

DENARGO MARKET METROPOLITAN DISTRICT NOS. 1, 2 AND 3

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 · 800-741-3254
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<https://denargo.colorado.gov>

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expires</u>
Laura H. Newman	President	2023/May 2023
Donald D. Cabrera	Treasurer	2023/May 2023
Jeffrey D. Jones		2025/May 2025
VACANT		2023/May 2025
VACANT		2023/May 2025
Matt Cohrs	Secretary	

DATE: September 20, 2022

TIME: 4:30 p.m.

LOCATION: Zoom Meeting

<https://us02web.zoom.us/j/6464033676?pwd=bzJUOHBHNXNEQ2JYUTJkYkZ0b3B3Zz09>

Phone: 1 (253) 215-8782

Meeting ID: 646 403 3676

Password: 267458

One tap mobile: +12532158782,,6464033676#

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Confirm quorum, location of meetings and posting of meeting notices. Approve agenda.

C. Review and approve the Minutes of the June 21, 2022 Regular Meetings of Denargo Market Metropolitan District No. 1 (“District No. 1”), Denargo Market Metropolitan District No. 2 (“District No. 2”) and Denargo Market Metropolitan District No. 3 (“District No. 3”) (enclosures).

D. Discuss vacancies on the Board. Consider appointment of Todd Wenskoski and Wade Davidson to fill vacant seats on the Boards of Directors. Administer Oaths of Directors.

E. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

II. PUBLIC COMMENT

A. Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes per person.

III. FINANCIAL MATTERS

A. District No. 1 - Review and consider approval of the payment of claims through the period ending as follows (enclosures):

Fund	Period Ending July 31, 2022	Period Ending August 31, 2022	Special Check BrightView Landscape Services
General	\$ 20,430.95	\$ 28,143.46	\$ 8,512.50
Debt Service	\$ -0-	\$ -0-	\$ -0-
Capital Projects	\$ -0-	\$ 2,536.50	\$ -0-
Total	\$ 20,430.95	\$ 30,679.96	\$ 8,512.50

B. District Nos. 1 and 2 - Review and accept the unaudited financial statements through the period ending June 30, 2022 and Schedule of Cash Position updated as of August 1, 2022 (enclosures).

IV. LEGAL MATTERS

A. Discuss status of Service Plan Amendments and authorize necessary actions related thereto.

B. Discuss and consider approval of Cost Sharing Agreement by and among City and County of Denver, JV Denargo LLC and the District (enclosure).

- C. Discuss potential License Agreement with commercial user for encroachment of private improvements on District owned property.

- D. Acknowledge Service Agreement for Operations and Maintenance Consultation Services by and between the District and ETM Associates, L.L.C. (enclosure).

- E. Acknowledge Amended and Restated Partial Termination of Easement (Easement Agreement [Detention Pond] dated as of April 19, 2012 and recorded in the official records of the City and County of Denver at Reception Number 2012059040).

V. OTHER MATTERS

- A. Update on Development – Wewatta Way.

- B. Discuss and consider approval of Change Order to Service Agreement for Site Inspection Services/Construction Oversight by and between the District and Triunity Engineering & Management, INC. for review of development applications.

- C. Confirm annual meeting for property owners and overlapping entities (enclosure - notice of meeting that was published on August 16, 2022).

VI. ADJOURNMENT **THE NEXT REGULAR MEETINGS ARE SCHEDULED FOR NOVEMBER 15, 2022 ~ BUDGET HEARING**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 1 HELD JUNE 21, 2022

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 1 (referred to hereafter as the “District”) was held on Tuesday, the 21st day of June 2022, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Erica Montague, Esq; McGeady Becher P.C.

Lindsay Ross and Michael Cronic; CliftonLarsonAllen LLP

Wade Davidson and Todd Wenskoski; Board Candidates

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning

RECORD OF PROCEEDINGS

the location of the District's Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the April 26, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Minutes of the April 26, 2022 Special Meeting were approved, as presented.

Appointment of Directors: The Board considered the appointment of Todd Wenskoski and Wade Davidson to fill the vacancies on the Board.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, Todd Wenskoski and Wade Davidson were appointed to fill the vacancies on the Board.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the following slate of officers was appointed, subject to administration and filing of Oath documents for Mr. Wenskoski and Mr. Davidson:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Matt Cohrs
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	Todd Wenskoski
Assistant Secretary	Wade Davidson

RECORD OF PROCEEDINGS

2022 SDA Conference: Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending May 31, 2022	Period Ending June 30, 2022
General	\$ 26,944.94	\$ 31,953.24
Debt Service	\$ -0-	\$ -0-
Capital Projects	\$ 660.00	\$ -0-
Total	\$ 27,604.94	\$ 31,953.24

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims, as presented.

Unaudited Financial Statements: Ms. Ross reviewed with the Board the unaudited financial statements through the period ending May 31, 2022 and Schedule of Cash Position updated as of June 13, 2022. Ms. Ross was directed to prepare an updated budget projection for the remainder of the year.

Following review, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending May 31, 2022 and Schedule of Cash Position updated as of June 13, 2022.

2021 Audit: Ms. Ross reviewed the 2021 Audit with the Board.

Following review and discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board approved the 2021 Audit and authorized execution of the Representations Letter, subject to final review by District Counsel and issuance of a clean opinion by the auditor.

LEGAL MATTERS

Service Plan Amendment: Attorney Williams provided an update to the Board regarding the Districts' proposed Service Plan Amendments, noting that discussion with the City and County of Denver were ongoing. The Board discussed hiring a

RECORD OF PROCEEDINGS

consultant to prepare a reasonable operating budget. The Board directed that a proposal for such services be obtained and presented to the Board for consideration at a future meeting.

Service Agreement for Cost Verification Services by and between District No. 1 and Schedio Group LLC: The Board reviewed a Service Agreement for Cost Verification Services by and between District No. 1 and Schedio Group LLC.

Following review and discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board acknowledged the Service Agreement for Cost Verification Services by and between District No. 1 and Schedio Group LLC.

Development Agreement and Easement Agreement Estoppel Certificate (Denargo Market) from District No. 1 to JV Lodo Denargo LLC, Bank OZK, together with its successors and/or assigns and Stewart Title Guaranty Company (“Estoppel Certificate”): The Board entered into discussion regarding the Estoppel Certificate.

Following discussion, upon motion duly made by Director Newman, seconded by Director Jones and, upon vote, unanimously carried, the Board authorized the execution of the Estoppel Certificate.

OTHER MATTERS

Road Conditions and Maintenance Matters: Director Cabrera provided an update to the Board regarding road conditions and maintenance matters at Wewatta Way. Mr. Cohrs was directed to obtain an estimate for asphalt repairs.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 2 HELD JUNE 21, 2022

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 2 (referred to hereafter as the “District”) was held on Tuesday, the 21st day of June 2022, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Erica Montague, Esq; McGeady Becher P.C.

Lindsay Ross and Michael Cronic; CliftonLarsonAllen LLP

Wade Davidson and Todd Wenskoski; Board Candidates

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning

RECORD OF PROCEEDINGS

the location of the District's Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the April 26, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Minutes of the April 26, 2022 Special Meeting were approved, as presented.

Appointment of Directors: The Board considered the appointment of Todd Wenskoski and Wade Davidson to fill the vacancies on the Board.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, Todd Wenskoski and Wade Davidson were appointed to fill the vacancies on the Board.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the following slate of officers was appointed, subject to administration and filing of Oath documents for Mr. Wenskoski and Mr. Davidson:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Matt Cohrs
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	Todd Wenskoski
Assistant Secretary	Wade Davidson

RECORD OF PROCEEDINGS

2022 SDA Conference: Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

PUBLIC COMMENT

There were no public comments.

FINANCIAL MATTERS

Unaudited Financial Statements: Ms. Ross reviewed with the Board the unaudited financial statements through the period ending May 31, 2022 and Schedule of Cash Position updated as of June 13, 2022.

Following review, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending May 31, 2022 and Schedule of Cash Position updated as of June 13, 2022.

2021 Audit: Ms. Ross reviewed the 2021 Audit with the Board.

Following review and discussion, upon motion duly made by Director Jones, seconded by Director Newman and, upon vote, unanimously carried, the Board approved the 2021 Audit and authorized execution of the Representations Letter, subject to final review by District Counsel and issuance of a clean opinion by the auditor.

LEGAL MATTERS

Service Plan Amendment: Attorney Williams provided an update to the Board regarding the Districts' proposed Service Plan Amendments, noting that discussion with the City and County of Denver were ongoing. The Board discussed hiring a consultant to prepare a reasonable operating budget. The Board directed that a proposal for such services be obtained and presented to the Board for consideration at a future meeting.

OTHER MATTERS

Road Conditions and Maintenance Matters: Director Cabrera provided an update to the Board regarding road conditions and maintenance matters at Wewatta Way. Mr. Cohrs was directed to obtain an estimate for asphalt repairs.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3 HELD JUNE 21, 2022

A Regular Meeting of the Board of Directors (referred to hereafter as the “Board”) of the Denargo Market Metropolitan District No. 3 (referred to hereafter as the “District”) was held on Tuesday, the 21st day of June 2022, at 4:30 p.m. The District Board meeting was held and properly noticed to be held via Zoom. The meeting was open to the public via Zoom.

ATTENDANCE

Directors In Attendance Were:

Laura H. Newman
Donald D. Cabrera
Jeffrey D. Jones

Also In Attendance Were:

Matt Cohrs; Special District Management Services, Inc. (“SDMS”)

Paula Williams, Esq. and Erica Montague, Esq; McGeady Becher P.C.

Lindsay Ross and Michael Cronce; CliftonLarsonAllen LLP

Wade Davidson and Todd Wenskoski; Board Candidates

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board and to the Secretary of State. It was noted that disclosures of potential conflicts of interest statements for each of the Directors had been filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Williams requested that the Directors consider whether they had any additional conflicts of interest to disclose. It was noted for the record that there were no additional disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statutes.

ADMINISTRATIVE MATTERS

Confirmation of Quorum, Location of Meeting and Posting of Meeting Notices: Mr. Cohrs confirmed the presence of a quorum. The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning

RECORD OF PROCEEDINGS

the location of the District's Board meeting. It was noted that the District Board meeting was held and properly noticed to be held by video / telephonic means via Zoom. The Board further noted that notice of the time, date and meeting access information was duly posted and that no objections, or any requests that the means of hosting the meeting be changed were received from taxpaying electors within the District's boundaries.

