

GREEN GABLES METROPOLITAN DISTRICT NO. 1

8390 E. CRESCENT PKWY., STE. 300
GREENWOOD VILLAGE, CO 80111
303-779-5710 (O) 303-779-0348 (F)
www.greengablesmdl.org

NOTICE OF SPECIAL MEETING AND AGENDA

DATE: Friday, May 19, 2023
TIME: 1:30 p.m.
LOCATION: Videoconference via Microsoft Teams

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

1. Online Microsoft Teams Meeting – via link below:

ACCESS: https://teams.microsoft.com/l/meetup-join/19%3ameeting_MGRINjM3NWyYtYzQ1ZS00Zjk5LWFjZjQtNTA1OTg0ZmU5Mjk1%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%22d42bab28-fbd8-4e65-a395-965cf9ef152f%22%7d

2. Dial In:

+1 720-547-5281 Phone Conference ID: 228 927 199#

<u>Board of Directors</u>	<u>Office</u>	<u>Term Expires</u>
JoAnn Zelasko	President	May 2027
Krystal Smith	Secretary/Treasurer	May 2027
Paul Bartos	Assistant Secretary	May 2027
Les Steckler	Assistant Secretary	May 2025
Mark Arreguin	Assistant Secretary	May 2025

I. ADMINISTRATIVE MATTERS

- A. Call to Order and Approval of Agenda.
- B. Confirm Quorum, Location of Meeting and Posting of Meeting Notices.
- C. Election of Officers
- D. Review and Approve Minutes of the February 21, 2023 Regular Meeting (enclosed).

II. FINANCIAL MATTERS

- A. Approve and/or ratify approval of payment of claims in the amount of \$32,163.78 (enclosed).
- B. Review and consider approval of March 31, 2023 Unaudited Financial Statements (enclosed).
- C. Review and Approval of Draft 2022 Audit (enclosed).

III. LEGAL MATTERS

- A. Approval of Service Agreement for Pump House Maintenance Services with V Ventures Inc. (enclosed).
- B. Special Warranty Deed for Tracts from Green Gables Development Company (enclosed).

IV. MANAGER MATTERS

V. DIRECTOR MATTERS

- A. Status of irrigation system repair by Lennar and agreement that Lennar will pay all irrigation water costs until the system is fully repaired.
- B. Plans for Metro District landscaping.
- C. Status of Metro District sidewalk acceptance.
- D. Review of insurance coverage to confirm all GGMD1 property elements included in insurance coverage.

VI. OTHER BUSINESS

- A. Confirm Quorum for Next Meeting – __, 2023 at 12:00 p.m.
- B. Public Comment.

VII. ADJOURNMENT

The next regular scheduled meeting is ____ 2023 – date pending confirmation

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
GREEN GABLES METROPOLITAN DISTRICT NO. 1 (THE “DISTRICT”)
HELD
FEBRUARY 21, 2023

A regular meeting of the Board of Directors of the Green Gables Metropolitan District No. 1 (referred to hereafter as the “Board”) was convened on February 21, 2023, at 12:00 p.m. This District Board meeting was held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

JoAnn Zelasko, President
Krystal Smith, Treasurer
Paul Bartos, Secretary
Les Steckler, Assistant Secretary
Mark Arreguin, Assistant Secretary

Also, In Attendance Were:

Stephanie Odewumi, Denise Denslow, Celeste Terrell and Lindsay Ross;
CliftonLarsonAllen LLP
Colin Mielke; Seter & Vander Wall, P.C.
Leigh Dufresne; BrightView Landscaping
Gary Hawkins; Lennar Homes
Lisa Hall and Steven George; Members of the Public

ADMINISTRATIVE MATTERS

Call to Order and Approval of Agenda: Upon a motion duly made by President Zelasko, seconded by Director Steckler and, upon a vote, unanimously carried, the Board called the meeting to order at 12:01 p.m. and approved the Agenda.

Confirm Quorum, Location of Meeting and Posting of Meeting Notices:

The Board had been previously advised that pursuant to Colorado law, certain disclosures by the Board members might be required prior to taking official action at the meeting. The Board then reviewed the agenda for the meeting, following which each Board member affirmed their conflicts of interest, stating the fact and summary nature of any matters, as required under Colorado law, to permit official action to be taken at the meeting. The Board determined that the participation of the members present was necessary to obtain a quorum or otherwise enable the Board to act. It was noted posting of meeting notice was confirmed and a posted.

Minutes of November 9, 2022 Special Meeting: The Board reviewed the minutes of the November 9, 2022 special meeting. Upon a motion duly made by President Zelasko, seconded by Director Steckler and, upon vote,

RECORD OF PROCEEDINGS

unanimously carried, the Board approved the November 9, 2022 Special Meeting Minutes as presented.

FINANCIAL MATTERS

Approve and/or ratify approval of payment of claims in the amount of \$50,166.85: Ms. Ross reviewed with the Board. Following review, upon a motion duly made by Director Smith, seconded by Director Steckler and, upon vote, unanimously carried, the Board ratified approval of payment of claims in the amount of \$50,166.85 as presented.

December 31, 2022 Unaudited Financial Statements: Ms. Ross reviewed the December 31, 2022 unaudited financial statements with the Board. Questions were asked and responses provided. Following review and discussion, upon a motion duly made by Director Smith, seconded by Director Bartos and, upon vote, unanimously carried, the Board accepted the December 31, 2022 Unaudited Financial Statements as presented.

Status of following payments to the District:

- **2022 irrigation water payments from Green Gables Metro District No. 2:** Ms. Ross reported these have been completed.
- **2022 irrigation water payments from Green Gables HOA:** It was noted these have been completed.
- **2022 and 2023 landscaping and snow removal payments from Lennar:** It was noted these have been completed to date and the January 2023 invoices are currently being processed.

Other Financial Items: None.

LEGAL MATTERS

Consider approval of Resolution No. 2023-02-01, Annual Administrative Resolution: Mr. Mielke reviewed the 2023 Annual Administrative Resolution with the Board. Following review, upon a motion duly made by President Zelasko, seconded by Director Steckler and, upon vote, unanimously carried, the Board approved Resolution No. 2023-02-01, Annual Administrative Resolution as presented.

Letter regarding Conveyance of Tracts by GGDC with tract chart and tract maps: Mr. Mielke reviewed in detail and stated that no changes were made. He informed the Board that there are three tracts owned by Green Gables Development Company (“GGDC”) that are already being maintained by the District and it is recommended that ownership be transferred to the District. Mr. Mielke reviewed the process for the HOA to take over the other parcels owned by GGDC that are being maintained by the HOA.

RECORD OF PROCEEDINGS

Upon a motion duly made by Director Bartos, seconded by Director Arreguin and, upon vote, unanimously carried, the Board approved on the conveyance of the three tracts from GGDC to the District. It was noted that the HOA and GGDC should coordinate independently on any conveyance of the parcels currently maintained by the HOA.

Consider approval of Resolution 2023-02-02 Regarding PII Data

Destruction Policy: Mr. Mielke reviewed a resolution with the Board establishing a policy for the retention and destruction of personal identifying information. Following review, upon a motion duly made by President Zelasko, seconded by Director Steckler and, upon vote, unanimously carried, the Board approved Resolution 2023-02-02 Regarding PII Data Destruction Policy as presented.

Other legal matters: The Board discussed the status of the upcoming May regular election.

MANAGER
MATTERS

District landscaping plans and schedule for the upcoming growing season to be provided by Lennar representatives:

Mr. Hawkins stated Lennar's irrigation audit began last week, and weather did cause a set-back but they are back out this week to complete the audit. The landscaping items will be addressed as weather permits and they will be scheduling items mid to late April. He noted that the punch list was sent over to President Zelasko from a punch walk done in January. President Zelasko stated this wasn't received and requested to have it be re-sent. Mr. Hawkins stated they are looking to get public improvements construction and inspections closed out and complete the transfer of public improvements this summer season (June).

