EAST BEND METROPOLITAN DISTRICT

2024 ANNUAL REPORT

The East Bend Metropolitan District (the "District") hereby submits this annual report, as required pursuant to section VIII of the Service Plan of the District as approved by the City Council of the City of Aurora on August 9, 2021 ("service Plan")and pursuant to §32-1-207(3)(c) C.R.S. This annual report is being submitted to satisfy the reporting requirement for the year 2024. For the year ending December 31, 2024, the District makes the following report:

1. **Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.**
   No boundary changes have occurred since the organization of the District. No Boundary changes are currently proposed for the District.

2. **Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year.**
   The District did not enter into or propose to enter into any intergovernmental agreements in 2024.

3. **A copy of the District's rules and regulations adopted by the Board, if any as of December 31 of the prior year.**
   The District is subject to the Declaration of Covenants, Conditions and Restrictions for East Bend as adopted on September 23, 2021. A copy of the Declaration is attached hereto as Exhibit A. The District did not adopt any new rules and regulations nor amend the current rules and regulations as of December 31, 2024.

4. **A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year.**
   As of December 31, 2024, the District's legal counsel had no knowledge of any litigation which involves the District's public improvements.

5. **Status of the District's construction of the Public Improvements as of December 31 of the prior year.**
   As of December 31, 2024, the District's construction of all intended public improvements was complete.

6. **A list of all public facilities improvements constructed by the District that have been dedicated to and accepted by the City of Aurora as of December 31 of the prior year.**

No additional public improvements were dedicated to the City of Aurora in the year 2024.

7. **The assessed valuation of the District for the current year.**
   The assessed valuation for the District for 2024 is $2,449,955.

8. **Current year budget, including a description of the Public Improvements to be constructed in such year.**
   The Board of Directors of the District adopted its 2025 Budget on December 9, 2024, a copy of which is attached hereto as Exhibit B.

9. **A copy of the audited financial statements if required by the "Colorado Local Government Audit Law", Part 6 of Article 1 of Title 29, or the application for exemption from audit, as applicable.**
   A copy of the District's 2024 Audit is attached hereto as Exhibit C.

10. **Notice of any uncured events of defaults by the District, which continue beyond a ninety (90) day period, under any debt instrument.**
    The District has no uncured events of default at this time.

11. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond the ninety (90) day period.**
    There is currently no inability on the part of the District to pay its obligations as they come due in accordance with the terms of such obligations.

The foregoing filing and accompanying exhibits, if any, are submitted this 26th day of September 2025.

EAST BEND METROPOLITAN DISTRICT

By: /s/ Community Resource Services of Colorado LLC

Exhibit A

Declaration of Covenants, Conditions and Restrictions

DECLARATION OF COVENANTS
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Arapahoe County Clerk, CO
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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAST BEND

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAST BEND

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR EAST BEND ("Declaration") is made as of 23rd day of September, 2021 by RICHMOND AMERICAN HOMES OF COLORADO, INC., a Delaware corporation ("Declarant"). Unless otherwise defined, all other initially capitalized phrases, terms, and words in this Declaration have meaning given them in Article 1.

BACKGROUND AND PURPOSE

A. Declarant is the owner of the real property located in Arapahoe County, Colorado described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Declarant desires to subject and place upon the Property certain covenants, conditions, and restrictions, for the development, improvement, use, operation, maintenance, repair and enjoyment of the Property, that run with the land.

C. This Declaration does not create a Common Interest Community (as defined by the Colorado Common Interest Ownership Act at C.R.S. § 38-33.3-103(8)). Therefore, this Declaration, the Property and the creation of the Community are not governed by the Colorado Common Interest Ownership Act.

D. Declarant imposes the covenants, conditions, restrictions and easements set forth in this Declaration on the Property, and pursuant to C.R.S. § 32-1-1004, Declarant empowers the East Bend Metropolitan District authority to furnish covenant enforcement and design review services for the Property using revenues that are derived from the Property.

