,134	7,879,399,000	855,332	210,849,975,000
2019	629	184,446,241	2,273	631,231,538	11,081	3,198,346,000	24,756	7,652,182,000	862,084	213,271,119,000
2020	892	229,864,135	2,735	697,901,095	11,188	3,214,783,000	32,982	9,664,859,000	977,863	242,670,379,000

Single-Family Attached Building Permit Activity

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation
2014	2	$195,555	24	$3,888,212	371	$71,002,000	678	$133,017,000	29,853	$3,652,275,000
2015	2	253,093	44	6,046,219	324	62,852,000	621	119,560,000	32,077	4,050,333,000
2016	4	408,408	64	8,988,408	486	97,466,000	798	152,010,000	34,782	4,545,080,000
2017	8	874,413	84	15,681,600	366	65,173,000	759	131,687,000	37,195	5,095,918,000
2018	10	2,033,796	33	6,217,274	358	60,420,000	788	148,896,000	39,696	5,608,217,000
2019	0	0	23	2,858,510	190	31,856,000	722	120,231,000	42,593	6,204,255,000
2020	70	9,607,069	154	19,853,331	419	73,781,000	1,138	186,269,000	46,165	6,399,595,000

Multi-Family Building Permit Activity

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation	Permits	Valuation
2014	6	$598,478	6	$598,478	7,332	$754,216,000	10,916	$1,169,003,000	381,953	$41,064,009,000
2015	44	3,644,767	547	69,055,489	8,678	1,096,653,000	11,225	1,419,245,000	454,507	53,284,108,000
2016	76	7,982,971	596	83,721,834	11,214	1,434,702,000	16,599	2,101,098,000	421,064	50,349,112,000
2017	221	31,892,912	569	41,517,017	11,391	1,374,105,000	15,576	1,953,459,000	424,806	52,809,615,000
2018	30	5,178,498	349	42,702,066	9,563	1,384,988,000	15,705	2,202,245,000	433,799	54,661,352,000
2019	0	0	370	64,079,961	8,037	1,082,829,000	13,155	1,865,632,000	481,371	61,058,824,000
2020	0	0	957	129,211,770	7,959	1,101,561,000	12,724	1,786,166,000	427,551	55,183,225,000

Notes: Single-Family Attached includes 2 family units and 3-4 family units. Multi-Family includes 5+ units.
Source: U.S. Census Bureau.

Home Price Index

The following table provides the Standard and Poor's (S&P) CoreLogic Case-Shiller Home Price Indices for the Denver MSA, the 20-City Composite, and the U.S. According to the S&P CoreLogic Case-Shiller Indices, U.S. home prices continued to appreciate over the last 12 months. The S&P CoreLogic Case-Shiller Home Price Index, covering all nine U.S. census divisions, rose 0.9% in December 2020 from the previous month. From December 2019 to December 2020, house prices were up 10.4%. The 20-City Composite Index also rose over-the-year, increasing 10.1%.

Data is available monthly for 20 major U.S. metropolitan areas. Home prices rose over-the-year in 19 major metropolitan areas in the U.S. in December 2020, while data was not available for Detroit. Phoenix reported the largest over-the-year increase, rising by 14.4%, while Chicago reported the smallest increase

of 7.7% during the period. Among the 20 MSAs, the Denver MSA had the 14th-highest home price increase over-the-year, rising 9.2%.

S&P CoreLogic Case-Shiller Home Price Index

	Denver-Aurora-Lakewood MSA		20-City Composite		United States	
	Index	% Change	Index	% Change	Index	% Change
Dec-19	223.07	--	218.67	--	212.37	--
Jan-20	223.75	0.3%	218.68	0.0%	212.49	0.1%
Feb-20	225.16	0.6	219.75	0.5	213.28	0.4
Mar-20	228.07	1.3	222.02	1.0	215.24	0.9
Apr-20	230.35	1.0	223.73	0.8	217.31	1.0
May-20	231.44	0.5	224.48	0.3	218.57	0.6
Jun-20	232.63	0.5	225.21	0.3	219.91	0.6
Jul-20	233.49	0.4	227.02	0.8	221.66	0.8
Aug-20	235.13	0.7	229.79	1.2	224.14	1.1
Sep-20	236.61	0.6	232.87	1.3	226.81	1.2
Oct-20	238.87	1.0	236.08	1.4	229.92	1.4
Nov-20	241.28	1.0	238.74	1.1	232.41	1.1
Dec-20	243.49	0.9	240.75	0.8	234.40	0.9
YOY	9.2%		10.1%		10.4%	

Source: Standard & Poor's.

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Foreclosure Activity

The following table provides a multi-year history of foreclosure filings and sales in Commerce City, Adams County, the Denver MSA, the State, and the U.S. The foreclosure filing is the event that begins the foreclosure process. In general, a borrower who is at least three months delinquent will receive a filing notice from the Public Trustee for the county in which the property is located. At this point, the property is in foreclosure.