- **Schedule for repairs (irrigation, turf, trees shrubs) in Townhome construction areas:** This has been noted in the above statements and will done this season.

President Zelasko asked with regards to the irrigation audit and if there are any types of irrigation issues, who should be the contact for repairs. It was noted that everything should be sent to Mr. Hawkins and he will dispatch the crews that are needed.

Consider approval of BrightView contract for 2023 Landscape Services:

Ms. Dufresne reviewed with the Board and informed them that she has removed the irrigation activation and the first couple of checks through June, therefore, the contract has been reduced by \$339.00 to reflect a total of \$46,881.00. Following review and discussion, upon a motion duly made by

RECORD OF PROCEEDINGS

President Zelasko, seconded by Director Arreguin and, upon vote, unanimously carried, the Board approved the BrightView contract for 2023 Landscape Services as presented and confirmed a start date of April 1, 2023.

Ms. Dufresne mentioned there have been a few calls about a trash can in the Open Space overflowing, and they may want to look into an additional trash can across from the patio villas.

Family leave coverage for Stephanie Odewumi: Ms. Odewumi provided an update to the Board on her leave coverage and introduced Ms. Terrell to the Board, who will be providing management services to the District during Ms. Odewumi's absence.

Other: None.

DIRECTOR MATTERS

Homeless encampment cleanup completed: President Zelasko stated there were two on-site encampments that were cleaned up by BrightView they were abandoned. She stated she is still working with JeffCo Open Space on a plan moving forward, and currently there hasn't been any new activity.

Townhome Pedestrian Access maintenance responsibility: President Zelasko stated there were two concrete paths by the townhomes construction by the gulch that were installed to connect the townhomes to the Metro District No. 1 sidewalk. She noted that the District was not consulted about the steps/concrete and she informed the Board that it has been communicated to the HOA that once this area is turned over from Lennar, the HOA will be responsible for the maintenance of these areas and not the District.

Board Subcommittee for review Metro District landscaping during 2023 growing season: President Zelasko stated that Board members were polled on a committee for landscaping work this summer. Directors Steckler and Bartos were chosen to be the subcommittee to work with Mr. Hawkins. Director Bartos mentioned that this is not inclusive of the gulch as that has its own turnover process that includes the Mile High Food District and Army Corp, and this should be a separate sub-committee.

Other: None.

OTHER BUSINESS

Confirm Quorum for Next Meeting –May 2023:

The Board requested an email be sent to confirm dates closer to the meeting.

Public Comment: Mr. George questioned the trash can mentioned by Ms. Dufresne and asked when weekly pick-up happens, and that the area by the

RECORD OF PROCEEDINGS

two benches and patio villas does overflow weekly, but it is mostly pet waste pick up.

Ms. Hall requested additional information on the election. Mr. Mielke noted that there are four positions open this year, and that if there are not more candidates than seats available, the election will be canceled and the candidates will be elected by acclamation. If there are more candidates than seats available, an election will be conducted pursuant to the Colorado Local Government Election Code.

Other: None.

ADJOURNMENT

There being no further business to come before the Board at this time, upon a motion duly made by Director Bartos, seconded by Director Smith and, upon vote, unanimously carried the meeting was adjourned 1:15 p.m.

Respectfully submitted,

By _____
Secretary for the Meeting

Green Gables Metropolitan District No. 1
Claims Paid February 10, 2023 - May 8, 2023

Process Date	Vendor	Invoice Number	Payment Method	Amount
2/24/2023	BrightView Landscape Services, Inc	Multiple	Vendor Direct Virtual Card	\$ 2,434.25
2/24/2023	CliftonLarsonAllen LLP	Multiple	BILL EFT	2,596.91
2/24/2023	Special District Association	2023 Dues	Vendor Direct Virtual Card	667.31
2/27/2023	XCEL ENERGY	814805037	Other	285.82
3/21/2023	BrightView Landscape Services, Inc	8297360	Vendor Direct Virtual Card	651.00
3/22/2023	CliftonLarsonAllen LLP	Multiple	BILL EFT	4,013.47
3/22/2023	Seter Vander Wall P.C.	Multiple	BILL Check	7,882.40
3/27/2023	XCEL ENERGY	818846295	Other	285.07
4/26/2023	XCEL ENERGY	822913517	Other	268.96
4/28/2023	CliftonLarsonAllen LLP	Multiple	BILL EFT	9,825.09
4/28/2023	Seter Vander Wall P.C.	85571	BILL Check	3,253.50
Total Claims Paid				<u>\$ 32,163.78</u>

GREEN GABLES METROPOLITAN DISTRICT NO. 1
FINANCIAL STATEMENTS
MARCH 31, 2023

Green Gables Metro District No. 1
Balance Sheet - Governmental Funds
March 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Checking Account	\$ 20,104.65	\$ -	\$ 70,029.93	\$ 90,134.58
CSAFE	358,302.81	308,528.93	-	666,831.74
PNC Debt Service Reserve	-	834,720.57	-	834,720.57
PNC Loan Payment Fund	-	229,848.43	-	229,848.43
Accounts receivable	651.00	-	-	651.00
Receivable from County Treasurer	13,417.63	38,577.57	-	51,995.20
Total Assets	<u>\$ 392,476.09</u>	<u>\$ 1,411,675.50</u>	<u>\$ 70,029.93</u>	<u>\$ 1,874,181.52</u>
Liabilities				
Accounts payable	14,979.26	-	-	14,979.26
Unearned revenue	24,686.37	-	-	24,686.37
Total Liabilities	<u>39,665.63</u>	<u>-</u>	<u>-</u>	<u>39,665.63</u>
Fund Balances	<u>352,810.46</u>	<u>1,411,675.50</u>	<u>70,029.93</u>	<u>1,834,515.89</u>
Liabilities and Fund Balances	<u>\$ 392,476.09</u>	<u>\$ 1,411,675.50</u>	<u>\$ 70,029.93</u>	<u>\$ 1,874,181.52</u>

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

Green Gables Metro District No. 1
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 240,130.00	\$ 113,863.15	\$ 126,266.85
Specific ownership taxes	16,809.00	4,471.92	12,337.08
Interest income	2,100.00	694.24	1,405.76
Water - Revenue from HOA	210,000.00	-	210,000.00
Water - Revenue from Lennar GGMD NO. 2	29,560.00	-	29,560.00
Miscellaneous Revenue	39,600.00	2,115.75	37,484.25
Total Revenue	<u>538,199.00</u>	<u>121,145.06</u>	<u>417,053.94</u>
Expenditures			
Accounting	48,300.00	5,526.83	42,773.17
Auditing	6,000.00	-	6,000.00
County Treasurer's fee	3,610.00	1,707.94	1,902.06
Dues and membership	700.00	667.31	32.69
Insurance	5,500.00	4,888.00	612.00
District management	46,000.00	9,943.44	36,056.56
Legal	58,000.00	9,813.40	48,186.60
Miscellaneous	1,200.00	969.50	230.50
Election	30,000.00	1,322.50	28,677.50
Landscaping	49,500.00	-	49,500.00
Snow removal	5,000.00	1,334.55	3,665.45
Storm drainage	10,000.00	-	10,000.00
Water - Acquisition Cost	225,000.00	-	225,000.00
Water Facility O&M	36,400.00	839.85	35,560.15
Contingency	11,790.00	-	11,790.00
Total Expenditures	<u>537,000.00</u>	<u>37,013.32</u>	<u>499,986.68</u>
Net Change in Fund Balances	1,199.00	84,131.74	(82,932.74)
Fund Balance - Beginning	214,495.00	268,678.72	(54,183.72)
Fund Balance - Ending	<u>\$ 215,694.00</u>	<u>\$ 352,810.46</u>	<u>\$ (137,116.46)</u>