Agenda: Mr. Cohrs reviewed with the Board a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Agenda was approved, as amended.

Minutes: The Board reviewed the Minutes of the April 26, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Cabrera, seconded by Director Newman and, upon vote, unanimously carried, the Minutes of the April 26, 2022 Special Meeting were approved, as presented.

Appointment of Director: The Board considered the appointment of Todd Wenskoski and Wade Davidson to fill the vacancies on the Board.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, Todd Wenskoski and Wade Davidson were appointed to fill the vacancies on the Board.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Jones, seconded by Director Cabrera and, upon vote, unanimously carried, the following slate of officers was appointed, subject to administration and filing of Oath documents for Mr. Wenskoski and Mr. Davidson:

President	Laura H. Newman
Treasurer	Donald D. Cabrera
Secretary	Matt Cohrs
Assistant Secretary	Jeffrey D. Jones
Assistant Secretary	Todd Wenskoski
Assistant Secretary	Wade Davidson

RECORD OF PROCEEDINGS

2022 SDA Conference: Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

**PUBLIC
COMMENT**

There were no public comments.

**FINANCIAL
MATTERS**

There were no financial matters to discuss.

LEGAL MATTERS

Service Plan Amendment: Attorney Williams provided an update to the Board regarding the Districts' proposed Service Plan Amendments, noting that discussion with the City and County of Denver were ongoing. The Board discussed hiring a consultant to prepare a reasonable operating budget. The Board directed that a proposal for such services be obtained and presented to the Board for consideration at a future meeting.

OTHER MATTERS

Road Conditions and Maintenance Matters: Director Cabrera provided an update to the Board regarding road conditions and maintenance matters at Wewatta Way. Mr. Cohrs was directed to obtain an estimate for asphalt repairs.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Cabrera, seconded by Director Jones and, upon vote, unanimously carried, the Special Meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

Denargo Market Metropolitan District No. 1

July-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	7942684	6/14/2022	6/29/2022	\$ 1,399.71	Landscape & options	107816
Brightview Landscape Services	7949687	6/23/2022	7/8/2022	\$ 748.24	Landscape & options	107816
Brightview Landscape Services	7966857	7/1/2022	7/16/2022	\$ 1,065.00	Landscape & options	107816
CliftonLarsonAllen, LLP	3315645	6/16/2022	6/16/2022	\$ 2,709.63	Accounting	107000
Colorado Lighting Inc	NI 107089	7/1/2022	7/31/2022	\$ 20.00	Site lighting	107803
Denver Metro Protective Services	22-070291	7/1/2022	7/31/2022	\$ 220.00	Security	107570
Denver Water	3250 June 2022	6/13/2022	7/5/2022	\$ 231.56	Utilities	107701
Diversified Underground	25942	6/30/2022	7/1/2022	\$ 262.00	Locates	107804
Mcgeady Becher P.C	1057W 5-2022	5/31/2022	5/31/2022	\$ 2,105.96	Legal services	107460
Mcgeady Becher P.C	1057W 5-2022	5/31/2022	5/31/2022	\$ 237.50	Legal	307460
Special District Management Services	D1 6-2022	6/30/2022	6/30/2022	\$ 29.60	Election expense	107581
Special District Management Services	D1 6-2022	6/30/2022	6/30/2022	\$ 2,808.65	District management	107440
Special District Management Services	D2 6-2022	6/30/2022	6/30/2022	\$ 14.80	Election expense	107581
Special District Management Services	D2 6-2022	6/30/2022	6/30/2022	\$ 340.40	District management	107440
Special District Management Services	D3 6-2022	6/30/2022	6/30/2022	\$ 14.80	Election expense	107581
Special District Management Services	D3 6-2022	6/30/2022	6/30/2022	\$ 148.00	District management	107440
Triunity Engineering & Management	100517.24	7/5/2022	7/5/2022	\$ 7,783.75	Site inspection	107802
Utility Notification Center	222060461	6/30/2022	6/30/2022	\$ 14.30	Locates	107804
				\$ 20,153.90		

Denargo Market Metropolitan District No. 1
July-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 20,153.90		\$ -	\$ 20,153.90
Payroll	\$ 277.05	\$ -	\$ -	\$ 277.05
Total Disbursements from Checking Acct	<u>\$ 20,430.95</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,430.95</u>

Denargo Market Metropolitan District No. 1
August-22

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	8006571	7/25/2022	8/9/2022	\$ 935.30	Landscape & options	107816
Brightview Landscape Services	8008126	8/1/2022	8/16/2022	\$ 1,065.00	Landscape & options	107816
CliftonLarsonAllen, LLP	3347339	6/30/2022	6/30/2022	\$ 4,330.88	Accounting	107000
Colorado Lighting Inc	NI108219	8/1/2022	8/31/2022	\$ 20.00	Site lighting	107803
Colorado Lighting Inc	533194	7/11/2022	8/10/2022	\$ 461.66	Site lighting	107803
Colorado Special District Property & Liability Pool	37231	8/1/2022	8/1/2022	\$ 189.00	Prepaid insurance	101255
Colorado Special District Property & Liability Pool	D3 Proposal 37230	7/28/2022	7/28/2022	\$ 846.00	Prepaid insurance	101255
Dazzio & Associates	552	7/21/2022	7/21/2022	\$ 8,500.00	Auditing	107020
Denver Metro Protective Services	22-080306	8/1/2022	8/31/2022	\$ 220.00	Security	107570
Denver Water	3250 July 2022	7/13/2022	8/3/2022	\$ 392.84	Utilities	107701
Diversified Underground	26076	7/31/2022	8/30/2022	\$ 170.00	Locates	107804
Mcgeady Becher P.C	1057W 6-2022	6/30/2022	6/30/2022	\$ 7,418.00	Legal services	107460
Mcgeady Becher P.C	1057W 6-2022	6/30/2022	6/30/2022	\$ 2,536.50	Legal	307460
Special District Association	D3 SDA 2022	7/27/2022	7/27/2022	\$ 150.00	Dues and licenses	107350
Special District Management Services	D2 7-2022	7/31/2022	7/31/2022	\$ 264.40	District management	107440
Special District Management Services	D1 7-2022	7/31/2022	7/31/2022	\$ 1,781.25	District management	107440
Special District Management Services	D3 7-2022	7/31/2022	7/31/2022	\$ 503.20	District management	107440
T Charles Wilson Insurance Service	11072	7/28/2022	8/1/2022	\$ 495.00	Insurance and bonds	107360
Utility Notification Center	222070453	7/31/2022	7/31/2022	\$ 9.10	Locates	107804
Xcel Energy	788552309	7/19/2022	8/8/2022	\$ 162.81	Utilities	107701
Xcel Energy	784305124	6/16/2022	7/7/2022	\$ 143.42	Utilities	107701
Xcel Energy	783552228	6/10/2022	6/30/2022	\$ 41.28	Utilities	107701
Xcel Energy	787577526	7/12/2022	8/1/2022	\$ 44.32	Utilities	107701
				\$ 30,679.96		

Denargo Market Metropolitan District No. 1
August-22

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 28,143.46		\$ 2,536.50	\$ 30,679.96
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 28,143.46	\$ -	\$ 2,536.50	\$ 30,679.96

Dcnargo Market Metropolitan District No. 1
8/1/2022 - Special Check

Vendor	Invoice #	Date	Due Date	Amount in USD	Expense Account	Account Number
Brightview Landscape Services	7808414	2/16/2022	3/3/2022	\$ 8,512.50	Snow removal	107815
				\$ 8,512.50		

Denargo Market Metropolitan District No. 1
8/1/2022 - Special Check

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 8,512.50			\$ 8,512.50
Payroll		\$ -	\$ -	\$ -
Total Disbursements from Checking Acct	\$ 8,512.50	\$ -	\$ -	\$ 8,512.50

DENARGO MARKET METROPOLITAN DISTRICT NO. 1

FINANCIAL STATEMENTS

JUNE 30, 2022

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Capital Projects	Total
ASSETS			
Cash - Checking	\$ 39,896	\$ 642	\$ 40,538
Colotrust	16,297	133,099	149,396
Due from District No. 2	283,480	255,083	538,563
TOTAL ASSETS	\$ 339,673	\$ 388,824	\$ 728,497
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Accounts payable	\$ 60,304	\$ 5,568	\$ 65,872
Payroll taxes payable	260	-	260
Total Liabilities	60,564	5,568	66,132
FUND BALANCES			
Total Fund Balances	279,109	383,256	662,365
TOTAL LIABILITIES AND FUND BALANCES	\$ 339,673	\$ 388,824	\$ 728,497

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

GENERAL FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Permit fees	\$ 5,000	\$ 18,603	\$ 13,603
Transfer from District No. 2	328,738	321,876	(6,862)
Interest income	1,000	464	(536)
TOTAL REVENUES	<u>334,738</u>	<u>340,943</u>	<u>6,205</u>
EXPENDITURES			
Street sweeping	1,000	-	1,000
Streets and sidewalk	27,000	-	27,000
Utilities	15,000	1,735	13,265
City of Denver annual fee	6,000	6,000	-
Site inspection	24,000	35,702	(11,702)
Sight lighting	5,000	358	4,642
Locates	3,500	5,103	(1,603)
Landscape & irrigation repairs	35,000	2,256	32,744
Detention Pond Cleanup	10,000	-	10,000
Snow removal	25,000	40,692	(15,692)
Landscape & options	55,000	9,823	45,177
Accounting	35,000	17,824	17,176
Auditing	9,000	-	9,000
Directors' fees	2,500	1,400	1,100
Dues and licenses	1,300	1,147	153
Insurance and bonds	11,800	11,360	440
District management	57,000	22,589	34,411
Legal services	35,000	30,326	4,674
Miscellaneous	2,500	1,056	1,444
Security	7,500	600	6,900
Payroll taxes	200	153	47
Election expense	2,300	2,323	(23)
Repairs and maintenance	25,000	-	25,000
Contingency	12,400	-	12,400
TOTAL EXPENDITURES	<u>408,000</u>	<u>190,447</u>	<u>217,553</u>
NET CHANGE IN FUND BALANCES	(73,262)	150,496	223,758
FUND BALANCES - BEGINNING	<u>88,195</u>	<u>128,613</u>	<u>40,418</u>
FUND BALANCES - ENDING	<u><u>\$ 14,933</u></u>	<u><u>\$ 279,109</u></u>	<u><u>\$ 264,176</u></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

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

CAPITAL PROJECTS FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Transfer from District No. 2	\$ -	\$ 255,083	\$ 255,083
Impact Fees	-	134,400	134,400
TOTAL REVENUES	<u>-</u>	<u>389,483</u>	<u>389,483</u>
EXPENDITURES			
Engineering	-	660	(660)
Legal services	-	5,567	(5,567)
TOTAL EXPENDITURES	<u>-</u>	<u>6,227</u>	<u>(6,227)</u>
NET CHANGE IN FUND BALANCES	-	383,256	383,256
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ 383,256</u>	<u>\$ 383,256</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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation, was formed in June 2010, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Denver, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

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.