E. Declarant reserves the right to add additional real property to this Declaration by recording one or more Supplemental Declarations.

F. Pursuant to the Colorado Constitution, Article XIV, Subsections 18(2)(a) and (b), and C.R.S. § 29-1-203, metropolitan districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt.

G. Declarant executes this Declaration (a) in furtherance of a common and general plan for the residential land located on the Property and to create the Community of East Bend ("Community"); (b) to protect and enhance the quality, value, desirability and attractiveness of the Property and Improvements (as hereafter defined) within the Community; (c) to provide for maintenance and repair services within the Community and arrange for other services benefiting residents in the Community; (d) to provide for design review of Improvements within the Community; (e) to enforce the provisions of this Declaration, the Rules and Regulations (as hereafter defined) adopted under the provisions of this Declaration; and (f) to define duties, powers and rights of Declarant, the District (as hereafter defined), and the Owners (as hereafter defined).

DECLARATION

NOW, THEREFORE, Declarant, for itself, and Declarant's successors and assigns, hereby incorporates the recitals contained hereinabove as though fully set forth, and declares that the Property is and shall hereafter be owned and conveyed subject to the following uniform covenants, conditions and restrictions in furtherance of a general plan for the subdivision, ownership, improvement, sale, use and occupancy of the Community, and to enhance the value, desirability and attractiveness of the Community. This Declaration is intended to and shall run with the land and shall be binding on all persons having or acquiring any interest in the Property or any part thereof; shall inure to the benefit of and be binding upon every part of the Property and every interest therein; and shall inure to the benefit of, be binding upon and be enforceable by Declarant, the District, their successors in interest, owners associations within the Community that have been delegated such enforcement authority, and each Owner and such Owner's successors in interest.

ARTICLE 1.
DEFINITIONS

Section 1.1 Board shall mean the board of directors of the District.

Section 1.2 Declarant shall mean Richmond American Homes of Colorado, Inc., a Delaware corporation, as well as any Person to whom Declarant specifically assigns all or a portion of Declarant's rights or obligations as Declarant hereunder by written document recorded in the Records.

Section 1.3 Declaration shall mean this instrument as it may be amended from time to time by an instrument executed by Declarant or other parties authorized herein to amend the same, which instrument shall be recorded.

Section 1.4 Design Guidelines shall mean the architectural, construction, structural and/or aesthetic criteria, rules, or standards, if any, established by the District from time to time that will apply to Improvements within all or specified portions of the Property.

Section 1.5 Design Review Committee shall mean the committee created pursuant to Article 3 herein.

Section 1.6 Development Rights shall mean the right to: (a) add real estate to the Community; (b) create Lots within the Community; (c) subdivide or combine Lots; (d) withdraw real estate from the Community; (e) reserve, grant, create, modify and use easements over, across, under or through the Property; and (f) the right to move any Lot lines(s) on Lot(s) owned by Declarant, for the purpose of accommodating Improvements which are constructed or may be constructed.

Section 1.7 District shall mean East Bend Metropolitan District, which entity will be formed as a special district in accordance with the Special District Act, C.R.S. § 32-1-101, *et seq.*, and the District's service plan, as it may be amended from time to time. The District is the entity authorized and empowered to perform certain maintenance and repair services, arrange for other services benefiting residents in the Community, enforce the covenants, conditions, and restrictions

contained herein, and to provide design review services for the Community. In the event that East Bend Metropolitan District is not formed, District shall mean the metropolitan district organized and existing pursuant to the Special Districts Act that, pursuant to the District's service plan, as it may be amended from time to time, serves as the entity authorized and empowered to perform certain maintenance and repair services, arrange for other services benefiting residents in the Community, enforce the covenants, conditions, and restrictions contained herein, and to provide design review services for the Community.