Because a foreclosure filing can be cured or withdrawn before the home is sold at auction, not all filings result in foreclosure sales. Foreclosure sales at auction generally proceed between 110 and 125 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins.

According to the Colorado Division of Housing, foreclosure filings in the first half of 2020 totaled 1,671, a 41.6% decline from the first half of 2019. Foreclosure sales at auction totaled 368 from January to June 2020, a decrease of 46.2% from the same period in 2019 (684 foreclosure sales). The decline in foreclosures in 2020 was due to the foreclosure moratorium in effect in Colorado from April 20 to July 13 due to the COVID-19 pandemic. Further, homeowners with a federally backed mortgage, which covers two-thirds of residential mortgages across the U.S., are protected from foreclosure until June 30, 2021.

Foreclosure Filings [1]

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change
2015	114	--	768	--	3,412	--	8,241	--	1,083,572	--
2016	95	-16.7%	719	-6.4%	3,153	-7.6%	7,666	-7.0%	933,045	-13.9%
2017	94	-1.1	672	-6.5	2,909	-7.7	6,680	-12.9	676,535	-27.5
2018	106	12.8	637	-5.2	2,693	-7.4	5,884	-11.9	624,753	-7.7
2019	109	2.8	659	3.5	2,692	0.0	5,610	-4.7	493,006	-21.1
2020[2]	31	-71.6	208	-68.4	968	-64.0	1,671	--	214,323	-56.5

[1] Some filings may have been subsequently cured or withdrawn and did not result in a sale at auction.
[2] Foreclosure filings through 4Q 2020 for all geographies except Colorado. Filings through 2Q 2020 for Colorado.
Source: Adams County Office of the Clerk and Recorder; Public Trustee websites for individual counties; Colorado Division of Housing; RealtyTrac/AttomData.

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Retail Activity

The retail trade sector employs a large portion of the area's workforce and is important to the area's economy. The following table provides total retail sales in Commerce City, Adams County, the Denver MSA, and the State, as reported for state sales tax purposes.

Total Retail Sales ($000s)

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado	
	Retail Sales	% Change	Retail Sales	% Change	Retail Sales	% Change	Retail Sales	% Change
2013	$8,286,824	--	$22,109,719	--	$95,950,941	--	$172,784,033	--
2014	7,944,606	-4.1%	23,168,486	4.8%	100,015,388	4.2%	182,709,978	5.7%
2015	5,593,943	-29.6	21,442,287	-7.5	101,281,598	1.3	182,845,280	0.1
2016	5,037,624	-9.9	22,635,718	5.6	103,217,680	1.9	184,703,410	1.0
2017	5,981,472	18.7	24,642,754	8.9	107,803,953	4.4	194,641,958	5.4
2018	6,560,785	9.7	26,879,732	9.1	113,330,051	5.1	206,121,045	5.9
2019	5,568,295	-15.1	26,828,311	-0.2	122,014,385	7.7	224,618,938	9.0
2020	4,431,448	-20.4	25,843,396	-3.7	123,226,572	1.0	228,812,220	1.9

Source: State of Colorado, Department of Revenue, Sales Tax Statistics.

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Employment

The following table sets forth employment statistics by industry for Adams County. Industry designations are based on the North American Industrial Classification System. Employment includes only those workers covered by unemployment insurance; most workers in the state are covered.

Average Annual Number of Employees by Industry–Adams County

Industry [1]	3Q 2019	3Q 2020	Absolute Change	% Change
Private Sector				
Agriculture, Forestry, Fishing, and Hunting	2,001	1,645	-356	-17.8%
Mining	1,289	683	-606	-47.0
Utilities	626	611	-15	-2.4
Construction	24,368	23,697	-671	-2.8
Manufacturing	14,377	14,195	-182	-1.3
Wholesale Trade	16,936	16,453	-483	-2.9
Retail Trade	20,766	20,161	-605	-2.9
Transportation and Warehousing	22,130	26,452	4,322	19.5
Information	2,712	2,062	-650	-24.0
Finance and Insurance	3,421	3,345	-76	-2.2
Real Estate and Rental and Leasing	3,635	3,095	-540	-14.9
Professional and Technical Services	7,119	6,987	-132	-1.9
Management of Companies and Enterprises	1,699	1,828	129	7.6
Administrative and Waste Services	15,899	14,574	-1,325	-8.3
Educational Services	929	854	-75	-8.1
Health Care and Social Assistance	20,693	18,230	-2,463	-11.9
Arts, Entertainment, and Recreation	2,404	1,783	-621	-25.8
Accommodation and Food Services	18,222	15,420	-2,802	-15.4
Other Services	6,233	5,662	-571	-9.2
Unclassified	12	10	-2	-16.7
Government	43,786	41,916	-1,870	-4.3
Total [2]	**229,257**	**219,662**	**-9,595**	**-4.2%**

[1] Information provided herein reflects only those employers who are subject to State unemployment insurance law.
[2] Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

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The following table provides labor force and unemployment statistics for Commerce City, Adams County, the Denver MSA, the State, and the U.S.