Revenues

Property Taxes

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

Interest Income

Interest earned on the District's available funds has been estimated based on historical information.

Developer Advance

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

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, banking, and meeting expense.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 1
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases

The District doesn't have any debt or leases.

Reserve Fund

Emergency Reserve

The District has provided for an Emergency Reserve equal to at least 3% of fiscal year spending, as defined under the TABOR Amendment.

DENARGO MARKET METROPOLITAN DISTRICT NO. 1
Schedule of Cash Position
June 30, 2022
Updated as of September 1, 2022

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<u>First Bank - Checking Account</u>			
Balance as of 06/30/22	\$ 39,895.68	\$ 641.50	\$ 40,537.18
Subsequent activities:			
07/05/22 Vouchers Payable	(4,985.28)		(4,985.28)
07/06/22 Vouchers Payable	(25,484.86)	(1,301.50)	(26,786.36)
07/06/22 Denver Water	(24.20)	-	(24.20)
07/06/22 Denver Water	(231.56)	-	(231.56)
07/18/22 July Payroll (#9218-9220)	(277.05)	-	(277.05)
07/19/22 Transfer from ColoTrust	-	15,000.00	15,000.00
07/20/22 Wire to City of Denver - Svc Plan Amend Fees	-	(15,000.00)	(15,000.00)
07/22/22 Transfer from ColoTrust	25,257.00	1,743.00	27,000.00
07/28/22 Vouchers Payable	(19,097.54)	(1,083.00)	(20,180.54)
08/03/22 Xcel	(306.23)	-	(306.23)
08/03/22 Xcel	(85.60)	-	(85.60)
08/04/22 Denver Water	(392.84)	-	(392.84)
08/04/22 Denver Water	(24.20)	-	(24.20)
08/29/22 Transfer from ColoTrust	27,817.50	3,182.50	31,000.00
08/29/22 Vouchers Payable	(26,694.79)	(3,182.50)	(29,877.29)
08/29/22 Denargo	(8,512.50)	-	(8,512.50)
Anticipated Activities:			
<i>Anticipated Denver Water</i>	<i>(268.60)</i>	-	<i>(268.60)</i>
<i>Anticipated Balance</i>	<i>6,584.93</i>	-	<i>6,584.93</i>
<u>ColoTrust</u>			
Balance as of 06/30/22	44,995.08	104,400.00	149,395.08
Subsequent activities:			
07/19/22 Transfer to First Bank	-	(15,000.00)	(15,000.00)
07/22/22 Transfer to First Bank	(25,257.00)	(1,743.00)	(27,000.00)
07/31/22 Interest income	187.32	-	187.32
08/23/22 Permit Fees	4,130.00	-	4,130.00
08/29/22 Transfer to First Bank	(27,817.50)	(3,182.50)	(31,000.00)
08/31/22 Interest income	202.07	-	202.07
Anticipated Activities:			
<i>Anticipated transfer from Denargo No. 2</i>	<i>283,724.34</i>	-	<i>283,724.34</i>
<i>Anticipated Balance</i>	<i>280,164.31</i>	<i>84,474.50</i>	<i>364,638.81</i>
<i>Total Anticipated Balance</i>	<i>\$ 286,749.24</i>	<i>\$ 84,474.50</i>	<i>\$ 371,223.74</i>

Yield information:

ColoTrust - 2.2488% (08/31/22)

DENARGO MARKET METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

JUNE 30, 2022

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Debt Service	Total
ASSETS			
Zion - 2016B Loan Payment Account	\$ -	\$ 27,457	\$ 27,457
Colotrust	200,038	261,216	461,254
Zion - Capitalized Interest Fund	-	1	1
Zion - 2016B Project Fund	-	255,083	255,083
Zion - Loan Payment Account	-	276,598	276,598
Zion - Pledged Revenue Account	-	6	6
Zion - Loan Fees Fund	-	5,651	5,651
Zion - Surplus Fund	-	4,384	4,384
Receivable from County Treasurer	83,442	252,278	335,720
TOTAL ASSETS	\$ 283,480	\$ 1,082,674	\$ 1,366,154
LIABILITIES AND FUND BALANCES			
CURRENT LIABILITIES			
Due to District No.1	\$ -	\$ 255,083	\$ 255,083
Due to District No. 1	283,480	-	283,480
Total Liabilities	283,480	255,083	538,563
FUND BALANCES			
Total Fund Balances	-	827,591	827,591
TOTAL LIABILITIES AND FUND BALANCES	\$ 283,480	\$ 1,082,674	\$ 1,366,154

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

GENERAL FUND

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
REVENUES			
Interest income	\$ -	\$ 587	\$ 587
Property taxes	316,094	316,094	-
Specific ownership tax	15,805	8,360	(7,445)
TOTAL REVENUES	<u>331,899</u>	<u>325,041</u>	<u>(6,858)</u>
EXPENDITURES			
County Treasurer's fee	3,161	3,165	(4)
Transfers to District No. 1	328,738	321,876	6,862
TOTAL EXPENDITURES	<u>331,899</u>	<u>325,041</u>	<u>6,858</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE SIX MONTHS ENDED JUNE 30, 2022

DEBT SERVICE FUND

	Annual Budget	Year to Date Actual	Variance
REVENUES			
Property taxes	\$ 955,667	\$ 955,667	\$ -
Specific ownership tax	47,783	25,274	(22,509)
Interest income	500	2,014	1,514
TOTAL REVENUES	1,003,950	982,955	(20,995)
EXPENDITURES			
Paying Agent Fees	4,500	1,500	3,000
Bond Interest - 2016A	328,089	163,239	164,850
Bond Interest - 2016B	41,098	12,459	28,639
Contingency	4,429	-	4,429
County Treasurer's fee	9,557	9,567	(10)
Bond principal 2016A	150,000	-	150,000
Bond principal 2016B	18,327	-	18,327
TOTAL EXPENDITURES	556,000	186,765	369,235
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	447,950	796,190	348,240
OTHER FINANCING SOURCES (USES)			
Transfers to District No 1	-	(255,083)	(255,083)
TOTAL OTHER FINANCING SOURCES (USES)	-	(255,083)	(255,083)
NET CHANGE IN FUND BALANCES	447,950	541,107	93,157
FUND BALANCES - BEGINNING	533,664	286,484	(247,180)
FUND BALANCES - ENDING	\$ 981,614	\$ 827,591	\$ (154,023)

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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation, was formed in June 2010, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Denver, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, television relay and translation, and mosquito control.

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.

Revenues

Property Taxes

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

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 5% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on historical information.

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, banking, and meeting expense.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (Continued)

Debt Service

Principal and interest payments in 2022 are provided based on the debt amortization schedule from the Series 2016A and 2016B Bonds (discussed under Debts and Leases).

Debt and Leases

Series 2016 Bonds

\$10,000,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Improvement Loan, Series 2016A, dated September 29, 2016 {the Series 2016A Loan} as evidenced by a Loan Agreement between the District and ZB, N.A. dba Vectra Bank, Colorado {the Bank}.

Proceeds from the sale of the Series 2016A Loan were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016A Loan and (iii) funding a portion of interest to accrue on the Series 2016A Loan.

Interest is payable on each June 1 and December 1 beginning on June 1, 2017 and continuing through December 1, 2046, based on a 360-day year and actual number of days elapsed in any applicable period.

The Series 2016A Loan is a variable rate loan in which the rate resets as follows:

(a) From September 29, 2016 to the First Rate Reset Date, being December 1, 2021, interest is at the rate of 3.4425% per annum.

(b) Thereafter, on each five-year anniversary being, December 1, 2026; December 1, 2031; December 1, 2036; and December 1, 2041, interest is equal to the Bank Qualified Tax-Exempt Rate, as defined in the Loan Agreement, computed by the Bank, on each such Rate Reset Date.

The Series 2016A Loan is secured by and payable solely from Pledged Revenues, which include: the (a) Required Mill Levy; (b) Specific Ownership Taxes; (c) System Development Fees; (d) Additional Revenue, if any; and (e) any other legally available moneys.

The Required Mill Levy is equal to an ad valorem mill levy imposed upon all taxable property of the District each year in an amount sufficient to pay the principal of and interest on the Series 2016A Loan as the same become due and payable in the succeeding collection year but not greater than 40 mills and not less than the Minimum Mill Levy, defined as the lesser of (a) 30 mills or (b) the number of mills necessary to produce tax revenue in the applicable loan year in an amount which, when combined with the other net revenue budgeted to be received in such loan year, will cause the Debt Service Ratio, as defined in the Loan Agreement, to equal 1.25 times, provided that the foregoing maximum mill levy and Minimum Mill Levy may be adjusted to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation occurring after March 8, 2010 (being the date of the Service Plan) so that to the extent possible, the actual revenues generated by such minimum and maximum mill levies are neither diminished nor enhanced as a result of such changes.

Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

The Series 2016A Loan is subject to prepayment on the following dates and under the following conditions:

(a) No Prepayment. During the first and second years after the closing date and during the first and second years of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan shall not be prepaid. Specifically, the 2016A Loan may not be prepaid during the following periods:

- (i) from the Closing Date to but not including September 29, 2018;
- (ii) December 1, 2021 to but not including December 1, 2023;
- (iii) December 1, 2026 to but not including December 1, 2028;
- (iv) December 1, 2031 to but not including December 1, 2033;
- (v) December 1, 2036 to but not including December 1, 2038; and
- (vi) December 1, 2041 to but not including December 1, 2043.