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

SUPPLEMENTARY INFORMATION

Green Gables Metro District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 690,408.00	\$ 327,372.78	\$ 363,035.22
Specific ownership taxes	48,329.00	12,857.45	35,471.55
Interest income	10,700.00	9,571.09	1,128.91
Total Revenue	<u>749,437.00</u>	<u>349,801.32</u>	<u>399,635.68</u>
Expenditures			
County Treasurer's fee	10,356.00	4,910.60	5,445.40
Bond interest	409,994.00	-	409,994.00
Bond principal	280,000.00	-	280,000.00
Contingency	4,650.00	-	4,650.00
Total Expenditures	<u>705,000.00</u>	<u>4,910.60</u>	<u>700,089.40</u>
Net Change in Fund Balances	44,437.00	344,890.72	(300,453.72)
Fund Balance - Beginning	1,054,032.00	1,066,784.78	(12,752.78)
Fund Balance - Ending	<u>\$ 1,098,469.00</u>	<u>\$ 1,411,675.50</u>	<u>\$ (313,206.50)</u>

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

Green Gables Metro District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending March 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Capital outlay	70,030.00	-	70,030.00
Total Expenditures	<u>70,030.00</u>	<u>-</u>	<u>70,030.00</u>
Net Change in Fund Balances	(70,030.00)	-	(70,030.00)
Fund Balance - Beginning	70,030.00	70,029.93	0.07
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 70,029.93</u>	<u>\$ (70,029.93)</u>

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Green Gables Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by Order and Decree of the District Court for Jefferson County recorded on January 10, 2013, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with Green Gables Metropolitan District No. 2 (District No. 2). Services are provided to the Green Gables mixed use redevelopment (Project) by the District and District No. 2. The District serves the single-family residential portion of the Project and District No. 2 serves the commercial portions of the Project.

The District was organized to provide financing for the design, acquisition, installation and construction of water, sanitation, streets, safety protection, parks and recreation improvements, and operation and maintenance of the District. The District's service area is located in Jefferson County, Colorado.

On November 6, 2012, the District's voters authorized total indebtedness of an amount not to exceed \$245,000,000 for the above listed facilities. The election also approved an annual increase in property taxes of \$2,000,000 without limitation of rate, to pay the District's operation and maintenance costs.

Pursuant to the Service Plan, the District and District No.2 are permitted to issue combined bond indebtedness of up to \$49,000,000. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenue

Property Taxes

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

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenue (Continued)

Property Taxes (Continued)

The District's Service Plan sets a mill levy cap of 50.000 mills (subject to adjustment) to pay that portion of debt that equals or exceeds 50.000% of the District's assessed valuation.

As of December 31, 2023, the adjusted maximum mill levy for debt service is 56.880.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7.000% of the property taxes collected by the General Fund.

Interest Income

Interest earned on the District's available funds has been estimated based upon an average interest rate of approximately 1%.

Water Services

The District entered into agreements with Green Gables Development Company, Inc. ("GGDC"), subsequently assigned to Save Ward Lake, LLC (SWL), Green Gables Owners Association, Inc. ("Association"), and Green Gables Metropolitan District No. 2 (District No. 2) whereby the District would purchase water from SWL and sell it to the Association and District No. 2. The Association and District No. 2 would pay all associated costs of the water as well as the associated water facility operations and maintenance costs. The associated budget line items are: Water – Revenue from HOA, Water – acquisition cost.

Expenditures

Administrative and Operating Expenditures

Administrative and operating expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, management, accounting, insurance, and meeting expense.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.500% of property tax collections.

Capital Outlay

The District anticipates infrastructure improvements as noted in the Capital Projects fund.

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

The principal and interest payments are provided based on the debt amortization schedule for the 2019 Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan.

Reserves

Emergency Reserve

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

Debt Service Reserve

The District has required \$823,393 in Debt Service reserve fund, which is fully funded.

Debt and Leases

Series 2019 General Obligation Loan

On November 14, 2019, the District entered into a Loan Agreement (“Loan Agreement”) with BBVA Mortgage Corporation (“Lender”) pertaining to a Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan in the amount of \$13,910,000 (the “Loan”). The proceeds of the Loan were used to: a) refund the outstanding Series 2016A and Series 2016B Bonds; (b) pay or reimburse project costs of the District; c) fund the Reserve Fund (as defined in the Loan Agreement); and d) pay the costs of issuing the Loan.

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: a) the Required Mill Levy (as defined in the Loan Agreement); (b) the portion of the Specific Ownership Taxes (as defined in the Loan Agreement) allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue. The Loan is also secured by a Reserve Fund in the amount of \$823,393.

Interest payments are due June 1 and December 1 of each year, commencing on June 1, 2020, and principal payments are due December 1 of each year, beginning December 1, 2020. The Loan is assumed to bear taxable interest at 3.82% through the Conversion Date (as defined in the Loan Agreement) and assumed to bear a tax-exempt interest rate at 3.02% after the Conversion Date on September 16, 2021. The Loan matures on December 1, 2034. Interest not paid when due will be subject to a default rate calculated as the base rate plus 4% until the default is cured. In the case of a post-maturity default, the Loan will bear interest at the Wall Street Prime Rate plus 2%.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (Continued)

Series 2019 General Obligation Loan (Continued)

Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Pursuant to the Loan Agreement, if the District provides the Refinancing Certificate (as defined in the Loan Agreement) to the Lender in accordance with the provisions of the Loan Agreement, such Refinancing Certificate certifying that the District reasonably expects to refinance the Loan on or before the maturity date, the amount due and payable on the Loan for fiscal year 2034 will be assumed to equal \$530,000.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
PRINCIPAL PAYMENT SCHEDULE**

**\$13,910,000 Taxable (Convertible to Tax-Exempt)
Limited Tax (Convertible to Unlimited Tax) General
Obligation Refunding and Improvement Loan**

Series 2019

Dated November 14, 2019

Interest Payable June 1 and December 1

Principal Payable December 1

**Bonds and Interest
Maturing in the
Year Ending
December 31,**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 280,000	\$ 409,994	\$ 689,994
2024	265,000	402,521	667,521
2025	275,000	393,307	668,307
2026	295,000	384,886	679,886
2027	305,000	375,854	680,854
2028	330,000	367,519	697,519
2029	340,000	356,410	696,410
2030	365,000	346,000	711,000
2031	375,000	334,824	709,824
2032	415,000	324,227	739,227
2033	430,000	310,634	740,634
2034	530,000	297,468	827,468
2035	320,000	277,387	597,387
2036	350,000	267,723	617,723
2037	370,000	257,153	627,153
2038	410,000	245,979	655,979
2039	430,000	233,597	663,597
2040	470,000	220,611	690,611
2041	500,000	206,417	706,417
2042	545,000	191,317	736,317
2043	570,000	174,858	744,858
2044	620,000	157,644	777,644
2045	655,000	138,920	793,920
2046	710,000	119,139	829,139
2047	750,000	97,697	847,697
2048	810,000	75,047	885,047
2049	1,675,000	50,585	1,725,585
	<u>\$ 13,390,000</u>	<u>\$ 7,017,718</u>	<u>\$ 20,407,718</u>