Section 1.8 District Properties shall mean all real and personal property, together with any Improvements and appurtenances and rights thereto, now or hereafter owned, leased or maintained by the District. District Properties may include, without limitation, when conveyed to the District, parks and open space within the Property, roads and alleys, landscaping and related structures along public rights of way, entry signage and features, public walkways and trails. Nothing in this Declaration, including but not limited to any provisions concerning the District's rights and obligations relating to the maintenance of any or all of the District Properties, shall be construed as a waiver in whole or in part of any of the rights, protections, privileges, limitations on damages, or governmental immunity provided to the District, or the directors, officers, employees, servants, agents, or authorized volunteers of the District, pursuant to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as it may be amended from time to time.

Section 1.9 Duplex. A building in the Community consisting of two Dwelling Units sharing a Party Wall.

Section 1.10 Dwelling Unit. A building or structure or portion of a building or structure situated upon a Lot, which is intended for use and occupancy as a separate attached or detached dwelling unit for one or more persons, including the patio, deck, porch, basement, garage, and out buildings, if applicable.

Section 1.11 Improvement shall mean any of the structures now or hereafter located on a Lot and anything which alters the previously existing exterior appearance of any Lot, including but not limited to Dwelling Units, Duplexes, buildings, outbuildings, sheds, patios, swimming pools, garages, doghouses, pet enclosures, mailboxes, aerials, antennas, roads, driveways, sidewalks/walks, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning units, water softener fixtures or equipment, and poles, tanks, pipes, lines, meters, towers and other facilities used in connection with water, sewer, gas, electric, telephone, radio, television (including cable or satellite systems), internet/broadband services, or other utilities.

Section 1.12 Lot shall mean a parcel of land designated as a lot in a recorded Plat within the Property, together with all appurtenances and Improvements associated therewith, now existing or subsequently created.

Section 1.13 Notice and Hearing shall have the meaning set forth in Section 4.3 of this Declaration.

Section 1.14 Owner shall mean the party, whether one or more Persons, including Declarant, holding fee simple title to a Lot as shown in the Records.

Section 1.15 Party Wall shall mean the common wall adjoining two Dwelling Units and shall be deemed to include the roofing over, the foundation under, and the utilities within the common wall.

Section 1.16 Person shall mean a natural individual, trust or any other legal entity.

Section 1.17 Plat shall mean a governmentally-approved and recorded subdivision plat creating a subdivision of land that is part of the Property which results in the creation of Lots, including any governmentally-approved and recorded amendments or modifications thereto. All such Plats are incorporated herein by reference and made a part hereof as though attached as an Exhibit.

Section 1.18 Property shall initially mean the real property described on Exhibit A attached hereto and, unless the context indicates the contrary, all real property that is made subject to this Declaration in the future pursuant to a document recorded in the Records pursuant to Section 6.5 of this Declaration; provided, however, that it shall not include any property that has been withdrawn by Declarant in accordance with this Declaration.

Section 1.19 Records shall mean the real estate records in the Office of the Clerk and Recorder of Arapahoe County, Colorado; and Recorded, without further reference, shall mean recorded in the real estate records in the Office of the Clerk and Recorder of Arapahoe County, Colorado.

Section 1.20 Rules and Regulations shall mean those rules and regulations, however, denominated, if any, adopted as provided in Section 4.1 of this Declaration, for the regulation and management of the Community, including Lots, as the same may be amended from time to time.

Section 1.21 Special Declarant Rights shall mean the rights reserved for the benefit of the Declarant as further described in Article 6.

ARTICLE 2.
COVENANTS TO PRESERVE THE CHARACTER OF THE COMMUNITY

Section 2.1 Purpose of Covenants. The following covenants are adopted in order to preserve the desirability, attractiveness and value of residential property in the Community. The following restrictions and conditions shall apply to all land that is now or may hereafter be subject to this Declaration.

Section 2.2 General. All Improvements, Dwelling Units, Duplexes, buildings and structures of any kind shall be constructed, installed, maintained and used in compliance with all applicable federal, state, and local statutes, ordinances, laws, regulations, rules and requirements of all governmental and quasi-governmental entities, agencies and authorities after obtaining all

required permits and licenses, and in accordance with any Design Guidelines and Rules and Regulations, as those may be amended from time to time.