(b) Prepayment with 1% Prepayment Fee. During the third year after the closing date and during the third year of each five-year period occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current loan balance plus accrued and unpaid interest thereon to the date of such prepayment, together with a prepayment fee equal to 1.0% of the loan balance during the following periods:

- (i) September 29, 2018 to but not including September 29, 2019;
- (ii) December 1, 2023 to but not including, December 1, 2024;
- (iii) December 1, 2028 to but not including December 1, 2029;
- (iv) December 1, 2033 to but not including December 1, 2034;
- (v) December 1, 2038 to but not including December 1, 2039; and
- (vi) December 1, 2043 to but not including December 1, 2044.

(c) Prepayment at Par. During the fourth and fifth years after the closing date and during the fourth and fifth years occurring between Rate Reset Dates, the Series 2016A Loan may be prepaid in whole, but not in part, upon payment of the then current Loan Balance plus accrued and unpaid interest thereon to the date of such prepayment, without prepayment fee, premium or penalty; provided, during the following periods:

- (i) September 29, 2019 to but not including December 1, 2021;
- (ii) December 1, 2024 to but not including December 2026;
- (iii) December 1, 2029 to but not including December 1, 2031;
- (iv) December 1, 2034 to but not including December 1, 2036;
- (v) December 1, 2039 to but not including December 1, 2041; and
- (vi) December 1, 2044 through and including the Maturity Date.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

\$8,000,000 Limited Tax {Convertible to Unlimited Tax} Taxable General Obligation Advancing Improvement Loan, Series 2016B, dated September 29, 2016 (the Series 2016B Loan) as evidenced by a Loan Agreement with the Bank, with a maturity date of December 1, 2046. The 2016B Loan is further evidenced by the 2016B-1 and 2016B-2 Notes.

The District is authorized to request advances from the Bank on the Series 2016B Loan only under the following circumstances:

1. Inclusion of additional property into the District - Real property has been legally included within the boundaries of the District after September 29, 2016. Additional property included in the District after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.
2. True-Up of Assessed Valuation - After receipt of the final certified assessed valuation for 2017 from the Denver County Assessor, if the Assessed Value of the District No. 2 Property has increased from the projected assessed valuation of \$14,315,606 for 2017 that was the basis for the funding of the 2016A Loan on September 29, 2016.
3. Real property has been legally included within the boundaries of District No. 1 or District No. 3 after September 29, 2016 and there exists a pledge to the Bank of additional revenue. Property included in the boundaries of District No. 1 and/or District No. 3 after September 29, 2016 will be eligible for Advances based on (1) Contributed Land; (2) Construction Buildings; and (3) Completed Buildings.

The District may make advance requests once each calendar quarter in amounts not less than \$250,000 for Construction Buildings and Completed Buildings. There shall be no minimum amount for Advance Requests relating to Contributed Land or to True-Up of Assessed Valuations.

The Series 2016B Loan is a variable rate loan with interest accruing at the taxable rate as follows: For advances made:

Prior to December 1, 2017 - 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2017 and November 30, 2018 - 3.00% plus the four-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2018 and November 30, 2019 - 3.00% plus the three-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

On or after December 1, 2019 and November 30, 2020 - 3.00% plus the two-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases (continued)

On or after December 1, 2020 and November 30, 2021 - 3.00% plus the one-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance.

Thereafter, on each rate reset on December 1, 2021, and each 5-year anniversary of such date until maturity, interest is 3.00% plus the five-year Federal Home Loan Bank Des Moines Fixed Rate on the day of the advance

On December 9, 2016, the District entered into a Loan Pricing and Purchase Agreement whereby the interest rate on the 20168-1 Note was changed to the Bank Qualified Tax Exempt Rate, which is equal to the taxable rate, as defined above, multiplied by 75%.

The Series 2016B Loan is secured by and payable solely from the same Pledged Revenues as the Series 2016A Loan and follow the same prepayment conditions as the Series 2016A Loan. The Series 2016B Loan is parity debt to the Series 2016A Loan.

On December 27, 2017, the District received advances amounting to \$440,147. The advances are evidenced by the 2016B-1 and 2016B-2 Notes amounting to \$50,001 and \$390,146, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the costs of certain public infrastructure and operating costs incurred by District No. 1; (ii) paying the costs of issuance of the Series 2016B advances and (iii) funding a portion of interest to accrue on the Series 2016B-1 and 2016B-2 Notes.

On June 21, 2019, the District received advances amounting to \$489,456. The advances are evidenced by the 2016B-2 Notes amounting to \$319,009 and \$170,447, respectively. Proceeds from the advances were used for the purposes of (i) reimbursing a portion of the District formation costs; (ii) reimbursing District operating costs and (iii) paying the costs of issuance of the Series 2016B-2 advances.

Reserve Fund

Emergency Reserve

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all operating funds received by the District are transferred to District No. 1, which pays for all Districts' operations and maintenance costs, an emergency reserve is not reflected in the District's Budget.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$10,000,000
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016A
Interest Rate of 3.4425%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal	Interest	Total
2022	\$ 150,000	\$ 328,089	\$ 478,089
2023	175,000	322,853	497,853
2024	175,000	317,614	492,614
2025	200,000	310,638	510,638
2026	150,000	303,657	453,657
2027	175,000	298,422	473,422
2028	200,000	293,114	493,114
2029	225,000	285,333	510,333
2030	225,000	277,480	502,480
2031	250,000	269,627	519,627
2032	300,000	261,616	561,616
2033	300,000	250,431	550,431
2034	325,000	239,959	564,959
2035	350,000	228,615	578,615
2036	400,000	216,992	616,992
2037	425,000	202,438	627,438
2038	450,000	187,604	637,604
2039	475,000	171,898	646,898
2040	525,000	155,744	680,744
2041	550,000	136,995	686,995
2042	600,000	117,798	717,798
2043	625,000	96,856	721,856
2044	700,000	75,247	775,247
2045	725,000	50,610	775,610
2046	725,000	25,305	750,305
	\$ 9,400,000	\$ 5,424,935	\$ 14,824,935

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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$50,001
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-1
Interest Rate of 4.0875%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal	Interest	Total
2022	\$ 750	\$ 1,948	\$ 2,698
2023	875	1,917	2,792
2024	875	1,886	2,761
2025	1,000	1,844	2,844
2026	750	1,803	2,553
2027	875	1,772	2,647
2028	1,000	1,740	2,740
2029	1,125	1,694	2,819
2030	1,125	1,647	2,772
2031	1,250	1,601	2,851
2032	1,500	1,553	3,053
2033	1,500	1,487	2,987
2034	1,625	1,425	3,050
2035	1,750	1,357	3,107
2036	2,000	1,288	3,288
2037	2,125	1,202	3,327
2038	2,250	1,114	3,364
2039	2,375	1,021	3,396
2040	2,625	925	3,550
2041	2,750	813	3,563
2042	3,000	699	3,699
2043	3,125	575	3,700
2044	3,500	447	3,947
2045	3,625	300	3,925
2046	3,626	150	3,776
	\$ 47,001	\$ 32,208	\$ 79,209

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.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

**\$879,602
General Obligation Limited Tax Convertible to
Unlimited Tax Bonds Dated September 29, 2016
Series 2016B-2
Interest Rate from 3.8875 to 5.45%
Payable June 1 and December 1
Principal Payable December 1**

Year Ending December 31,	Principal	Interest	Total
2022	\$ 17,577	\$ 39,150	\$ 56,727
2023	19,065	38,313	57,378
2024	19,549	37,501	57,050
2025	21,136	36,464	57,600
2026	19,770	35,448	55,218
2027	21,357	34,513	55,870
2028	22,926	33,588	56,514
2029	24,612	32,400	57,012
2030	25,308	31,218	56,526
2031	27,014	30,004	57,018
2032	29,688	28,782	58,470
2033	30,519	27,262	57,781
2034	32,327	25,784	58,111
2035	34,171	24,215	58,386
2036	37,002	22,612	59,614
2037	38,953	20,742	59,695
2038	40,922	18,832	59,754
2039	42,933	16,825	59,758
2040	45,952	14,756	60,708
2041	48,076	12,453	60,529
2042	51,212	10,082	61,294
2043	48,933	7,550	56,483
2044	45,341	5,157	50,498
2045	47,031	2,925	49,956
2046	12,878	626	13,504
	\$ 804,252	\$ 587,202	\$ 1,391,454

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.

DENARGO MARKET METROPOLITAN DISTRICT NO. 2
Schedule of Cash Position
June 30, 2022
Updated as of August 1, 2022

	General Fund	Debt Service Fund	Total
<u>Colostrust</u>			
Balance as of 06/30/22	\$ 200,038.22	\$ 261,215.75	\$ 461,253.97
Subsequent activities:			
07/11/22 - Ptax distribution	83,442.81	252,277.92	335,720.73
07/31/22 - Interest income	243.31	735.78	979.09
<i>Anticipated Transfer to Denargo No. 1</i>	(283,724.34)	-	(283,724.34)
<i>Anticipated Transfer to Pledged Revenue Fund</i>	-	(514,229.45)	(514,229.45)
<i>Anticipated Balance</i>	-	-	-
<u>Zions Bank - Pledged Revenue Account</u>			
Balance as of 06/30/22	-	6.62	6.62
Subsequent activities:			
<i>Anticipated transfer from CT</i>	-	514,229.45	514,229.45
<i>Anticipated Balance</i>	-	514,236.07	514,236.07
<u>Zions - Loan Payment Account</u>			
Balance as of 06/30/22	-	276,597.78	276,597.78
Subsequent activities:			
07/01/22 - Interest Income	-	136.41	136.41
<i>Anticipated Balance</i>	-	276,734.19	276,734.19
<u>Zions Bank - 2016 Surplus Fund</u>			
Balance as of 06/30/22	-	4,383.51	4,383.51
Subsequent activities:			
07/01/22 - Interest Income	-	2.14	2.14
<i>Anticipated Balance</i>	-	4,385.65	4,385.65
<u>Zions Bank - 2016 Loan Fees Fund</u>			
Balance as of 06/30/22	-	5,650.93	5,650.93
Subsequent activities:			
07/01/22 - Interest Income	-	2.78	2.78
<i>Anticipated Balance</i>	-	5,653.71	5,653.71
<u>Zions Bank - 2016B Cap Interest Account</u>			
Balance as of 06/30/22	-	0.60	0.60
Subsequent activities:			
<i>Anticipated Balance</i>	-	0.60	0.60
<u>Zions Bank - 2016B Project Fund</u>			
Balance as of 06/30/22	-	255,083.03	255,083.03
Subsequent activities:			
07/01/22 - Interest Income	-	125.80	125.80
<i>Transfer to District No. 1</i>	-	(255,208.83)	(255,208.83)
<i>Anticipated Balance</i>	-	-	-
<u>Zions Bank - 2016B Loan Payment Account</u>			
Balance as of 06/30/22	-	27,457.29	27,457.29
Subsequent activities:			
07/01/22 - Interest Income	-	13.54	13.54
<i>Anticipated Balance</i>	-	27,470.83	27,470.83
<i>Anticipated Balance</i>	\$ -	\$ 828,481.05	\$ 828,481.05

Yield information:

ColoTrust - 1.6547% (7/31/22)

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.