Labor Force Estimates

	Commerce City		Adams County		Denver-Aurora-Lakewood MSA		Colorado		United States	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2015	26,103	4.6%	247,733	4.4%	1,505,493	3.7%	2,825,761	3.7%	157,130,000	5.3%
2016	26,883	3.7	253,398	3.6	1,540,407	3.1	2,894,157	3.1	159,187,000	4.9
2017	27,862	3.1	260,526	3.0	1,589,450	2.7	2,982,495	2.6	160,320,000	4.4
2018	29,567	3.3	269,228	3.3	1,639,035	3.0	3,071,396	3.0	162,075,000	3.9
2019	30,271	3.0	275,440	2.9	1,677,324	2.7	3,126,120	2.7	163,539,000	3.7
2020	30,479	7.7	277,590	7.8	1,687,037	7.3	3,122,237	7.3	160,742,000	8.1

Source: U.S. Bureau of Labor Statistics.

The following table sets forth the major employers in Adams County as of March 2021. No independent investigation has been made, and no representation is made herein as to the financial condition of the employers listed below or the likelihood that these employers will maintain their status as major employers in the area. Employment counts for these businesses may have changed since this table was compiled, and other large employers may exist in the area that are not included in the table.

Major Non-Retail Employers in Adams County

Rank	Employer	Product or Service	Estimated Employees [1]
1	UCHealth: University of Colorado Hospital	Healthcare, Research	9,160
2	Children's Hospital Colorado	Healthcare	6,150
3	Amazon	Warehousing & Distribution Services	5,190
4	Adams 12 Five Star Schools	Public Education	5,010
5	Adams County	County Government	4,150
6	United Parcel Service	Logistics	4,020
7	Federal Government	Federal Government	3,300
8	U.S. Department of Veterans Affairs	Healthcare	3,220
9	City of Thornton	City Government	1,940
10	City of Westminster	City Government	1,910
11	FedEx	Shipment & Logistics Services	1,790
12	School District 27J	Public Education	1,780
13	Sturgeon Electric	Electrical Services	1,350
14	Gaylord Rockies Resort & Convention Center	Hospitality	1,130
15	Adams County School District No. 50/Westminster Public Schools	Public Education	1,120

[1] Figures include full- and part-time employees.
Source: Compiled by Development Research Partners from various sources, March 2021.

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

[[TO COME]]

APPENDIX H

FORM OF BOND COUNSEL OPINION

[[TO COME]]

APPENDIX I

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

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

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

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

FUNDING AND REIMBURSEMENT AGREEMENT
(ERU Water Credit Fees)

This **FUNDING AND REIMBURSEMENT AGREEMENT (ERU Water Credit Fees)** (the "**Agreement**") is made and entered into as of the 10th day of June, 2021, by and between REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District"), and CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation (the "**Developer**"). The District and the Developer are collectively referred to herein as the "**Parties**".

RECITALS

WHEREAS, the District has been duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the "**Special District Act**"), with the power to provide certain public infrastructure, improvements and services, as described in the Special District Act, within and without its boundaries (collectively, the "**Public Infrastructure**"), as authorized and in accordance with the Service Plan for the District (the "**Service Plan**"); and

WHEREAS, the Developer has directed or intends to direct certain development activities or cause development activities to occur with respect to property included within and without the boundaries of the District (the "**Project**"), which depend upon the timely delivery of the Public Infrastructure; and

WHEREAS, on January 14, 2021, the Board of Directors of the District (the "**Board**") adopted that certain Resolution of the Board of Directors of Reunion Metropolitan District Establishing Water Activity Enterprise which established the Reunion Metropolitan District Water Activity Enterprise (the "**Enterprise**") for the purpose of pursuing or continuing the District's water activities as defined in the Special District Act; and

WHEREAS, South Adams County Water and Sanitation District ("**SACWSD**") provides water service to the property within the District's service area; and

WHEREAS, SACWSD determines the approximate level of service necessary to serve a single-family dwelling (an Equivalent Residential Unit or "**ERU**"), which is used to calculate the cost of connection fees and service charges charged by SACWSD; and

WHEREAS, the Developer has or will purchase ERU water credits ("**ERU Water Credits**") in an amount sufficient to ensure the availability of water to those portions of the District's service area still to be developed; and

WHEREAS, the District, acting by and through the Enterprise (collectively, "**RMD**"), intends to purchase the ERU Water Credits from the Developer pursuant to that certain ERU Purchase Agreement, dated June 10, 2021; and

WHEREAS, RMD has adopted a Resolution of the Board of Directors of the Reunion Metropolitan District Acting by and through its Reunion Metropolitan District Water Activity Enterprise Concerning the Imposition of ERU Water Credit Fees, dated June 10, 2021, and recorded in the real property records of the Clerk and Recorder of Adams County, Colorado, on _____, 2021, at Reception Number _____ (the "**Water Credit Fee Resolution**"), pursuant to which RMD imposes certain ERU Water Credit Fees and Administrative Fees (both as defined in the Water Credit Fee Resolution) to provide a source of funding to pay the costs incurred by RMD for the acquisition of the ERU Water Credits; and