Section 2.3 Improvements. Except as provided in Section 3.6 below, installation or modification of all Improvements placed on a Lot shall be subject to prior approval in writing by the Design Review Committee or as provided in the Design Guidelines.

Section 2.4 Construction.

(a) Construction Type. All construction shall be new. Any building previously constructed or used at another location or any building or Improvement originally constructed as a modular or mobile dwelling may not be moved onto a Lot except as expressly provided in Section 2.4(h) for temporary construction, sales or administration buildings or as approved by the Design Review Committee.

(b) Storage. Building materials may not be stored on any Lot except temporarily during continuous construction of a building or its alteration or improvement, unless such building materials are stored in an enclosed area and fully screened; except that Declarant may store building materials, supplies and equipment on its own land in the Property.

(c) Construction Completion. All construction work shall be done diligently and continuously from the time of commencement of construction until fully completed. The exterior of all Dwelling Units, buildings or Improvements must be completed within twelve (12) months after the commencement of construction, or such other time as the Design Review Committee deems reasonable under the circumstances due to the nature of the project or other factors. "Commencement of construction" for a Dwelling Unit or building is defined as the obtaining of necessary building permits and the excavation of earth for a foundation, and for all other Improvements is defined as the undertaking of any visible exterior work. If construction is not completed within the above time periods or such later time as approved by the Design Review Committee, the Design Review Committee may take further action as provided for in this Declaration.

(d) Occupancy. Any Dwelling Unit or building constructed on a Lot shall not be occupied in the course of original construction until the applicable building authority authorizes such occupancy.

(e) Landscaping. All landscaping will be initially installed by the Declarant. All portions of a Lot, including the front, back, and sides will be landscaped and maintained in accordance with the Design Guidelines. Except for the Front-Yard Landscaping (as defined below) of front yards of Dwelling Units, each Owner other than Declarant shall maintain landscaping on its Lot in accordance with the requirements of the Master Declaration. No landscaping on the Lots shall consist of or be replaced with sod. From time to time, the District shall have the right to change the landscaping and/or plantings approved for the Community.

(f) Installation, Maintenance, and Irrigation of Front-Yard Landscaping. The Declarant shall establish a landscaping plan (the "Front-Yard Landscape Plan") for the front yard

("Front-Yard Landscaping") of each Dwelling Unit that will general depict the location and type of Front-Yard Landscaping for Dwelling Units. At its cost and expense, Declarant shall install the Front-Yard Landscaping and irrigation system for such Front-Yard Landscaping. The District shall be responsible for the irrigation of the Front-Yard Landscaping of the Lots. Each Owner shall promptly pay invoices from the District for irrigation water used by a Dwelling Unit for Front-Yard Landscaping on such basis as the District determines for such irrigation. At its cost and expense, the District shall be responsible for the maintenance, repair, and replacement of the Front-Yard Landscaping and irrigation system on each Lot, provided that if an Owner or its occupants damage the Front-Yard Landscaping or the irrigation system for such Front-Yard Landscaping, then, upon the demand of the District, the Owner shall reimburse the District the cost and expense incurred by the District in such maintenance, repair, or replacement of the Front-Yard Landscaping and/or irrigation system, together with interest on such costs and expenses from the date of demand for payment until the date paid in full.

(g) Fences or Walls. Fences or walls other than those installed by Declarant are subject to approval by the Design Review Committee. All portions of the Lot where fences are permitted will be maintained in accordance with the Design Guidelines, and as initially installed.

(h) Construction or Sales Offices. Temporary buildings for construction or administration purposes or for sales offices and accompanying parking lots may be erected or maintained by the Declarant. Model homes may be used and exhibited by the Declarant. Temporary buildings shall be promptly removed when they cease to be used for construction or sales purposes.

(i) Utilities. All utilities serving a Lot will be placed underground. Declarant or District reserves the right to locate main transmission lines above ground if determined to be advisable. Declarant may grant approval for temporary above ground utility service during construction.

Section 2.5 Grading Patterns.