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
December 31, 2022
Updated as of May 2, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
<u>FirstBank - Checking Account</u>				
Balance as of 03/31/2023	\$ 20,104.65	\$ -	\$ 70,029.93	\$ 90,134.58
Subsequent activities:				
04/12/23 Transfer from CSAFE	13,000.00	-	-	13,000.00
04/26/23 Xcel Energy	(268.96)	-	-	(268.96)
04/28/23 Bill.com Payables	(13,078.59)	-	-	(13,078.59)
<i>Anticipated Balance</i>	<u>19,757.10</u>	<u>-</u>	<u>70,029.93</u>	<u>89,787.03</u>
<u>CSAFE</u>				
Balance as of 03/31/2023	358,302.81	308,528.93	-	666,831.74
Subsequent activities:				
04/10/23 Property Taxes - March	13,417.62	38,577.58	-	51,995.20
04/12/23 Transfer to FirstBank	(13,000.00)	-	-	(13,000.00)
04/31/23 Interest Income	470.40	2,351.46	-	2,821.86
<i>Anticipated Balance</i>	<u>359,190.83</u>	<u>349,457.97</u>	<u>-</u>	<u>708,648.80</u>
<u>PNC - Payment Fund Account</u>				
Balance as of 03/31/2023	-	229,848.43	-	229,848.43
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>229,848.43</u>	<u>-</u>	<u>229,848.43</u>
<u>PNC - Reserve Fund account</u>				
Balance as of 03/31/2023	-	834,720.57	-	834,720.57
Subsequent activities:				
<i>Anticipated Balance</i>	<u>-</u>	<u>834,720.57</u>	<u>-</u>	<u>834,720.57</u>
Total Anticipated Balances	<u>\$ 378,947.93</u>	<u>\$ 1,414,026.97</u>	<u>\$ 70,029.93</u>	<u>\$ 1,863,004.83</u>

Yield information at 03/31/23

CSAFE: 4.77%

PNC: 2.40%

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
Property Taxes Reconciliation
2023

	Current Year									Prior Year		
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 8,542.00	\$ -	\$ 5,908.06	\$ -	\$ (128.13)	\$ -	\$ 14,321.93	0.92%	0.92%	\$ 15,042.01	1.00%	1.00%
February	385,840.67	-	5,576.57	-	(5,787.61)	-	385,629.63	41.46%	42.38%	\$ 364,308.70	39.20%	40.20%
March	46,853.26	-	5,844.74	-	(702.80)	-	51,995.20	5.04%	47.42%	\$ 73,760.68	7.44%	47.64%
April	-	-	-	-	-	-	-	0.00%	47.42%	\$ 130,103.62	13.68%	61.32%
May	-	-	-	-	-	-	-	0.00%	47.42%	\$ 54,893.05	5.41%	66.73%
June	-	-	-	-	-	-	-	0.00%	47.42%	\$ 295,342.80	31.74%	98.47%
July	-	-	-	-	-	-	-	0.00%	47.42%	\$ 16,107.14	1.16%	99.63%
August	-	-	-	-	-	-	-	0.00%	47.42%	\$ 10,331.58	0.37%	99.99%
September	-	-	-	-	-	-	-	0.00%	47.42%	\$ 5,463.63	0.00%	99.99%
October	-	-	-	-	-	-	-	0.00%	47.42%	\$ 5,724.54	0.00%	99.99%
November	-	-	-	-	-	-	-	0.00%	47.42%	\$ 5,307.10	0.00%	100.00%
December	-	-	-	-	-	-	-	0.00%	47.42%	\$ 4,111.87	0.00%	100.00%
Total	\$ 441,235.93	\$ -	\$ 17,329.37	\$ -	\$ (6,618.54)	\$ -	\$ 451,946.76	47.42%	47.42%	\$ 980,496.72	100.00%	100.00%

Assessed valuation Assessed value
\$ 14,610,889

Property Tax

General Fund
 Debt Service Fund
 Total

	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
General Fund	\$ 240,130.00	25.81%	\$ 113,863.15	47.42%
Debt Service Fund	690,408.00	74.19%	327,372.78	47.42%
Total	\$ 930,538.00	100.00%	\$ 441,235.93	
General Fund	\$ 16,809.00	25.81%	\$ 4,471.93	26.60%
Debt Service Fund	48,329.00	74.19%	12,857.44	26.60%
Total	\$ 65,138.00	100.00%	\$ 17,329.37	
General Fund	\$ 3,610.00	25.81%	\$ 1,707.95	47.31%
Debt Service Fund	10,356.00	74.19%	4,910.59	47.42%
Total	\$ 13,966.00	100.00%	\$ 6,618.54	

Mills

16.435
47.253
63.688

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
Jefferson County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
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INSERT INDEPENDENT AUDITOR'S REPORT

(1)

BASIC FINANCIAL STATEMENTS

GREEN GABLES METROPOLITAN DISTRICT NO. 1
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Cash and Investments	\$ 261,004
Cash and Investments - Restricted	1,148,364
Property Taxes Receivable	930,538
Receivable from County Treasurer	4,112
Accounts Receivable	4,203
Prepaid Expense	4,888
Capital Assets, Not Being Depreciated	54,471
Capital Assets, Net of Accumulated Depreciation	4,365,322
Total Assets	6,772,902
DEFERRED OUTFLOWS OF RESOURCES	
Cost of Refunding, Net	941,059
Total Deferred Outflows of Resources	941,059
LIABILITIES	
Accounts Payable	13,723
Accrued Interest Payable	33,698
Noncurrent Liabilities:	
Due Within One Year	270,000
Due in More than One Year	13,120,000
Total Liabilities	13,437,421
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	930,538
Unearned Revenues	3,354
Total Deferred Inflows of Resources	933,892
NET POSITION	
Net Investment in Capital Assets	(8,146,396)
Restricted for:	
Emergency Reserves	14,600
Debt Service	1,033,087
Unrestricted	441,357
Total Net Position	\$ (6,657,352)

See accompanying Notes to Basic Financial Statements.

(1)

Draft. No assurance is provided on these financial statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
BALANCE SHEET –
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 261,004	\$ -	\$ -	\$ 261,004
Cash and Investments - Restricted	14,600	1,063,734	70,030	1,148,364
Accounts Receivable	4,203	-	-	4,203
Receivable from County Treasurer	1,061	3,051	-	4,112
Property Tax Receivable	240,130	690,408	-	930,538
Prepaid Expense	4,888	-	-	4,888
Total Assets	\$ 525,886	\$ 1,757,193	\$ 70,030	\$ 2,353,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 13,723	\$ -	\$ -	\$ 13,723
Total Liabilities	13,723	-	-	13,723
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax	240,130	690,408	-	930,538
Unearned Revenues	3,354	-	-	3,354
Total Deferred Inflows of Resources	243,484	690,408	-	933,892
FUND BALANCES				
Nonspendable for:				
Prepaid Expense	4,888	-	-	4,888
Restricted for:				
Emergency Reserves	14,600	-	-	14,600
Debt Service	-	1,066,785	-	1,066,785
Capital Projects	-	-	70,030	70,030
Unassigned	249,191	-	-	249,191
Total Fund Balances	268,679	1,066,785	70,030	1,405,494
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 525,886	\$ 1,757,193	\$ 70,030	

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

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

Capital Assets, Net 4,419,793

Other deferred outflows of resources are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Unamortized Cost of Refunding 941,059

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

Loan Payable (13,390,000)
Accrued Interest on Loan (33,698)

Net Position of Governmental Activities \$ (6,657,352)

See accompanying Notes to Basic Financial Statements.

(3)

Draft. No assurance is provided on these financial statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	General	Debt Service	Capital Projects	Total Governmental Funds
REVENUES				
Property Taxes	\$ 240,003	\$ 690,009	\$ -	\$ 930,012
Specific Ownership Taxes	16,476	47,368	-	63,844
Net Investment Income	1,169	14,432	-	15,601
Water - Revenue from HOA	141,856	-	-	141,856
Water - Revenue from Lennar GGMD NO. 2	40,055	-	-	40,055
Miscellaneous Income	45,532	-	-	45,532
Total Revenues	<u>485,091</u>	<u>751,809</u>	<u>-</u>	<u>1,236,900</u>
EXPENDITURES				
Current:				
Accounting	38,330	-	-	38,330
County Treasurer's Fees	3,602	10,357	-	13,959
District Management	33,000	-	-	33,000
Dues and Licenses	620	-	-	620
Election	1,140	-	-	1,140
Insurance	5,022	-	-	5,022
Landscaping	46,047	-	-	46,047
Water - Acquisition Cost	164,561	-	-	164,561
Water Facility O&M	28,954	-	-	28,954
Legal	39,104	-	-	39,104
Miscellaneous	25	-	-	25
Audit	5,600	-	-	5,600
Snow Removal	2,847	-	-	2,847
Repairs and Maintenance	664	-	-	664
Debt Service:				
Bond Interest	-	418,262	-	418,262
Bond Principal	-	270,000	-	270,000
Total Expenditures	<u>369,516</u>	<u>698,619</u>	<u>-</u>	<u>1,068,135</u>
NET CHANGE IN FUND BALANCES	115,575	53,190	-	168,765
Fund Balances - Beginning of Year	<u>153,104</u>	<u>1,013,595</u>	<u>70,030</u>	<u>1,236,729</u>
FUND BALANCES - END OF YEAR	<u>\$ 268,679</u>	<u>\$ 1,066,785</u>	<u>\$ 70,030</u>	<u>\$ 1,405,494</u>

See accompanying Notes to Basic Financial Statements.