WHEREAS, in relation to the development of the Project and in order to provide for irrigation of Reunion Public Areas (as defined in the Water Credit Fee Resolution), the District may be required to purchase RMD/ERU Irrigation Credits (as defined in the Water Credit Fee Resolution) from RMD, and will be required to pay RMD the applicable ERU Irrigation Water Credit Fee (as defined in the Water Credit Fee Resolution) and the applicable Administrative Fee (together with the ERU Irrigation Water Credit Fee, collectively referred to herein as the "**Water Credit Fee Costs**") in relation to the same; and

WHEREAS, the District does not presently have financial resources to provide funding for payment of the Water Credit Fee Costs that are projected to be incurred prior to the anticipated availability of funds; and

WHEREAS, the Developer is willing to loan funds to the District for the Water Credit Fee Costs, from time to time, on the condition that the District agrees to repay such loans, in accordance with the terms set forth in this Agreement; and

WHEREAS, the District is willing to execute one or more reimbursement notes, bonds, or other instruments ("**Reimbursement Obligations**"), in an aggregate principal amount not to exceed the Maximum Loan Amount (as defined below), to be issued to or at the direction of the Developer upon its request, subject to the terms and conditions hereof, to further evidence the District's obligation to repay the funds loaned hereunder; and

WHEREAS, the District anticipates repaying moneys loaned by the Developer hereunder, including as evidenced by any requested Reimbursement Obligations, with the proceeds of future bonds, ad valorem taxes, or other legally available revenues of the District determined to be available therefor; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the purpose of consolidating all understandings and commitments between them relating to the funding and repayment of the Water Credit Fee Costs; and

WHEREAS, the Board of Directors of the District (the "**Board**") has determined that the best interests of the District and its property owners will be served by entering into this Agreement for the funding and reimbursement of the Water Credit Fee Costs; and

WHEREAS, the Board has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

COVENANTS AND AGREEMENTS

1. Loan Amount and Term. The Developer agrees to loan to the District one or more sums of money, not to exceed $10,000,000 for the payment of Water Credit Fee Costs (the "**Maximum Loan Amount**"). These funds shall be loaned to the District in one or a series of installments and shall be available to the District through December 31, 2033 (as the same may be amended pursuant to an annual review evidenced by supplement or amendment hereto, the "**Loan Obligation Termination Date**"). Thereafter, the Loan Obligation Termination Date shall automatically extend for additional one (1) year terms unless the Developer provides written notice to the District of termination at least thirty (30) days prior to December 31st of each year. Upon each automatic one (1) year extension of the Loan Obligation Termination Date, the Developer agrees to continue to loan to the District one or more sums of money up to the Maximum Loan Amount.

3. Use of Funds. The District agrees that it shall apply all funds loaned by the Developer under this Agreement solely for the payment of Water Credit Fee Costs. It is understood that the District has budgeted or will budget as revenue from year to year the entire aggregate amount which may be borrowed hereunder to enable the District to appropriate revenues to pay the Water Credit Fee Costs included within the District's annual budget. The Developer shall be entitled to a quarterly accounting of the expenditures made by the District, upon request, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District.

4. Manner for Requesting Loans.

a. The District shall from time to time determine the amount of revenue required to fund the payment of budgeted or anticipated Water Credit Fee Costs to be paid by the District to RMD, but such determination shall be made not more often than monthly. Each determination shall be made based upon the expenditures contained in the adopted budget for the District and upon the rate of expenditures estimated for the next succeeding month and such other factors as the Board may consider relevant to the projection of future financial needs. Not less than fifteen (15) days before the beginning of each month, the District shall notify the Developer of the requested loan for the next month, and the Developer shall deposit such loan amount on or before the beginning of that month. The Parties may vary from this schedule upon mutual agreement.

b. Upon receipt of loans hereunder, the District shall keep a record of such loans made. Failure to record such loans shall not affect inclusion of such amounts as reimbursable amounts hereunder; provided that such loans are substantiated by the District's accountant. The Developer may provide any relevant documentation evidencing such unrecorded loans to assist in the District's final determination. The Parties agree and acknowledge that the District establishes a General Fund, a Debt Service Fund, and a Capital Projects Fund as part of its annual budgeting

process, and that expenditures of loan amounts made hereunder shall be accounted for within the Capital Projects Fund.

5. Obligations Irrevocable.

a. The obligations of the Developer created by this Agreement are absolute, irrevocable, unconditional, and are not subject to setoff or counterclaim.

b. The Developer shall not take any action which would delay or impair the District's ability to receive the funds contemplated herein with sufficient time to properly pay approved invoices and/or notices of payment due.