DENARGO MARKET METROPOLITAN DISTRICT #2
Property Taxes Reconciliation
2022

	Current Year						Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	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	\$ -	\$ -	\$ 6,235.47	\$ -	\$ -	6,235.47	0.00%	0.00%	4,515.50	0.00%	0.00%
February	144,089.75	-	5,594.48	-	(1,440.89)	148,243.34	11.33%	11.33%	147,782.83	13.29%	13.29%
March	454,884.76	-	6,834.24	-	(4,548.84)	457,170.16	35.77%	47.10%	329,810.99	30.14%	43.43%
April	319,126.18	-	5,649.08	-	(3,191.26)	321,584.00	25.09%	72.19%	313,163.06	28.57%	72.00%
May	20,301.16	-	5,053.04	0.40	(203.00)	25,151.60	1.60%	73.79%	24,212.79	1.83%	73.83%
June	333,359.01	-	4,267.21	1,442.52	(3,348.01)	335,720.73	26.21%	100.00%	286,698.07	26.17%	100.00%
July						-	0.00%	100.00%	5,338.79	0.00%	100.00%
August						-	0.00%	100.00%	6,153.22	0.00%	100.00%
September						-	0.00%	100.00%	4,933.09	0.00%	100.00%
October						-	0.00%	100.00%	5,055.38	0.00%	100.00%
November						-	0.00%	100.00%	5,634.53	0.00%	100.00%
December						-	0.00%	100.00%	4,102.66	0.00%	100.00%
	\$ 1,271,760.86	\$ -	\$ 33,633.52	\$ 1,442.92	\$ (12,732.00)	\$ 1,294,105.30	100.00%	100.00%	\$ 1,137,400.91	100.00%	100.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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Property Tax

General Fund	\$ 316,094.00	24.85%	\$ 316,093.97	100.00%
Debt Service	955,667.00	75.15%	955,666.89	100.00%
	\$ 1,271,761.00	100.00%	\$ 1,271,760.86	100.00%

Specific Ownership Tax

General Fund	\$ 15,805.00	24.85%	\$ 8,359.55	52.89%
Debt Service	47,783.00	75.15%	25,273.97	52.89%
	\$ 63,588.00	100.00%	\$ 33,633.52	52.89%

Treasurer's Fees

General Fund	\$ 3,161.00	24.85%	\$ 3,164.52	100.11%
Debt Service	9,557.00	75.15%	9,567.48	100.11%
	\$ 12,718.00	100.00%	\$ 12,732.00	100.11%

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.

COST SHARING AGREEMENT

This Cost Sharing Agreement (“Agreement”) is made and entered into as of the date of execution, by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the state of Colorado (the “City”), **JV DENARGO LLC**, a Delaware limited liability company (“Denargo”), and **DENARGO MARKET METROPOLITAN DISTRICT NO. 1**, a Colorado quasi-municipal corporation and political subdivision (the “District”). City, Denargo and District are sometimes referred to together herein as the “Parties” or singularly as a “Party”.

RECITALS

A. Denargo is the owner and developer of certain real property located in the City and County of Denver, State of Colorado (the “Property”). The Property is generally located in downtown Denver and is bounded by Brighton Boulevard to the south, Denargo Street to the west, the South Platte River (the “River”) to the north, and 29th Street to the east.

B. Denargo seeks to develop a sustainable, mixed-use community at the Denargo Property that revitalizes the River and provides high-quality public open spaces, celebrates Denver’s city life and neighborhood serving retail, and provides attainable housing across income levels (the “Project”).

C. In connection with its development of the Project, Denargo entered into that certain Denargo Market Development Agreement with the City and the District dated June 8, 2021 and recorded with the City Clerk and Recorder on June 17, 2021 at Rec. No. 2021116089 (the “Development Agreement”).

D. After the execution and recordation of the Development Agreement, the Denargo Market Amended and Restated General Development Plan (“A&R GDP”) was approved by the City [insert recording info]. The Development Agreement and the A&R GDP contemplate needed infrastructure to be developed by Denargo, including, but not limited to open spaces along the River to service and support the development of the Project and the broader community.

E. Section 8.2 of the Development Agreement describes the good faith intent of Denargo, the District, and the City (via the Department of Parks & Recreation (“DPR”) to jointly fund the Riverfront Open Space and Promenade Extension Improvements and the City Corner Parks Improvements (both as defined in the Development Agreement and collectively referred to herein as the “DPR Cost Sharing Improvements”), and that DPR will work in good faith to identify available funds to contribute up to one-third of the funds needed for the cost of construction of the DPR Cost Sharing Improvements pursuant to a separate funding agreement with Denargo, which agreement shall be subject to the City’s budgeting and appropriation processes. The DPR Cost Sharing Improvements Area is depicted on Exhibit A attached hereto and incorporated herein.

F. Denargo [has completed] the budgeting and design for the DPR Cost Sharing Improvements, and DPR has had the opportunity to provide input and review the design. Exhibit B to this Agreement is the City-Approved Budget for the DPR Cost Sharing Improvements and Exhibit C to this Agreement is the City-Approved Designs of the DPR Cost Sharing Improvements, both of which Exhibits are attached hereto and incorporated herein.

G. In exchange for the benefits to the City contemplated by the Development Agreement and derived by the City from development of the Project, the City desires to provide assurance to Denargo and the District that it may proceed with development of the DPR Cost Sharing Improvements pursuant to the terms and conditions contained in this Agreement.

H. This Agreement is intended to serve as the separate funding agreement contemplated in Section 8.2 of the Development Agreement with the purpose of setting forth the funding obligations and construction responsibilities of the respective Parties.

I. The Parties anticipate addressing long-term maintenance of the DPR Cost Sharing Improvements and respective real property owned by the Parties by separate written agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein in full, and the mutual covenants and promises set forth below, as well as other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by all Parties, the Parties hereby agree as follows:

1. Design of the DPR Cost Sharing Improvements.

(a) Denargo's Obligations. Denargo, in accordance with the Development Agreement and the provisions of this Agreement, has [expended \$_____], paid for and had prepared the "**City-Approved Designs**" of the DPR Cost Sharing Improvements, as depicted in **Exhibit C**.

(b) Budget. Denargo has obtained quotes for the costs of the DPR Cost Sharing Improvements and the Parties have agreed upon the "**City-Approved Budget**" for the total construction costs of the DPR Cost Sharing Improvements, as detailed in **Exhibit B**.

(c) Approvals and Modifications.

(i) Governmental Approvals. Denargo shall pursue and obtain any final unappealed and unappealable entitlements, permits, and approvals from governmental, quasi-governmental or regulatory authorities (collectively, "**Governmental Authorities**") necessary in connection with Denargo's construction of the DPR Cost Sharing Improvements including, without limitation approval of the horizontal site development plan, the form and content of which shall be satisfactory and acceptable to Denargo in its good faith discretion (collectively, the "**Approvals**").

(ii) Cooperation. The City and the District shall reasonably cooperate with Denargo with respect to the Approvals, including providing and executing any documents that are required in the application and submittals for the Approvals, except that the City and the District shall not be required to bear any costs required therefor other than any costs for the District's or the City's attorneys and consultants.

(iii) Modifications. Any material modification to the City-Approved Designs, whether made prior to or during construction (a “**Proposed Modification**”), shall require the prior written approval of the City which approval shall not be unreasonably withheld, conditioned, or delayed. Upon the need for a Proposed Modification, Denargo shall provide written notice to DPR as soon as reasonably practical, including the reason for the Proposed Modification, any modifications to the City-Approved Budget, and such other explanatory or back-up documentation as reasonably necessary (collectively, a “**Modification Notice**”). Within ten (10) days after the receipt of any Modification Notice, DPR shall respond with written approval or disapproval thereof (and if disapproval an explanation of the reason for said disapproval), which such approval shall not be unreasonably withheld or delayed. Failure to deliver such written approval or disapproval within such ten (10) day period shall be deemed approval thereof. If the Proposed Modification is disapproved, the Parties shall meet and discuss. If a Proposed Modification is required by the City, the Proposed Modification shall be deemed approved by the Parties.

(d) Progress Meetings. DPR shall designate a DPR representative as the point of contact on this project. From and after the Effective Date of this Agreement and until completion of the DPR Cost Sharing Improvements, promptly upon request, Denargo shall provide the DPR representative with updates on the design, construction, scheduling, and other similar issues related to the DPR Cost Sharing Improvements.

2. Construction of the DPR Cost Sharing Improvements.

(a) Access. The Parties will cooperate in good faith with Denargo’s agents, contractors, subcontractors and employees during construction and not object to use of portions of City-owned property or District-owned property as necessary to complete the DPR Cost Sharing Improvements in accordance with the terms of this Agreement. [DISCUSS - City and District grant Denargo a license for access via this Agreement or a separate license?]

(b) Final Walk Through. Upon receipt of notice from the contractors that the DPR Cost Sharing Improvements construction has been substantially completed, DPR, within ten (10) days after receipt of such notice or such time as is mutually agreeable to the Parties, shall conduct a “walk-through” inspection of the DPR Cost Sharing Improvements to determine compliance with this Agreement and the City-Approved Designs.