(4)

Draft. No assurance is provided on these financial statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Total Governmental Funds	\$	168,765
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.</p>		
Depreciation		(169,127)
<p>Long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Loan Principal Payment		270,000
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in Accrued Loan Interest Payable		1,157
Cost of Refunding Amortization		<u>(42,268)</u>
Changes in Net Position of Governmental Activities	\$	<u><u>228,527</u></u>

See accompanying Notes to Basic Financial Statements.

(5)

Draft. No assurance is provided on these financial statements.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
GENERAL FUND –
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 240,006	\$ 240,003	\$ (3)
Specific Ownership Taxes	16,800	16,476	(324)
Net Investment Income	35	1,169	1,134
Water - Revenue from HOA	154,000	141,856	(12,144)
Water - Revenue from Lennar	-	-	-
Water - Revenue from Lennar GGMD NO. 2	-	40,055	40,055
Landscape - Revenue from Lennar	-	-	-
Miscellaneous Income	-	45,532	45,532
Total Revenues	<u>410,841</u>	<u>485,091</u>	<u>74,250</u>
EXPENDITURES			
Current:			
Accounting	42,000	38,330	3,670
County Treasurer's Fees	3,600	3,602	(2)
District Management	49,500	33,000	16,500
Dues and Licenses	600	620	(20)
Election	45,000	1,140	43,860
Insurance	5,100	5,022	78
Landscaping	48,000	46,047	1,953
Stormwater Drainage Maintenance	10,000	-	10,000
Water - Acquisition Cost	140,000	164,561	(24,561)
Water Facility O&M	40,500	28,954	11,546
Legal	46,200	39,104	7,096
Miscellaneous	1,200	25	1,175
Bank Fees	200	-	200
Audit	5,600	5,600	-
Contingency	10,000	-	10,000
Snow Removal	4,500	2,847	1,653
Repairs and Maintenance	-	664	(664)
Total Expenditures	<u>452,000</u>	<u>369,516</u>	<u>82,484</u>
NET CHANGE IN FUND BALANCE	(41,159)	115,575	156,734
Fund Balance - Beginning of Year	<u>105,548</u>	<u>153,104</u>	<u>47,556</u>
FUND BALANCE - END OF YEAR	<u>\$ 64,389</u>	<u>\$ 268,679</u>	<u>\$ 204,290</u>

See accompanying Notes to Basic Financial Statements.

(6)

Draft. No assurance is provided on these financial statements.

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Green Gables Metropolitan District No. 1 (District), a quasi-municipal corporation and political subdivision of the state of Colorado, was organized by Order and Decree of the District Court for Jefferson County recorded on January 10, 2013 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District was organized in conjunction with Green Gables Metropolitan District No. 2 (District No. 2). Services are provided to the Green Gables mixed use redevelopment (the Project) by the District and District No. 2. The District serves the residential portion of the Project and District No. 2 serves the commercial and multi-family portions of the Project. The Districts each operate as distinct and separate entities, however, the Districts entered into various intergovernmental agreements to coordinate efforts in the financing and construction of facilities and provision of improvements to the Project. The District's service area is generally located east of Wadsworth Boulevard and south of Jewell Avenue in Jefferson County. The District was established to provide water, storm sewer and sanitary sewer, streets and traffic safety protection, parks and recreation, and covenant enforcement.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds, notes and developer advances are recorded as a reduction in liabilities.

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The District reports the following major governmental funds:

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

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

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

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

Budgets

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

Pooled Cash and Investments

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

Property Taxes

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes (Continued)

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

Capital Assets

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

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress and are not included in the calculation of net investment in capital assets component of the District's net position.

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

Depreciation expense has been computed using the straight-line method over the following estimated economic useful lives:

Street Improvements	30 Years
---------------------	----------

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. Accordingly, the item, cost of refunding, is deferred and recognized as an outflow of resources in the period that the amount is incurred.

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

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity

Net Position

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

Fund Balance

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

- *Nonspendable Fund Balance* – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- *Committed Fund Balance* – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.
- *Assigned Fund Balance* – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
- *Unassigned Fund Balance* – The residual portion of fund balance that does not meet any of the criteria described above.

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS

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

Statement of Net Position:

Cash and Investments	\$ 261,004
Cash and Investments - Restricted	<u>1,148,364</u>
Total Cash and Investments	<u><u>\$ 1,409,368</u></u>

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

Deposits with Financial Institutions	\$ 1,144,855
Investments	<u>264,513</u>
Total Cash and Investments	<u><u>\$ 1,409,368</u></u>

Deposits with Financial Institutions

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

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

At December 31, 2022, the District's cash deposits had a bank balance and a carrying balance of \$1,144,855.

Investments

The District has not adopted a formal investment policy but follows state statutes regarding investments.

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

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

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

As of December 31, 2022, the District had the following investments.

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Colorado Surplus Asset Fund Trust (CSAFE)	Weighted-Average Under 60 Days	\$ 264,513

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE. CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under CRS 24-75-601. CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAmmf and CSAFE CORE is rated AAAf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 CAPITAL ASSETS

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

	Balance at December 31, 2021	Increases	Decreases	Balance at December 31, 2022
Capital Assets, Not Being Depreciated				
Construction in Progress	\$ 54,471	\$ -	\$ -	\$ 54,471
Total Capital Assets, Not Being Depreciated	54,471	-	-	54,471
Capital Assets, Being Depreciated				
Street Improvements	5,073,802	-	-	5,073,802
Total Capital Assets, Being Depreciated	5,073,802	-	-	5,073,802
Less Accumulated Depreciation For:				
Street Improvements	(539,353)	(169,127)	-	(708,480)
Total Accumulated Depreciation	(539,353)	(169,127)	-	(708,480)
Total Capital Assets, Being Depreciated, Net	4,534,449	(169,127)	-	4,365,322
Total Capital Assets	<u>\$ 4,588,920</u>	<u>\$ (169,127)</u>	<u>\$ -</u>	<u>\$ 4,419,793</u>

During 2022, depreciation expense was charged to the general government function.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS

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

	Balance at December 31, 2021	Additions	Reductions	Balance at December 31, 2022	Due Within One Year
Direct Borrowings:					
Series 2019 Loan	\$ 13,660,000	\$ -	\$ 270,000	\$ 13,390,000	\$ 270,000
Total	<u>13,660,000</u>	<u>-</u>	<u>270,000</u>	<u>13,390,000</u>	<u>270,000</u>

The details of the District's long-term obligations are as follows:

Series 2019 General Obligation Loan

On November 14, 2019, the District entered into a Loan Agreement (Loan Agreement) with BBVA Mortgage Corporation (Lender) pertaining to a Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan in the amount of \$13,910,000 (the Loan). The proceeds of the Loan were used to: a) refund the District's then outstanding Series 2016A and Series 2016B Bonds; (b) pay or reimburse project costs of the District; c) fund the Reserve Fund (as defined in the Loan Agreement); and d) pay the costs of issuing the Loan. The Loan does not have any unused lines of credit.