6. Interest Prior to Issuance of Reimbursement Obligations. No interest shall accrue with respect to each loan made under this Agreement prior to the issuance of any Reimbursement Obligation reflecting such loan.

7. Terms of Repayment; Source of Revenues.

a. Any funds loaned hereunder shall be repaid in accordance with the terms of this Agreement. The District intends to repay any loans made under this Agreement from ad valorem taxes, fees, or other legally available revenues of the District, net of any debt service or current operations and maintenance costs of the District. It is acknowledged that ad valorem taxes available to the District for the purpose of repaying loans made hereunder shall not exceed the mill levy allowed pursuant to that certain Mill Levy Equalization and Pledge Agreement dated June 3, 2016, by and among the District and North Range Metropolitan District Nos. 1-4, and shall be further subject to any restrictions provided in the District's or North Range Metropolitan District Nos. 1-4's Service Plan, electoral authorization, or any applicable laws.

b. The provision for repayment of loans made hereunder, as set forth in Section 7(a) hereof, shall be at all times subject to annual appropriation by the District.

c. At such time as the District issues Reimbursement Obligations to evidence an obligation to repay loans made under this Agreement, the repayment terms of such Reimbursement Obligations shall control and supersede any otherwise applicable provision of this Agreement, except for the Maximum Reimbursement Obligation Repayment Term (as defined below).

8. Issuance of Reimbursement Obligations.

a. Subject to the conditions of this Section 8 and Section 9 hereof, upon request of the Developer, the District hereby agrees to issue to or at the direction of the Developer one or more Reimbursement Obligations to evidence any repayment obligation of the District then existing with respect to loans made under this Agreement. Such Reimbursement Obligations shall be payable solely from the sources identified in the Reimbursement Obligations, including, but not limited to, *ad valorem* property tax revenues of the District, and shall be secured by the District's pledge to apply such revenues as required hereunder, unless otherwise consented to by the

Developer. Such Reimbursement Obligations shall mature on a date or dates, subject to the limitation set forth in the Maximum Reimbursement Obligation Repayment Term defined herein, and bear interest at a market rate, to be determined at the time of issuance of such Reimbursement Obligations. The District shall be permitted to prepay any Reimbursement Obligation, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayment on the principal amount prepaid. The District and the Developer shall negotiate in good faith the final terms and conditions of the Reimbursement Obligations.

b. The term for repayment of any Reimbursement Obligation issued under this Agreement shall not extend beyond thirty (30) years from the date of this Agreement ("**Maximum Reimbursement Obligation Repayment Term**").

c. The issuance of any Reimbursement Obligation shall be subject to the availability of an exemption from the registration requirements of § 11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with § 11-59-110, C.R.S., and any regulations promulgated thereunder.

d. In connection with the issuance of any such Reimbursement Obligation, the District shall make such filings as it may deem necessary to comply with the provisions of § 32-1-1604, C.R.S., as amended.

e. The terms of this Agreement may be used to construe the intent of the District and the Developer in connection with issuance of any Reimbursement Obligations, and shall be read as nearly as possible to make the provisions of any Reimbursement Obligations and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Reimbursement Obligation, the terms of such Reimbursement Obligation shall prevail.

f. If, for any reason, any Reimbursement Obligation is determined to be invalid or unenforceable, the District shall issue a new Reimbursement Obligation to the Developer that is legally enforceable, subject to the provisions of this Section 8.

g. In the event that it is determined that payments of all or any portion of interest on any Reimbursement Obligation may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees, upon request of the Developer, to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

9. No Debt. It is hereby agreed and acknowledged that this Agreement evidences the District's intent to repay the Developer for loans made hereunder in accordance with the terms hereof. However, this Agreement shall not constitute a debt or indebtedness by the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal-year financial obligation. Further, the provision for repayment of loans made hereunder, as set

forth in Section 7 hereof, and the agreement to issue a Reimbursement Obligation as set forth in Section 8 hereof, shall be at all times subject to annual appropriation by the District, in its absolute discretion.

10. Termination.

a. The Developer's obligations to loan funds to the District in accordance with this Agreement shall terminate on 2033, (subject to the extension terms above), except to the extent loan requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

b. The District's obligations hereunder shall terminate at the earlier of the repayment in full of the Maximum Loan Amount (or such lesser amount loaned hereunder if it is determined by the District that no further loans shall be required hereunder) or thirty (30) years from the execution date hereof. After thirty (30) years from the execution of this Agreement, the Parties hereby agree and acknowledge that any obligation created by this Agreement which remains due and outstanding under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts.

11. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

12. Notices and Place for Payments. All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate by notice pursuant to this Section 12, or (c) sent by confirmed facsimile transmission, PDF or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three (3) days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

District: Reunion Metropolitan District
17910 E. Parkside Drive North
Commerce City, Colorado 80022
Attention: Matt Urkoski
(303) 288-5431 (phone)
districtmanager@reunionmetro.org

With copy to: WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122

Attention: Kristen D. Bear
(303) 858-1800 (phone)
(303) 858-1801 (fax)
kbear@wbapc.com

Developer: Clayton Properties Group II, Inc.
4908 Tower Road
Denver, Colorado 80249
Attention: _____
_____ (phone)
_____ (fax)
_____ (email)

13. Amendments. This Agreement may only be amended or modified by a writing executed by both the District and the Developer.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. 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.