(c) Ownership and Maintenance of the DPR Cost Sharing Improvements. Upon completion of construction, the City shall own the DPR Cost Sharing Improvements on City-owned property and the District shall own the DPR Cost Sharing Improvements on District-owned property. The Parties anticipate addressing long-term maintenance of the DPR Cost Sharing Improvements and respective real property owned by the Parties by separate written agreement, but in the absence of a maintenance agreement, each Party shall be responsible for maintenance of improvements located on their respective property.

3. DPR Cost Sharing.

(a) Current Allocation. The City, via the DPR budget, has allocated [\$1,000,000.00] towards the DPR Cost Sharing Improvements and, upon execution of this Agreement, shall wire these funds to the District for use in construction of the Cost Sharing Improvements.

(b) Reimbursement. On a monthly basis or such other time interval as agreed to between the Parties, Denargo shall provide DPR with a written request for reimbursement of funds. These requests shall be submitted until the total request amount equals one-third of the City-Approved Budget for the DPR Cost Sharing Improvements. Such requests shall include reasonable evidence of costs incurred, such as lien releases and itemized invoices generally describing the costs incurred by Denargo for the materials, services and labor in connection with the construction of the DPR Cost Sharing Improvements. The City will fund pro rata pari passu its share of costs and will pay Denargo a market rate of interest on any sums not paid within 30 days of receipt of an invoice for work in place or materials procured by Denargo for the DPR Cost Sharing Improvements. The City, via the DPR budget, shall work in good faith to appropriate funds in each subsequent City budget cycle in order to pay for the DPR contribution towards the DPR Cost Sharing Improvements.

4. Term. This Agreement shall remain in effect until, and shall automatically terminate upon, the later of: (i) completion of construction of the DPR Cost Sharing Improvements, which shall mean completion of the work, acceptance by the City and the District per the City-Approved Designs, and delivery of final lien releases from all parties who have furnished materials or services or performed labor in connection with the construction of the DPR Cost Sharing Improvements; and (ii) payment by DPR of one-third of the City-Approved Budget for the DPR Cost Sharing Improvements.

5. Insurance. Denargo shall, or shall cause its general contractor to, maintain, pay for and keep in full force the following types and amounts of insurance and shall provide certificate(s) of insurance to the City and the District prior to commencement of any work related to the DPR Cost Sharing Improvements, and at least thirty (30) days prior to any scheduled expiration or termination date of any such policies: General Liability Insurance, containing broad form contractual liability, on a post-1998 or equivalent form, including, but not limited to, coverage for bodily injury including death, personal and advertising injury, product/completed operations, in amounts of not less than \$1,000,000 Each Occurrence, \$2,000,000 General Aggregate, Workers' Compensation Insurance in an amount in compliance with the applicable statutory limits and Comprehensive Automobile Liability Insurance for all owned, hired and non-owned vehicles, with minimum limits of One Million Dollars (\$1,000,000.00) combined single limits per occurrence for bodily injury and property damage liability for any vehicles that will be used, operated or parked on City-owned or District-owned property and/or in connection with the construction of the DPR Cost Sharing Improvements. The Comprehensive General Liability policy and Automobile Liability policy shall name the City and the District as additional named insureds, at no additional cost, and Denargo shall waive all rights of subrogation.

6. Indemnity. Denargo shall indemnify, defend and hold harmless the City and the District (and its officers, directors, shareholders, managers, members, investors, lenders, agents, employees, partners, successors and assigns) from and against any and all claims, damages, actions, liability, costs and/or expenses (including attorneys' fees) of any nature with respect to performance of this Agreement and the DPR Cost Sharing Improvements, including, without limitation, those in connection with loss of life, bodily injury and/or property damage arising from or out of the performance or non-performance of Denargo's obligations hereunder, occasioned wholly or in part by any act or omission of Denargo, its contractor, subcontractors, material suppliers, vendors or their respective agents or employees, except to the extent the same were caused by the City's or the District's negligence or willful misconduct.

7. No Obligation to Develop. Denargo shall have the right to develop the Property in the order, at the rate and at the time as market conditions dictate, subject to the terms and conditions of the Development Agreement and the A&R GDP. Denargo shall have no obligation to the City to commence construction of any phase or the DPR Cost Sharing Improvements; provided, however, it is expressly understood that Denargo may not receive a certificate of occupancy for any phase unless Denargo has constructed all necessary public and private improvements within, or to support, such a phase. Denargo shall have no obligation to develop all or any portion of the Property, notwithstanding the development or non-development of any phase.

8. General Provisions.

(a) Time is of the Essence. It is understood and agreed between the Parties that time is of the essence hereof; and all the agreements herein contained shall be binding upon and for the benefit of each Party's successors and assigns.

(b) Default by City. A "breach" or "default" by the City under this Agreement shall be defined as the City's failure to fulfill or perform any material obligation of the City contained in this Agreement.

(c) Default by Denargo. A "breach" or "default" by Denargo shall be defined as Denargo's failure to fulfill or perform any material obligation of Denargo contained in this Agreement.

(d) Default by District. A "breach" or "default" by the District shall be defined as the District's failure to fulfill or perform any material obligation of the District contained in this Agreement.

(e) Notices of Default; Cure Period. In the event of a default by any Party under this Agreement, the non-defaulting Party(ies) shall deliver written notice to the defaulting Party of such default, at the address specified below, and the defaulting Party shall have 30 days from and after receipt of such notice to cure such default. If such default is not of a type which can be cured within such 30-day period and the defaulting Party gives written notice to the non-defaulting Party(ies) within such 30-day period that it is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of such 30-day period to cure such default,

provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure.

(f) Remedies. If any default under this Agreement is not cured as described above, the non-defaulting Party(ies) shall have all remedies available at law or in equity, including an action for injunction and/or specific performance, but each Party hereby waives the right to recover, to seek and to make any claim for damages for default under this Agreement, or for attorneys' fees or costs.

(g) Authority to Execute. The Parties each represent that the persons who have affixed their signatures hereto have all necessary and sufficient authority to bind each Party. Denargo represents and warrants that it is lawfully seized and possessed of the Property; has good and lawful right, power and authority to bind and encumber the Property.

(h) Notices. Any notices, demands or other communications required or permitted to be given hereunder shall be in writing and shall be delivered personally, delivered by overnight courier service, or sent by certified mail, postage prepaid, return receipt requested, addressed to the Parties at the addresses set forth below, or at such other address as any Party may hereafter or from time to time designate by written notice to the other Parties given in accordance herewith. Notice shall be considered given at the time it is personally delivered, the next business day following being placed with any reputable overnight courier service for next business day delivery, or, if mailed, on the third business day after such mailing.

If to the City:

Mayor
1437 Bannock Street, Room 350
Denver, Colorado 80202

With copies to:

Denver City Attorney
1437 Bannock Street, Room 353
Denver, Colorado 80202

Executive Director of Parks and Recreation
201 W. Colfax, Dept. 601
Denver, CO 80202

If to Denargo:

JV Denargo LLC
c/o Golub & Company, LLC
625 North Michigan Avenue, Suite 2000
Chicago, Illinois 60611
Attention: Lee Golub

with copy to:

Brownstein Hyatt Farber Schreck
410 17th Street, Suite 2200
Denver, CO 80202
Attn: Caitlin Quander

If to District:

Denargo Market Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Attn: Matt Cohrs

with copy to:

McGeady Becher, P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254
Attn: Legal Notices

(i) Severability. In the event any term, provision, covenant or condition of this Agreement is judicially determined to be invalid or contrary to, or in conflict with, any statute, law or regulation, such determination shall not impair or affect the operation of the remaining portions, sections, terms, provisions, covenants and conditions of this Agreement, and such remaining portions shall continue to be in full force and effect and shall bind the Parties hereto.

(j) No Third Party Beneficiaries. It is the intent of the Parties that no third-party beneficiary interest is created in this Agreement except for an assignment pursuant to this Agreement. The Parties are not presently aware of any actions by them or any of their authorized representatives which would form the basis for interpretation construing a different intent, and in any event expressly disclaim any such acts or actions, particularly in view of the integration of this Agreement.

(k) Legal Fees, Cost and Expenses. The Parties agree that they shall each bear the cost of their attorney's fees except as provided herein. In the event of any litigation relating to this Agreement, the court shall award to the prevailing Party all reasonable costs and expenses, including attorney fees, legal fees and expenses, including those incurred on appeal.

(l) Entire Agreement; Extensions; Amendments. This Agreement constitutes the entire agreement between the Parties relating to the subject hereof, and any prior agreements pertaining thereto, whether oral or written, have been merged and integrated into this Agreement. Except as otherwise provided for herein, no prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever, unless embodied herein in writing. Except as otherwise provided for herein, no subsequent notation, renewal, addition, deletion, or other amendment to or termination of this Agreement shall have any force or effect unless embodied in a written amendatory or other agreement executed by the Parties, with the same formality as this Agreement. City Council

approval shall be required for amendments to the extent required by the City Charter. The Parties agree that any time for performance of any term or satisfaction of any condition hereunder may be extended for up to two (2) years by a letter signed by the City's Director of DPR and an authorized representative of Denargo and the District. For the purposes of any amendment to or termination of this Agreement, "Denargo" shall mean only JV Denargo LLC and those parties, if any, to whom JV Denargo LLC may specifically grant, in writing, the power to enter into such amendment or termination.

(m) Recordation. None of the Parties shall record this Agreement in public records, including those maintained in the Clerk and Recorder's Office in the City and County of Denver.

(n) Additional Documents or Actions. The Parties agree to execute any reasonable additional documents or take any reasonable additional action, including but not limited to estoppel certificates requested or required by lenders, that are: (a) reasonably necessary to carry out this Agreement, (b) reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement or the status of the Agreement and the Parties' actions hereunder, or (c) are reasonably necessary to effectuate the intent of this Agreement. If all or any portion of this Agreement, or other agreements approved in connection with this Agreement, are asserted or determined to be invalid, illegal, or are otherwise precluded, the Parties will use reasonable, diligent, good faith efforts to amend, reform, or replace such invalid, illegal, or precluded items to assure, to the extent legally permissible, that each Party substantially receives the benefits that it would have received under this Agreement.