The Loan is secured by and payable from the Pledged Revenue consisting of moneys derived from the following sources, after payment of any costs of collection: a) the Required Mill Levy (as defined in the Loan Agreement); (b) the portion of the Specific Ownership Taxes (as defined in the Loan Agreement) allocable to the amount of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to apply as Pledged Revenue. The Loan is also secured by a Reserve Fund in the amount of \$830,008. The Loan is collateralized by the Pledged Revenue and all amounts held in the Loan Payment Fund and the Reserve Fund.

Interest payments are due June 1 and December 1 of each year, commencing on June 1, 2020, and principal payments are due December 1 of each year, beginning December 1, 2020. The Loan bore a taxable interest at 3.82% through the Conversion Date, September 16, 2021, and bears a tax-exempt interest rate at 3.02% after the Conversion Date. The Loan matures on December 1, 2034. Interest not paid when due will be subject to a default rate calculated as the base rate plus 4% until the default is cured. In the case of a post-maturity default, the Loan will bear interest at *The Wall Street Journal* prime rate plus 2%.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Series 2019 General Obligation Loan (Continued)

Principal payments on the Loan are due and payable in the amounts set forth in the schedule attached. Pursuant to the Loan Agreement, the District is restricted from optional prepayment of the Loan Balance prior to November 14, 2024 (the fifth anniversary of the Closing Date). On November 14, 2024 or any day after, the District may prepay the Loan in whole or in part, with written consent of the Lender and in accordance with the provisions of the Loan Agreement. Pursuant to the Loan Agreement, if the District provides the Refinancing Certificate (as defined in the Loan Agreement) to the Lender in accordance with the provisions of the Loan Agreement, such Refinancing Certificate certifying that the District reasonably expects to refinance the Loan on or before the maturity date, the amount due and payable on the Loan for fiscal year 2034 will be assumed to equal \$530,000. The Loan is not subjects to acceleration.

To the extent principal is not paid when due, principal shall remain outstanding until paid. Events of Default occur if the District fails to impose the required mill levy or to apply the Pledged Revenues as required, and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Loan Agreement.

The details of the District's long-term principal obligations are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2023	\$ -
2024	508,291
2025	418,262
2026	409,994
2027	402,521
2028-2032	1,877,976
2033-2034	680,824
Total	<u>\$ 4,297,868</u>

Authorized Debt

On November 6, 2012, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$49,000,000 in each authorized statutory category at an interest rate not to exceed 18% per annum. At December 31, 2022, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Authorized November 6, 2012 Election	Authorization Used for Series 2016A Bonds	Authorization Used for Series 2016B Bonds	Authorization Used for Series 2019 Loan	Authorized But Unissued
Street Improvements	\$ 49,000,000	\$ 4,818,000	\$ 811,250	\$ -	\$ 43,370,750
Parks and Recreation	49,000,000	-	-	-	49,000,000
Water	49,000,000	1,138,800	191,750	-	47,669,450
Storm or Sanitary Sewer	49,000,000	2,803,200	472,000	-	45,724,800
Traffic and Safety	49,000,000	-	-	-	49,000,000
Operations and Maintenance	49,000,000	-	-	-	49,000,000
Debt Refunding	49,000,000	-	-	3,675,000	45,325,000
Intergovernmental	49,000,000	-	-	-	49,000,000
Total	<u>\$ 392,000,000</u>	<u>\$ 8,760,000</u>	<u>\$ 1,475,000</u>	<u>\$ 3,675,000</u>	<u>\$ 378,090,000</u>

(16)

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt (Continued)

Pursuant to the Service Plan, the District, along with District No. 2 is permitted to issue bond indebtedness in an aggregate amount up to \$49,000,000 (Combined Debt Limit), at an interest rate not to exceed 18%. In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area.

NOTE 6 NET POSITION

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

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2022, the District had net investment in capital assets calculated as follows:

	Governmental Activities
Capital Assets, Net	\$ 4,419,793
Outstanding Long-Term Debt Applicable to Capital Assets	(13,390,000)
Unspent Loan Proceeds	823,811
Net Investment in Capital Assets	<u>\$ (8,146,396)</u>

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

	Governmental Activites
Restricted Net Position:	
Emergency Reserves	\$ 14,600
Debt Service	1,033,087
Total	<u>\$ 1,047,687</u>

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 DISTRICT AGREEMENTS

Water Service Agreements

On September 26, 2018, the District and the Green Gables Development Company, Inc. (the Developer) entered into an Agreement for Water Services (Developer Water Agreement). The Developer Water Agreement reflects that certain Water Facilities (including among other things, a pump building, water pumps, pipelines, and other similar facilities) will be dedicated to the District following completion of construction by CalAtlantic Group, Inc. (CalAtlantic). It is anticipated that the District will be responsible for the operation, repair, and maintenance of the afore-mentioned Water Facilities during its ownership thereof. The Developer Water Agreement sets forth the terms under which the Developer will deliver the Project Water (as defined in the Developer Water Agreement) to the District for the purpose of irrigating the Irrigation Tracts (as defined in the Developer Water Agreement) in accordance with the terms thereof.

On June 2, 2020, the Developer assigned to Save Ward Lake, LLC, all of its right, title, and interest in, to and under the Developer Water Agreement, and further granted and delegated all of its duties and obligations thereunder, and Save the Ward Lake, LLC accepted such assignment. The District's obligations under the Developer Water Agreement are not affected by this assignment.

On September 26, 2018, the District and Green Gables Owners Association, Inc. (the Association) entered into an Agreement for Water Services (Association Water Agreement). The Association Water Agreement reflects that the Association owns, or will own, certain water improvements to be constructed within the Project (irrigation mainlines, distribution lines, controllers, meters, valves, backflow preventers, and irrigation heads) contained within the Open Spaces (as defined in the Association Water Agreement) for use in the irrigation of those areas. The Association Water Agreement sets forth the terms under which the District will furnish Project Water (as defined in the Developer Water Agreement) to the Association for the purpose of irrigating certain Common Areas and the Open Spaces.

On August 15, 2022, the District, District No. 2, and CalAtlantic Group, LLC (CalAtlantic) entered into an Agreement for Water Services (CalAtlantic Water Agreement). The CalAtlantic Water Agreement reflects that the Association owns, or will own, certain water improvements to be constructed within the Townhome Project (irrigation mainlines, distribution lines, controllers, meters, valves, backflow preventers, and irrigation heads) contained within the Townhome Project (as defined in the CalAtlantic Water Agreement) for use in the irrigation of those areas. The CalAtlantic Water Agreement sets forth the terms under which the District will furnish Project Water (as defined in the CalAtlantic Water Agreement) to the Group for the purpose of irrigating the Irrigation Tracts (as defined in the CalAtlantic Water Agreement) in accordance with the terms thereof.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Intergovernmental Agreement for Cost Sharing

On October 23, 2018, the District and District No. 2 entered into an Intergovernmental Agreement for Cost Sharing (Cost Sharing IGA). The purpose of the Cost Sharing IGA is to (i) identify and approve the allocation of the Shared Costs (as defined in the Cost Sharing IGA) as between the District and District No. 2; (ii) evidence the agreement of the District and District No. 2 to assume the obligation to reimburse the Developer for their respective share of the Allocated Costs (as defined in the Cost Sharing IGA); and (iii) agree and acknowledge that the method of determining the allocation of the Allocated Costs will apply to the remaining Shared Improvements to be constructed by either the District or District No. 2 in the future.

Jefferson County IGA

On May 31, 2013, the District entered into an Intergovernmental Agreement with Jefferson County, state of Colorado, and District No. 2 (IGA). The IGA designates the terms under which the County will be responsible for maintenance of certain public roadways upon acceptance but will not be responsible for the maintenance of the Architectural and Design Elements, which are not related to the structural integrity or safety of the roadway, and which are cosmetic. The Districts shall, at their sole cost and expense be responsible for the maintenance, repair and replacement of the Architectural and Design Elements described in the IGA in perpetuity.