15. Applicable Laws. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located.

16. Assignment. This Agreement may not be assigned by the District or the Developer and any attempt to assign this Agreement in violation hereof shall be null and void.

17. Authority. By execution hereof, the District and the Developer represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

18. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the District and the Developer with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date of full execution hereof.

19. Legal Existence. The District will maintain its legal identity and existence so long as any of the loaned amounts contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of

the District hereunder without materially adversely affecting the Developer's privileges and rights under this Agreement.

20. Governmental Immunity. Nothing herein shall be construed as a waiver of the rights and privileges of the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq*., C.R.S., as amended from time to time.

21. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against another 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.

22. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year 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 Assignment.

DISTRICT:

REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

_____
President

ATTEST:

_____
Secretary

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____
General Counsel to the District

DEVELOPER:

CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation

_____

Printed Name: _____

Title: _____

[Signature page to Funding and Reimbursement Agreement]

FUNDING AND REIMBURSEMENT AGREEMENT

(Costs of Issuance)

This **FUNDING AND REIMBURSEMENT AGREEMENT (Costs of Issuance)** (the "**Agreement**") is made and entered into as of the ____ day of _____, 2021, by and between METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation (the "**Developer**"). The District and the Developer are collectively referred to herein as the "**Parties**".

RECITALS

WHEREAS, the District has been duly and validly organized as a quasi-municipal corporation and political subdivision of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the "**Special District Act**"), with the power to provide certain public infrastructure, improvements and services, as described in the Special District Act, within and without its boundaries (collectively, the "**Public Infrastructure**"), as authorized and in accordance with the Service Plan for the District (the "**Service Plan**"); and

WHEREAS, the Developer has directed or intends to direct certain development activities or cause development activities to occur with respect to property included within and without the boundaries of the District (the "**Project**"), which depend upon the timely delivery of the Public Infrastructure; and

WHEREAS, on January 14, 2021, the Board adopted that certain Resolution of the Board of Directors of Reunion Metropolitan District Establishing Water Activity Enterprise which established the Reunion Metropolitan District Water Activity Enterprise (the "**Enterprise**") for the purpose of pursuing or continuing the District's water activities as defined in the Special District Act; and

WHEREAS, South Adams County Water and Sanitation District ("**SACWSD**") provides water service to the property within the District's service area; and

WHEREAS, SACWSD determines the approximate level of service necessary to serve a single-family dwelling (an Equivalent Residential Unit or "**ERU**"), which is used to calculate the cost of connection fees and service charges charged by SACWSD; and

WHEREAS, the Developer has or will purchase ERU water credits ("**ERU Water Credits**") in an amount sufficient to ensure the availability of water to those portions of the District's service area still to be developed; and

WHEREAS, the District, acting by and through the Enterprise, intends to purchase the ERU Water Credits from the Developer pursuant to that certain ERU Purchase Agreement, dated June 10, 2021 (the "**ERU Purchase Agreement**"); and

WHEREAS, in order to fund the amounts due or to be due to the Developer for the purchase of the ERU Water Credits under the ERU Purchase Agreement, the District, acting by and through the Enterprise, intends to issue its Special Revenue Bonds, Series 2021A and Series 2021B (the "**Bonds**"); and

WHEREAS, in relation to the issuance of the Bonds, the District, acting by and through the Enterprise, has or will incur certain estimated fees (collectively, the "**Costs of Issuance**") charged by various law firms and consultants in connection with the ERU Purchase Agreement and, ultimately, the issuance of the Bonds (each a "**Consultant**" and collectively, the "**Consultants**"); and

WHEREAS, the Costs of Issuance are to be funded out of the proceeds of the Bonds; provided, however, if the closing on the issuance of the Bonds does not occur, the District will, nevertheless, still owe all or portions of the Costs of Issuance (the "**Non-Contingent Costs of Issuance**"); and

WHEREAS, in the event that the closing of the Bonds does not occur such that the District will have to pay Non-Contingent Costs of Issuance to any of the Consultants, the District will not have financial resources to provide funding for payment of such Non-Contingent Costs of Issuance; and

WHEREAS, the Developer is willing to loan funds to the District for any such Non-Contingent Costs of Issuance, on the condition that the District agrees to repay such loans, in accordance with the terms set forth in this Agreement; and

WHEREAS, the District is willing to execute one or more reimbursement notes, bonds, or other instruments ("**Reimbursement Obligations**"), in an aggregate principal amount not to exceed the Maximum Loan Amount (as defined below), to be issued to or at the direction of the Developer upon its request, subject to the terms and conditions hereof, to further evidence the District's obligation to repay the funds loaned hereunder; and