(o) Subject to Local Laws: Venue. Each and every term, provision, and condition herein is subject to the provisions of the laws of the United States, the State of Colorado, the City Charter, and the ordinances, executive orders, rules, and regulations of the City and County of Denver. Venue for any legal action relating to this Agreement shall lie in the District Court in and for the City and County of Denver, Colorado.

(p) Binding Agreement; Successors/Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the Parties hereto and their respective legal representatives, receivers, trustees, successors and assigns.

(q) No Merger. The Parties intend that the terms and conditions of this Agreement shall survive any conveyance of real property and shall not be merged into any deed conveying real property.

(r) When Rights and Remedies Not Waived. In no event shall any performance hereunder constitute or be construed to be a waiver by any of the Parties of any breach of covenant or condition or of any default which may then exist. The rendering of any such performance when any such breach or default exists shall in no way impair or prejudice any right of remedy available with respect to such breach or default. Further, no assent, expressed or implied, to any breach of any one or more covenants, provisions, or conditions of this Agreement shall be deemed or taken to be a waiver of any other default or breach.

(s) Cooperation of the Parties. If any legal or equitable action or other proceeding is commenced by a third party challenging the validity of any provision of this Agreement, Denargo, the City, and the District shall reasonably cooperate in defending such action or proceeding, each to bear its own expenses in connection therewith. Unless Denargo, the City, and the District otherwise agree, each Party shall select and pay its own legal counsel to represent it in connection with such action or proceeding.

(t) Assignment. The rights and obligations under this Agreement may not be assigned to any entity without the prior written consent of the other Parties, except that any responsibility for the financing, acquisition, planning, design, engineering, permitting, remediation or engineering controls, construction, or completion of the DPR Cost Sharing Improvements specified in this Agreement may be assigned to and performed by the District in accordance with the District's service plan. Any assignment must ensure close cooperation and coordination with the City in the development of public spaces/infrastructure. Written notice of any such assignment shall be given to the City. If this Agreement is assigned, all the covenants and agreements herein contained shall be binding upon and inure to the benefit of the successors, assigns, heirs and personal representatives of the respective Parties. Notwithstanding the foregoing, Denargo shall have the right to assign or transfer all or any portion of its interests, rights and obligations under this Agreement without the prior written consent of the City, to third parties acquiring an interest or estate in the Property, including, but not limited to, purchasers or long-term ground lessees of individual lots, parcels, or of any improvements now or hereafter located within the Property, provided that to the extent Denargo assigns any of its obligations under this Agreement, the assignee of such obligations shall expressly assume such obligations. The express assumption of any of Denargo's obligations under this Agreement by its assignee shall thereby relieve Denargo of any further obligations under this Agreement with respect to the matter so assumed.

(u) Force Majeure. No Party shall be liable for delay or failure to perform hereunder, despite best efforts to perform, if such delay or failure is the result of Force Majeure; provided that prompt notice of the occurrence and the end of such delay shall be provided by the Party asserting Force Majeure. "**Force Majeure**" shall mean causes beyond the reasonable control of a Party such as, but not limited to, moratoriums and governmental delays in issuing permits or approvals beyond the reasonable control of the affected Party, labor strikes or lockouts, power shortages or failures, pandemics, epidemics, acts of God, inclement weather of such severity as to preclude continued work under prevailing industry standards, riots, insurrection, war, or unavailability or shortages of materials.

9. Additional City Required Provisions.

(a) Colorado Governmental Immunity Act. The Parties understand and agree that the City and the District are relying upon, and have not waived, the monetary limitations and all other rights, immunities and protection provided by the Colorado Governmental Act, C.R.S. § 24-10-101, et seq.

(b) No Authority To Bind City To Contracts. Denargo lacks any authority to bind the City on any contractual matters. Final approval of all contractual matters that purport to obligate the City must be executed by the City in accordance with the City's Charter and the Denver Revised Municipal Code ("**D.R.M.C.**").

(c) Permits, Licenses, Taxes, Charges, And Penalties. Denargo and the District agree to pay promptly all taxes, excises, license fees, and permit fees of whatever nature applicable to its operations or activities under this Agreement, and to take out and keep current all required licenses or permits (federal, state, or local) required for the conduct of its business hereunder, and further agrees not to permit any taxes, excises, license or permit fees to become delinquent. Denargo and the District further agree to pay promptly when due all bills, debts and obligations incurred in connection with their operations and the performance of this Agreement and not to permit the same to become delinquent. The City is not liable for the payment of taxes, late charges or penalties of any nature. Denargo shall not allow any lien, mortgage, judgment or execution to be filed against City property.

(d) No Discrimination in Employment. In connection with the performance of work under this Agreement, the Parties agree not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability; and further agree to insert the foregoing provision in all subcontracts hereunder.

(e) Compliance with Minority/Women Owned Business Enterprise Requirements. Any public work performed on City-owned property conducted by Denargo or the District is subject to all applicable provisions of Divisions 1 and 3 of Article III, of Chapter 28, DRMC designated as Sections 28-31, 28-36, and 28-52 DRMC and referred to as the "M/WBE Ordinance". In accordance with the requirements of the M/WBE Ordinance, Denargo is committed to, at a minimum, meet the participation goals established for any public work project utilizing properly certified M/WBE subcontractors and suppliers. Without limiting the general applicability of the foregoing Denargo acknowledges its continuing duty, pursuant to Sections 28-72, 28-73 and 28-75 DRMC and the M/WBE Program, to meet and maintain throughout the duration of the Project for any public work its participation and compliance commitments and to ensure that all subcontractors subject to the M/WBE Ordinance or the M/WBE Program also maintain such commitments and compliance. Failure to comply with these requirements may result, at the discretion of the Director of the Division of Small Business Opportunity ("**DSBO**"), in the imposition of sanctions against Denargo in accordance with Section 28-77, DRMC. Nothing contained in this Section or in the referenced City ordinance shall negate the City's right to prior approval of subcontractors or substitutes therefore.

(f) Examination of Records. Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access, and the right to examine, copy and retain copies, at City's election in paper or electronic form, any pertinent books, documents, papers and records related to the Denargo's performance pursuant to this Agreement, provision of any goods or services to the City, and any other transactions

related to this Agreement. Denargo shall cooperate with City representatives and City representatives shall be granted access to the foregoing documents and information during reasonable business hours and until the latter of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations. When conducting an audit of this Agreement, the City Auditor shall be subject to government auditing standards issued by the United States Government Accountability Office by the Comptroller General of the United States, including with respect to disclosure of information acquired during the course of an audit. No examination of records and audits pursuant to this paragraph shall require Denargo to make disclosures in violation of state or federal privacy laws. Denargo shall at all times comply with D.R.M.C. 20-276.

(g) Effective Date. The Effective Date of this Agreement shall be the date that this Agreement has been fully signed by the Mayor of the City.

(h) Counterparts, Electronic Signatures and Electronic Records. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall together constitute one of the same document. Facsimile signatures shall be accepted as originals. The Parties consent to the use of electronic signatures by any Party hereto. The Agreement and any other documents requiring a signature may be signed electronically by each Party in the manner specified by that Party. The Parties agree not to deny the legal effect or enforceability of this Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Agreement in the form of an electronic record, a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the grounds that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

(i) Appropriation. Notwithstanding any provision of this Agreement to the contrary, financial obligations of the City, if any, under this Agreement are contingent upon all funds necessary for performance under this Agreement being budgeted, appropriated and otherwise made available, and any commitments by the City to provide services is contingent upon the necessary funds being budgeted, appropriated, and otherwise made available and the necessary discretionary actions being taken by the City Council and the Mayor. The Parties acknowledge that this Agreement is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.

(j) Reasonableness of Consent or Approval. Whenever under this Agreement “reasonableness” is the standard for the granting or denial of the consent or approval of any Party hereto, such Party shall be entitled to consider public and governmental policy, moral and ethical standards, as well as business and economic considerations.

(k) No Personal Liability. No elected official, director, officer, agent, manager, member or employee of the City, the District, or Denargo shall be charged personally or held contractually liable by or to the other Party under any term or provision of this Agreement or because of any breach thereof or because of its or their execution, approval or attempted execution of this Agreement.

(l) Conflict of Interest by City Officers. Denargo represents that to the best of its information and belief no officer or employee of the City is either directly or indirectly a Party to or in any manner interested in this Agreement except as such interest may arise as a result of the lawful discharge of the responsibilities of such elected official or employee.

(m) [DOES CITY REQUIRE CERTIFICATIONS PROVISION RELATED TO DIVISION 5 OF ARTICLE IV OF CHAPTER 20 OF DRMC?]

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the City has caused these presents to be executed in its corporate name and with its official seal hereunto affixed and attested by its duly authorized officials; and the District and Denargo has caused these presents to be executed by its duly authorized representative.

CITY AND COUNTY OF DENVER

By: _____

DATE: _____

ATTEST:

Clerk

Approved as to Form:

Attorney for the City and County of Denver

JV DENARGO LLC,
a Delaware limited liability company

By: _____
Name _____
Title: _____

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 1,**
a quasi-municipal corporation and political
subdivision of the State of Colorado

By: _____
Name _____
Title: _____

EXHIBIT A

Depiction of DPR Cost Sharing Improvements Area

EXHIBIT B

City-Approved DPR Cost Sharing Improvements Budget

EXHIBIT C

City-Approved Designs of DPR Cost Sharing Improvements

**SERVICE AGREEMENT FOR
OPERATIONS AND MAINTENANCE CONSULTATION SERVICES**

THIS SERVICE AGREEMENT FOR OPERATIONS AND MAINTENANCE CONSULTATION SERVICES (“Agreement”) is entered into and effective as of the 19th day of July, 2022, by and between **DENARGO MARKET METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”), and **ETM ASSOCIATES, L.L.C.**, a New Jersey limited liability company (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 (the “**Improvements**”).

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 Certification of Compliance with Illegal Alien Statute. By its execution hereof, the Consultant confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit C** attached hereto and made a part hereof by this reference.