The IGA was amended April 13, 2017 to include open space tracts to be owned by Jefferson County. The District will be responsible for maintenance of public improvements in the open space tracts.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Developer Advances

The District has entered into Funding and Reimbursement Agreements with the Developer as follows:

Operation Funding Agreements

The District and the Developer entered into an Operation Funding Agreement (OFA) dated January 16, 2013, with an effective date of January 10, 2013. Pursuant to the OFA, the Developer agreed to advance funds to the District for payment of operations and maintenance expenses for fiscal year 2013 up to the shortfall amount of \$37,500. The District has agreed to reimburse the Developer for funds advanced under the OFA, together with interest thereon at the rate of 8.0% per annum. Payments made under this agreement shall be applied first to interest and then to principal. The term of the OFA shall expire on December 31, 2053 unless terminated earlier by mutual agreement of the parties.

On October 15, 2014, the District and the Developer entered into a First Amendment to the OFA (First Amendment to OFA). Pursuant to the First Amendment to OFA, the Developer agreed to extend the time period to advance funds to the District under the OFA through 2015 up to the shortfall amount of \$50,000.

On April 11, 2016, the District and the Developer entered into a Second Amendment to the OFA (Second Amendment to OFA). Pursuant to the Second Amendment to OFA, the Developer agreed to further extend the time period that the Developer would advance funds to the District for payment of operations and maintenance expenses through fiscal year 2019. The Second Amendment to OFA further increased the Shortfall Amount to \$200,000 and extended the obligation of the Developer to advance funds through March 31, 2020.

As of December 31, 2022, no balance is outstanding under the OFA, as amended.

Facilities Funding and Acquisition Agreements

The District and Developer entered into a Facilities Funding and Acquisition Agreement (FFAA) dated January 16, 2013, with an effective date of January 10, 2013. Pursuant to the FFAA, the District acknowledges the Developer has advanced funds to the District for organization expenses and will advance requested funds to the District to complete the Improvements, as defined in the FFAA (Constructed Related Expenses). The total Shortfall Amount for 2013 was estimated to be \$5,000,000. Prior to any reimbursement to the Developer, Developer shall obtain an independent engineer's certification that the Construction Related Expenses are reasonable and comparable for similar projects in the local community, and verification from the District's accountant that the expenses are reimbursable based on the invoice copies, bills and requests for payment. The District has agreed to reimburse the Developer for funds advanced under the FFAA, together with interest thereon at the rate of 8.0% per annum. Payments made under the FFAA shall be applied first to interest and then to principal. The Parties agree that no payment shall be required of the District unless and until the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of advances under the FFAA. In the event the District has not paid or reimbursed the Developer for any Construction Related Expenses and/or Verified Costs by December 31, 2053, any amount of principal and accrued interest outstanding on such date shall be deemed to be discharged and satisfied in full.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 DISTRICT AGREEMENTS (CONTINUED)

Developer Advances (Continued)

On November 20, 2013, the District and the Developer entered into a First Amendment to the FFAA (First Amendment to FFAA). The First Amendment to FFAA extended the term of the FFAA through 2014.

On February 12, 2015, the District and the Developer entered into a Second Amendment to FFAA (Second Amendment to FFAA). The Second Amendment to FFAA extends the term of the FFAA through 2015 and amends provisions of the FFAA pertaining to Construction Related Expenses and acknowledges the relative priorities for reimbursement of verified costs to provide for future reimbursement to Ryland Group Inc. (Ryland) for construction of certain onsite and offsite improvements pursuant to that certain Ryland Facilities Funding and Acquisition Agreement between the District and Ryland.

On November 18, 2015, the District and the Developer entered into a Third Amendment to FFAA (Third Amendment to FFAA). The Third Amendment to FFAA extended the term of the FFAA through 2016.

On November 15, 2017, the District and the Developer entered into a Fourth Amendment to FFAA (Fourth Amendment to FFAA). The Fourth Amendment to FFAA extended the term of the FFAA through 2021.

On November 14, 2018, the District and the Developer entered into a Fifth Amendment to FFAA (Fifth Amendment to FFAA). The Fifth Amendment to FFAA increased the shortfall amount to \$10,000,000.

As of December 31, 2022, no balance is outstanding under the FFAA, as amended.

GREEN GABLES METROPOLITAN DISTRICT NO. 1
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the Pool) as of December 31, 2022. The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

On November 6, 2012, a majority of the District's electors authorized the District to collect and spend or retain in a reserve the full amount of all currently levied taxes and fees of the District annually, without regard to any limitations under TABOR.

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

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

SUPPLEMENTARY INFORMATION

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
DEBT SERVICE FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 690,017	\$ 690,009	\$ (8)
Specific Ownership Taxes	48,301	47,368	(933)
Net Investment Income	500	14,432	13,932
Total Revenues	<u>738,818</u>	<u>751,809</u>	<u>12,991</u>
EXPENDITURES			
Debt Service:			
County Treasurer's Fee	10,350	10,357	(7)
Banking Fees	40	-	40
Bond Interest	418,262	418,262	-
Bond Principal	270,000	270,000	-
Contingency	11,348	-	11,348
Total Expenditures	<u>710,000</u>	<u>698,619</u>	<u>11,381</u>
NET CHANGE IN FUND BALANCE	28,818	53,190	24,372
Fund Balance - Beginning of Year	<u>1,039,689</u>	<u>1,013,595</u>	<u>(26,094)</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,068,507</u>	<u>\$ 1,066,785</u>	<u>\$ (1,722)</u>

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
CAPITAL PROJECTS FUND –
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DECEMBER 31, 2022**

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	70,030	-	70,030
Total Expenditures	70,030	-	70,030
Fund Balance - Beginning of Year	70,030	70,030	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 70,030</u>	<u>\$ 70,030</u>

OTHER INFORMATION

**GREEN GABLES METROPOLITAN DISTRICT NO. 1
PRINCIPAL PAYMENT SCHEDULE
DECEMBER 31, 2022**

<u>Bonds and Interest Maturing in the Year Ending December 31,</u>	\$13,910,000 Taxable (Convertible to Tax-Exempt) Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Loan Series 2019 Dated November 14, 2019 Interest Payable June 1 and December 1 Principal Payable December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 280,000	\$ 409,994	\$ 689,994
2024	265,000	402,521	667,521
2025	275,000	393,307	668,307
2026	295,000	384,886	679,886
2027	305,000	375,854	680,854
2028	330,000	367,519	697,519
2029	340,000	356,410	696,410
2030	365,000	346,000	711,000
2031	375,000	334,824	709,824
2032	415,000	324,227	739,227
2033	430,000	310,634	740,634
2034	530,000	297,468	827,468
2035	320,000	277,387	597,387
2036	350,000	267,723	617,723
2037	370,000	257,153	627,153
2038	410,000	245,979	655,979
2039	430,000	233,597	663,597
2040	470,000	220,611	690,611
2041	500,000	206,417	706,417
2042	545,000	191,317	736,317
2043	570,000	174,858	744,858
2044	620,000	157,644	777,644
2045	655,000	138,920	793,920
2046	710,000	119,139	829,139
2047	750,000	97,697	847,697
2048	810,000	75,047	885,047
2049	1,675,000	50,585	1,725,585
	<u>\$ 13,390,000</u>	<u>\$ 7,017,718</u>	<u>\$ 20,407,718</u>

GREEN GABLES METROPOLITAN DISTRICT NO. 1
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2022

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied	Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	\$ 7,499,348	66.332	\$ 497,447	\$ 488,351	98.17
2019	8,389,079	66.536	558,179	558,177	100.00
2020	13,390,316	66.796	894,420	894,148	99.97
2021	15,031,465	62.000	931,950	898,040	96.36
2022	15,000,370	62.000	930,023	930,012	100.00
Estimated for Year Ending December 31, 2023	\$ 14,610,889	63.688	\$ 930,538		

NOTE: Property taxes collected in any one year include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.
(a) Refunds and Abatements of \$53,806 were charged

SERVICE AGREEMENT FOR PUMP HOUSE MAINTENANCE SERVICES

THIS SERVICE AGREEMENT FOR PUMP HOUSE MAINTENANCE SERVICES (“**Agreement**”) is entered into and effective as of the ____ day of _____, 2023, by and between **GREEN GABLES METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **V VENTURES INC**, a Colorado corporation (the “**Consultant**”) (each a “**Party**” and, collectively, the “**Parties**”).