WHEREAS, the District anticipates repaying moneys loaned by the Developer hereunder, including as evidenced by any requested Reimbursement Obligations, with the proceeds of future bonds, ad valorem taxes, or other legally available revenues of the District determined to be available therefor; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the purpose of consolidating all understandings and commitments between them relating to the funding and repayment of the Non-Contingent Costs of Issuance; and

WHEREAS, the Board of Directors of the District (the "**Board**") has determined that the best interests of the District and its property owners will be served by entering into this Agreement for the funding and reimbursement of the Non-Contingence Costs of Issuance; and

WHEREAS, the Board has authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

COVENANTS AND AGREEMENTS

1. Loan Amount and Term. The Developer agrees to loan to the District one or more sums of money, not to exceed the total of all Non-Contingent Costs of Issuance billed to the District by the Consultants in accordance with the applicable contracts between the District and any such Consultants (the "**Maximum Loan Amount**"). In the event that the Bonds are not issued, the Developer agrees to loan the District sufficient funds to pay the Non-Contingent Costs of Issuance through December 31, 2021 (the "**Loan Obligation Termination Date**"). Thereafter, the Developer may agree to renew its obligations hereunder by providing written notice thereof to the District, in which case the Loan Obligation Termination Date shall be amended to the date provided in such notice, which date shall not be earlier than December 31 of the succeeding year.

2. Use of Funds. The District agrees that it shall apply all funds loaned by the Developer under this Agreement solely to the payment of Non-Contingent Costs of Issuance of the District, and pursuant to any contracts entered into with the Consultants.

3. Manner for Requesting Loan.

a. Prior to the Loan Obligation Termination Date, the District shall determine the amount of revenue required to fund Non-Contingent Costs of Issuance billed to the District by any Consultant, but such determination shall be made not more often than monthly to accommodate the reconciliation and invoicing from Consultants.

b. Upon receipt of the loans made hereunder, the District shall keep a record of such loans made. Failure to record the loans shall not affect inclusion of such amounts as reimbursable amounts hereunder; provided that the loans are substantiated by the District's accountant. The Developer may provide any relevant documentation evidencing such unrecorded loan to assist in the District's final determination.

5. Obligations Irrevocable.

a. The obligations of the Developer created by this Agreement are absolute, irrevocable, unconditional, and are not subject to setoff or counterclaim.

b. The Developer shall not take any action which would delay or impair the District's ability to receive the funds contemplated herein with sufficient time to properly pay approved invoices and/or notices of payment due.

6. Interest Prior to Issuance of Reimbursement Obligations. With respect to each loan made under this Agreement prior to the issuance of any Reimbursement Obligation reflecting such loans, the interest rate shall be 6.5% per annum, from the date any such loan is made, simple

interest, to the earlier of the date the Reimbursement Obligation is issued to evidence such loan, or the date of repayment of such amount. Upon issuance of any such Reimbursement Obligation, unless otherwise consented to by the Developer, any interest then accrued on any previously loaned amount shall be added to the amount of the loan advance and reflected as principal of the Reimbursement Obligation, and shall thereafter accrue interest as provided in such Reimbursement Obligation.

7. Terms of Repayment; Source of Revenues.

a. Any funds loaned hereunder shall be repaid in accordance with the terms of this Agreement. The District intends to repay any loans made under this Agreement from ad valorem taxes, fees, or other legally available revenues of the District, net of any debt service or current operations and maintenance costs of the District. It is acknowledged that ad valorem taxes available to the District for purposes of repaying loans made hereunder shall not exceed the mill levy allowed pursuant to that certain Mill Levy Equalization and Pledge Agreement dated June 3, 2016, by and among the District and North Range Metropolitan District Nos. 1-4, as amended, and shall be further subject to any restrictions provided in the District's or North Range Metropolitan District Nos. 1-4's Service Plans, electoral authorization, or applicable laws.

b. The provision for repayment of loans made hereunder, as set forth in Section 7(a) hereof, shall be at all times subject to annual appropriation by the District.

c. At such time as the District issues Reimbursement Obligations to evidence an obligation to repay loans made under this Agreement, the repayment terms of such Reimbursement Obligations shall control and supersede any otherwise applicable provision of this Agreement, except for the Maximum Reimbursement Obligation Repayment Term (as defined below).