1.6 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 as set forth in **Exhibit B** attached hereto with a total contract amount not to exceed Sixty-one Thousand Seven Hundred Twenty-Five Dollars (\$61,725.00), unless otherwise approved in advance by the District through a written change order in form substantially as attached hereto as **Exhibit D** ("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 satisfactory completion of the Services. 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 nonowned automobiles, and must include uninsured motorist coverages. The Automobile Liability Insurance Policy must be written with a combined single limit of liability of not less than \$1,000,000 for each accident for bodily injury and/or property damage.

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

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

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

V. MISCELLANEOUS

5.1 M/WBE and Prevailing Wage Compliance.

(a) Small or Disadvantaged Business Enterprises (“**M/WBE**”). To the extent applicable to this Agreement, Consultant shall comply with the City of Denver’s then-current ordinances relating to: (a) minority and women business enterprise participation as currently set forth in Division 1 and Division 3 of Article III, Title 28 of the Denver Revised Municipal Code (“**DRMC**”), as the same may be amended or recodified from time to time; (b) small business enterprise participation as currently set forth in Sections 28-201 to 28-231 of the DRMC, as the same may be amended or recodified from time to time; and (c) any small or disadvantaged business enterprise ordinances that may subsequently be adopted by the City Council with respect to construction work that is not under contract at the time of adoption of such ordinance.

(b) Prevailing Wages. Consultant hereby confirms that in its performance under this Agreement, it shall comply with the wage provisions of the City of Denver’s current ordinances applicable to City contracts relating to the payment of prevailing wages for any District contracts relating to the acquisition or construction, operation or maintenance of the Improvements, unless such contract is required to comply with Davis-Bacon or other federal wage requirements. Work performed under any contract that is required to comply with the Davis-Bacon Act or other federal wage requirements is exempt from the City’s prevailing wage requirements.

(c) If there is any event of non-compliance with the M/WBE and/or prevailing wage requirements by Consultant, the District shall, following written notification of non-compliance from the City Auditor, withhold payments due to Consultant under this Agreement until such violation is resolved. Any failure on the part of Consultant to comply with the M/WBE and/or prevailing wage requirements constitutes a default under this Agreement, which default shall be subject to the provision of Section 5.10 below.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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 City and County of Denver, Colorado.

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

5.8 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.

5.9 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 Federal Express 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: Denargo Market Metropolitan District No. 1
c/o Special District Management Services, Inc.
141 Union Boulevard, Suite 150
Lakewood, CO 80228
Phone: (303) 987-0835
Email: mcohrs@sdmsi.com
Attn: Matt Cohrs

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

To Consultant: ETM Associates, L.L.C.
1202 Raritan Avenue
Highland Park, NJ 08904
Phone: (732) 572-6626
Email: tim@etmassociatesllc.com
Attn: E. Timothy Marshall

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service, upon electronic confirmation of facsimile 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

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

5.15 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.

5.16 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:
ETM ASSOCIATES, L.L.C., a New Jersey limited liability company

By: [Signature]
Its: PRINCIPAL

STATE OF NEW JERSEY)
) ss.
COUNTY OF Middlesex)

The foregoing instrument was acknowledged before me this 15th day of July, 2022, by E. Timothy Marshall, as principal of ETM Associates, L.L.C.

Witness my hand and official seal.

My commission expires: June 1, 2023

TSZ TING LIU
NOTARY PUBLIC
STATE OF NEW JERSEY
ID # 2457890
MY COMMISSION EXPIRES JUNE 1, 2023

[Signature]
Notary Public

District:
DENARGO MARKET METROPOLITAN DISTRICT NO. 1

By: [Signature]
President

14-1015
STATE OF COLORADO)
) ss.
COUNTY OF COOL)

The foregoing instrument was acknowledged before me this 19th day of July, 2022, by Laura Newman, as President of Denargo Market Metropolitan District No. 1.

Witness my hand and official seal.

My commission expires: 2/19/2026



[Signature]
Notary Public

EXHIBIT A SCOPE OF SERVICES

Base Scope

Task 1. Review District's Current Organizational Capacities and Existing Maintenance Efforts and Service Delivery Methods

1.1 Consultant will perform an overall assessment of the District's current maintenance, operations and management capacities. This assessment will include a brief evaluation of current maintenance efforts any contracts and resources, levels of service, practices, facilities, equipment, special events and special event management.

Additionally, Consultant will undertake a brief assessment of the District's existing management capabilities with regards to future management of public spaces. This assessment will include a brief evaluation of current staffing, O+M contracts, concessions, programming, facilities, equipment, special events and special event management as well as existing budgets and reporting structure.

Consultant will prepare a brief memo summarizing the above as well as an overall evaluation of capabilities as it relates to O+M.

Task 2. Review Design Development Drawings Prepared by Sasaki Associates and Prepare O+M Analysis

Consultant will review Design Development drawings, plans, quantify all proposed improvements, and develop a list of landscape types, maintenance tasks along with estimated frequency standards. All hardscape and softscape features will be mapped and quantified so that Consultant can present an accurate cost for maintenance of the site. From this Consultant can easily develop an estimated annual maintenance cost.

2.1 Develop O+M Costs and Identify Key Issues

Based on the Design Development drawing and Task 1.1, Consultant will develop a preliminary maintenance budget. Consultant will identify overall maintenance costs as well as estimated costs for individual design features.

Optional Services - Scope and fee to be finalized upon District's request.

O.S.1 Ongoing Management Consultation for Denargo Market – Scope and fee to be developed at District's request

Consultant will work with the District to develop an overall Implementation strategy to account for site management for the phased implementation of Denargo Market. Consultant will assist the District with:

- Development of an overall O+M organizational structure
- Preparations of senior staff job descriptions
- Assist with senior staff interviews and provide input on candidates

- Other
- Work in this phase will be determined by whether the maintenance is done in-house or contracted.
 - Consultant could assist the District in finalizing implementation efforts while waiting for new maintenance manager to be hired
 - Develop/Prepare consultant inspection services bid, if it is decided to use consultant services
 - Mobilization for implementation - Consultant would assist the District with any work needed in preparing to mobilize for actual oversight, contract compliance and inspection of contracted maintenance work.

O.S.2 Maintenance Bid Specifications- Scope and fee to be developed at District’s request

Consultant will work with the District to:

- Determine an overall bidding strategy
- Identify potential contractors
- Prepare bid specification
- Assist the District with preparation of bid sheets
- Assist the District with preparation of bid documents
- Attend pre-bid meeting

Bid Review, Award and First Year Budget: During this task Consultant will work with the District to:

- Review and analyze bids received
- Assist with award recommendation
- Assist the District with preparation of first year budget

Task O.S.3 GIS Based Maintenance Manual Asset Management – Scope and fee to be developed at District’s request

Consultant will develop GIS based maintenance manual and services. The maintenance manual could be a GIS- based effort with all site features and amenities GEO referenced with installation and specific information for client use.

**EXHIBIT B
COMPENSATION**

Denargo Market Metropolitan District					
ETM Associates					
Revised Fee Proposal					
June 27, 2022					
	Title	Principal	Senior Operations Analyst	Operations Analyst	
	RATE	\$ 315.00	\$ 175.00	\$ 125.00	TOTAL
Task 1. Review Current CRE Organizational Capacities & Existing Maintenance Efforts & Service Delivery	Hours	10	12	40	
	Amount	\$ 3,150.00	\$ 2,100.00	\$ 5,000.00	\$ 10,250.00
Task 2. Review DD Drawings for O+M Analysis	Hours	16	40	100	
	Amount	\$ 5,040.00	\$ 7,000.00	\$ 12,500.00	\$ 24,540.00
Task 3. Provide Recommended Operating Model	Hours	24	50	85	
	Amount	\$ 7,560.00	\$ 8,750.00	\$ 10,625.00	\$ 26,935.00
Subtotal	Hours	50	102	225	
	Amount	\$ 15,750.00	\$ 17,850.00	\$ 28,125.00	\$ 61,725.00
Optional Services: Fees to be Provided Upon Client Request					
O.S.1 Ongoing Management Consultation	Hours				
	Amount	\$ -	\$ -	\$ -	\$ -
O.S.2 Maintenance Bid Specifications	Hours				
	Amount	\$ -	\$ -	\$ -	\$ -
O.S.3 GIS Based Maintenance Manual Asset Management.	Hours				
	Amount	\$ -	\$ -	\$ -	\$ -
Total Professional Fees					\$ 61,725.00
Reimbursable Expenses (Billed at Cost; 2					\$ 3,500.00
Total					\$ 65,225.00

EXHIBIT C
CERTIFICATION OF CONSULTANT

1. Pursuant to the requirements of Section 8-17.5-102(1), C.R.S., the Consultant hereby certifies to the District that the Consultant does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Consultant who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Consultant shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Consultant represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Consultant is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Consultant obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Consultant shall:

(a) Notify the subcontractor and the District within three (3) days that the Consultant has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Consultant shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Consultant shall comply with any reasonable request by the Colorado Department of Labor and Employment (“**Department**”) made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Consultant violates any provision of Section 8-17.5-102(1), C.R.S., the District may terminate the Agreement immediately and the Consultant shall be liable to the District for actual and consequential damages of the District resulting from such termination, and the District shall report such violation by the Consultant to the Colorado Secretary of State, as required by law.

EXHIBIT D
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):
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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

**NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF THE
DENARGO MARKET METROPOLITAN DISTRICT NOS. 1, 2 AND 3**

NOTICE is hereby given that a meeting of the Board of Directors of the Denargo Market Metropolitan District Nos. 1, 2 and 3, of the City and County of Denver, State of Colorado, shall be held at 4:30 p.m. on Tuesday, September 20, 2022. This District Board meeting will be held via Zoom Meeting and can be joined through the directions below:

<https://us02web.zoom.us/j/6464033676?pwd=bzJUOHBHNXNEQ2JYUTJkYkZ0b3B3Zz09>

Phone: 1 (253) 215-8782
Meeting ID: 646 403 3676
Password: 267458

The address of the Districts' office where the names and addresses of the Board of Directors and their officers may be obtained is Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, and the office telephone number is 303-987-0835, fax number is 303-987-2032 and e-mail address is receptionist@sdmsi.com.

The City and County of Denver maintains a file regarding the Districts.

DENARGO MARKET METROPOLITAN
DISTRICT NOS. 1, 2 AND 3

By: /s/ Matt Cohrs
Secretary