RECITALS

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

B. Pursuant to Section 32-1-1001(1)(d)(I), C.R.S., the District is permitted to enter into contracts and agreements affecting the affairs of the District.

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

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

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

I. CONSULTANT DUTIES AND AUTHORITY

1.1 Duties of Consultant. The Consultant shall:

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

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

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

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

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

1.2 Limitations on Authority.

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

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

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

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

1.5 Work Product. "**Work Product**" shall consist of all written materials maintained by the Consultant in connection with performance of this Agreement, including, but not limited to, all test results, logs, surveys, maps, plans, drawings, specifications, reports, PDF formatted electronic files and other documents, in whatever form. The Consultant shall maintain reproducible copies of any test results and logs which it obtains and shall make them available for the District's use, and shall provide such copies to the District upon request at reasonable commercial printing rates. Consultant agrees all right, title and interest in the Work Product is

and shall remain the property of the District. If requested by the District, Consultant shall execute and deliver such documents as shall be necessary in the District's sole discretion, to assign, transfer and convey all rights in the Work Product to the District or its assignee. If Consultant fails to execute any documents required under this Section 1.6, then Consultant hereby irrevocably appoints the District its attorney-in-fact for the purpose of executing any required transfers of ownership or interests and any other documents necessary to effectuate this Section 1.6. Further, all Work Product, whether in paper or electronic form, reproductions thereof, or any information or instruments derived therefrom, shall be provided to the District immediately upon termination of this Agreement.

II. COMPENSATION

2.1 Compensation. The Consultant shall be paid monthly as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed \$_____. Repairs to be performed on a time and materials basis, unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit C** ("Change Order").

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

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

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

III. TERM AND TERMINATION

3.1 Term. The term of this Agreement shall begin on the date set forth above, and shall expire on December 31, 2023. Extensions of this Agreement must be pursuant to a Change Order executed by both Parties.

3.2 Termination. The District may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the Consultant at least thirty (30) days prior to the effective date of such termination. The Consultant may terminate this Agreement for convenience or for cause, in whole or in part, by written notice of termination given to the District at least thirty (30) days prior to the effective date of such termination. Any termination notice provided pursuant to this Section 3.2 shall specify the extent of termination and the effective date of the same.

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

IV. INDEMNIFICATION AND INSURANCE

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

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

(a) Liability Insurance Coverage.

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

(ii) Commercial General Liability Insurance. A Commercial General Liability Insurance Policy written on an occurrence basis, in form and substance reasonably acceptable to the District, which policy shall include, without limitation, the District as an additional insured, a waiver of subrogation endorsement in favor of the District, cross liability and severability of interest endorsements, endorsements providing that the coverage afforded by the

insurance policy or policies is primary and non-contributing with any other insurance maintained by or available to the District, and appropriate language providing the following coverages: Premises and Operations Liability; Personal Injury Liability; Broad Form Property Damage Liability; Contractual Liability supporting the Consultant's indemnification agreements in favor of the District; Completed Operations and Products Liability; and Independent Contractor's Protective Liability. The Commercial General Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and an annual aggregate of liability of not less than \$2,000,000 for bodily injury and/or property damage, and an annual aggregate of liability of not less than \$2,000,000 for Completed Operations and Products Liability.

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

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

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

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

V. MISCELLANEOUS

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

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

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

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

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

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

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

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

To District:	Green Gables Metropolitan District No. 1 8390 E. Crescent Parkway, Suite 300 Greenwood Village, CO Phone: (303) 779-5710 Email: Andrew Williams Attn: andrew.williams@CLAconnection.com
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With a Copy To: Seter & Vander Wall, P.C.
 7400 E. Orchard Road, Suite 3300
 Greenwood Village, CO 80111
 Phone: (303) 770-2700
 Email: cmielke@svwpc.com
 Attn: Colin B. Mielke

To Consultant: V Ventures Inc
 270 Interlocken Blvd.
 Broomfield, CO 80021
 Phone: 303-466-9196
 Email: work_req@vventuresco.com
 Attn: Victor M. Vargas

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

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

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

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO SERVICE AGREEMENT]

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

Consultant:

V VENTURES INC

By: _____

Its: _____

District:

**GREEN GABLES METROPOLITAN
DISTRICT NO. 1**

By: _____

President

EXHIBIT A SCOPE OF SERVICES

Green Gables Pump House – V Ventures, Inc. Responsibilities

Term: April 1st – October 31st 2023

Services: V Ventures, Inc. shall provide or arrange for the ongoing upkeep and maintenance services for the Green Gables Pump House

- Monthly on-site inspection of the pumping facility
 - Ensure proper operation of pumps, controls, filters, facility heater and ventilation system
 - Identify any leaks, maintenance requirements, vandalism issues, etc.
- Monthly meter reading. The pump facility has one 10” meter and there is one meter located adjacent to the pump station that serves the lakefront landscape
- Annual Water Usage: V Ventures will do everything within their power to conserve water and notify the District of water saving opportunities.
- Arrange for annual servicing of the pumping facility including motors, controls, screens, etc.
- V Ventures, Inc will coordinate start-up, winterization, repairs and replacements with Rocky Mountain Pump
 - This contract covers normal start-up and winterization costs. If any repairs are necessary to complete start-up, see below.
 - Repairs, replacements, and upgrades to the system shall be approved in advance by the District. Detailed proposals for the work.

Sub-Contractor: Green Gables Pump House – Rocky Mountain Pump & Controls LLC. Responsibilities

Services:

- Inspections of pumps
- Verify proper operation and pressure differential of pumping facility screens (discharge and intake)
- Start-up
- Winterization

** All repairs and parts to be billed separately through V Ventures, Inc.

**EXHIBIT B
COMPENSATION**

2023

Month	Fee
April	\$
May	\$
June	\$
July	\$
August	\$
September	\$
October	\$

EXHIBIT C
FORM OF CHANGE ORDER

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

CHANGE IN SCOPE OF SERVICES (describe):

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

APPROVED:

By: _____

District

APPROVED:

By: _____

Consultant

SPECIAL WARRANTY DEED

THIS DEED, made this 28th day of MARCH, 2023, between GREEN GABLES DEVELOPMENT COMPANY, INC., a Delaware corporation, whose legal address is 712 Main Street, Suite 2500, Houston, TX 77002, Grantor, and GREEN GABLES METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, whose legal address is 7400 E. Orchard Road, Suite 3300, Greenwood Village, CO 80111, Grantee;

WITNESSETH, That Grantor, for and in consideration of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm, unto Grantee and Grantee's successors and assigns forever, all the real property together with improvements, if any, situate, lying, and being in the County of Jefferson, and State of Colorado, described as follows:

Tracts E-1, R-1, and Q, Green Gables Filing No. 3, as recorded on December 10, 2015 in the real property records of the Clerk and Recorder in and for Jefferson County, Colorado at Reception Number 2015131070.

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances, unto Grantee and Grantee's successors and assigns forever. And Grantor, for Grantor and Grantor's successors and representatives, does covenant, grant, bargain and agree to and with Grantee and Grantee's successors and assigns, that at the time of the ensealing and delivery of these presents, Grantor is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritances, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances, and restrictions of whatever kind or nature whatsoever.

Grantor shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of Grantee and Grantee's successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by, through, or under Grantor.