8. Issuance of Reimbursement Obligations.

a. Subject to the conditions of this Section 8 and Section 9 hereof, upon request of the Developer, the District hereby agrees to issue to or at the direction of the Developer one or more Reimbursement Obligations to evidence any repayment obligation of the District then existing with respect to loans made under this Agreement. Such Reimbursement Obligations shall be payable solely from the sources identified in the Reimbursement Obligations, including, but not limited to, *ad valorem* property tax revenues of the District, and shall be secured by the District's pledge to apply such revenues as required hereunder, unless otherwise consented to by the Developer. Such Reimbursement Obligations shall mature on a date or dates, subject to the limitation set forth in the Maximum Reimbursement Obligation Repayment Term defined herein, and bear interest at a market rate, to be determined at the time of issuance of such Reimbursement Obligations. The District shall be permitted to prepay any Reimbursement Obligation, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayment on the principal amount prepaid. The District and the Developer shall negotiate in good faith the final terms and conditions of the Reimbursement Obligations.

b. The term for repayment of any Reimbursement Obligation issued under this Agreement shall not extend beyond thirty (30) years from the date of this Agreement ("**Maximum Reimbursement Obligation Repayment Term**").

c. The issuance of any Reimbursement Obligation shall be subject to the availability of an exemption from the registration requirements of § 11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with § 11-59-110, C.R.S., and any regulations promulgated thereunder.

d. In connection with the issuance of any such Reimbursement Obligation, the District shall make such filings as it may deem necessary to comply with the provisions of § 32-1-1604, C.R.S., as amended.

e. The terms of this Agreement may be used to construe the intent of the District and the Developer in connection with issuance of any Reimbursement Obligations, and shall be read as nearly as possible to make the provisions of any Reimbursement Obligations and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Reimbursement Obligation, the terms of such Reimbursement Obligation shall prevail.

f. If, for any reason, any Reimbursement Obligation is determined to be invalid or unenforceable, the District shall issue a new Reimbursement Obligation to the Developer that is legally enforceable, subject to the provisions of this Section 8.

g. In the event that it is determined that payments of all or any portion of interest on any Reimbursement Obligation may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees, upon request of the Developer, to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

9. No Debt. It is hereby agreed and acknowledged that this Agreement evidences the District's intent to repay the Developer for loans made hereunder in accordance with the terms hereof. However, this Agreement shall not constitute a debt or indebtedness by the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal-year financial obligation. Further, the provision for repayment of loans made hereunder, as set forth in Section 7 hereof, and the agreement to issue a Reimbursement Obligation as set forth in Section 8 hereof, shall be at all times subject to annual appropriation by the District, in its absolute discretion. The Developer expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the District's Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. By acceptance of this Agreement, the Developer agrees and consents to all of the limitations in respect of the payment of the principal and interest due under this Agreement and in the District's Service Plan

10. Termination.

a. The Developer's obligations to loan funds to the District in accordance with this Agreement shall terminate on December 31, 2021 (subject to extension as set forth above), except to the extent loan requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

b. The District's obligations hereunder shall terminate at the earlier of the repayment in full of the Maximum Loan Amount (or such lesser amount advanced hereunder if it is determined by the District that no further loans shall be required hereunder) or thirty (30) years from the execution date hereof. After thirty (30) years from the execution of this Agreement, the Parties hereby agree and acknowledge that any obligation created by this Agreement which remains due and outstanding under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts.

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

11. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

12. Notices and Place for Payments. All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate by notice pursuant to this Section 12, or (c) sent by confirmed facsimile transmission, PDF or email. Notices shall be deemed given either one business day after

delivery to the overnight carrier, three (3) days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

District:	Reunion Metropolitan District c/o CliftonLarsonAllen LLP 8390 E. Crescent Parkway, Suite 300 Greenwood Village, Colorado 80111 Attention: Matt Urkoski (303) 265-7919 (phone) (303) 779-0348 (fax) matt.urkoski@claconnect.com
With copy to:	WHITE BEAR ANKELE TANAKA & WALDRON Attorneys at Law 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Attention: Kristen D. Bear, Esq. (303) 858-1800 (phone) (303) 858-1801 (fax) kbear@wbapc.com
Developer:	Clayton Properties Group II, Inc. 4908 Tower Road Denver, Colorado 80249 Attention: _____ (303) 486-8644 (phone) _____@oakwoodhomesco.com

13. Amendments. This Agreement may only be amended or modified by a writing executed by both the District and the Developer.

14. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. 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.

15. Applicable Laws. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for the county in which the District is located.

16. Assignment. This Agreement may not be assigned by the District or the Developer and any attempt to assign this Agreement in violation hereof shall be null and void.

17. Authority. By execution hereof, the District and the Developer represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

18. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the District and the Developer with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date of full execution hereof.

19. Legal Existence. The District will maintain its legal identity and existence so long as any of the loaned amounts contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of the District hereunder without materially adversely affecting the Developer's privileges and rights under this Agreement.

20. 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 the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District pursuant to the Colorado Governmental Immunity Act, §§ 24-10-101, *et seq*., C.R.S.

21. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against another 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.

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

23. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which 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.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date and year 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.

DISTRICT:

REUNION METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

_____
Officer of the District

ATTEST:

_____

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____
General Counsel to the District

DEVELOPER:

CLAYTON PROPERTIES GROUP II, INC., a Colorado corporation

_____

Printed Name: _____

Title: _____

[Signature page to Funding and Reimbursement Agreement]

EXHIBIT A