(a) Following the conveyance of a Lot by Declarant, each Owner shall maintain the grading on its Lot (including grading around the foundation of the building constructed thereon) at the slope and pitch fixed by the final grading thereof, including landscaping and maintenance of the slopes, so as to maintain the established drainage. For purposes of this Section, "established drainage" is defined as the drainage that exists at the time final grading by the Declarant is completed. Grading shall be maintained at all times so as to conduct irrigation and surface waters away from buildings and to protect foundations and footings from excess moisture.

(b) Following the conveyance of the Lot by Declarant, any change in established drainage by an Owner is discouraged. However, if an Owner (other than Declarant) desires to change the established drainage on its Lot, it shall be the sole responsibility of such Owner to provide adequate alternative drainage for both the Owner's Lot and all other property that may be affected by such change. To ensure that adequate alternative drainage is provided, the Owner desiring to change the established drainage on its Lot must submit to the Design Review Committee, for its review and approval, plans and specifications for alternative drainage which have been prepared and certified by a qualified, licensed professional. Any damages incurred by

another Owner, Declarant, the District, or any other Person due to a change in the established drainage of a Lot, shall be the sole liability of the Owner who changed, or who caused the change in, such established drainage.

(c) No approval of a proposed Improvement shall in any way imply that the District, the Design Review Committee, or Declarant has reviewed or approved any change in the established drainage of a Lot. Neither the District, nor the Design Review Committee, nor Declarant shall be liable for any damages incurred by any Owner or other Person due to a change in the established drainage.

(d) Following the conveyance of the Lot by Declarant, the Owner of a Lot should not plant flower beds (especially annuals), vegetable gardens or other landscaping which requires regular watering, within five (5) feet of the foundation of the dwelling unit or any slab on the Lot. If evergreen shrubbery is located within five (5) feet of any foundation wall or slab, then the Owner of the Lot (other than Declarant) should water such shrubbery only by controlled hand-watering, and should avoid excessive watering. Further, piping and heads for sprinkler systems should not be installed within five (5) feet of foundation walls or slabs. Following the conveyance of the Lot by Declarant, any such flower beds, vegetable gardens, or other landscaping installed by Owner, for which Owner must obtain prior Design Review Committee approval, must be maintained by an Owner and will not be maintained by the District, notwithstanding any other landscaping obligations of the District contained herein.

Section 2.6 Grounds and Lot Maintenance.

(a) Except as required in this Declaration with respect to maintenance, repair and replacement responsibilities of Owners, the District shall be responsible for maintenance, repairs and replacement of Improvements on the District Properties. Without limiting the foregoing sentence, the District shall be responsible for maintenance, repair and replacement, including certain maintenance and services on the Lots, as follows:

1. Landscaping on the District Properties, seasonal tum on and clean out and, from time to time, necessary replacement of sprinkler system components on the District Properties;

2. Fences on the District Properties;

3. Entry monuments, parks and play equipment, cluster mailboxes, and retaining walls located on the District Properties;

4. Snow and ice removal from the District Properties, including sidewalks, streets and alleys, but not from driveway aprons or individual walks to the front doors of the Dwelling Units;

5. Graffiti removal and debris removal from the District Properties;

6. As provided above in Section 2.4(f), the Front-Yard Landscaping and irrigation system on each Lot;

7. Such portions of any additional property as may be required by this Declaration, any Supplemental Declaration, any Plat, development plan or any contract, covenant, or agreement for maintenance entered into by, or for the benefit of, the District; and

8. All ponds, streams, and wetlands situated within the Community which serve as part of the Community's stormwater drainage system, including associated improvements and equipment, unless the same have been dedicated to and/or accepted and/or agreed to be maintained by a local governmental entity, a community association or other entity for the purpose of maintenance, repair and replacement. The District is responsible for maintenance, repair and replacement of the main line of the underdrain system and laterals up to the property lines of individual Lots, including any portion of the main line of the underdrain system underlying any Lot, but not including underdrain system laterals within a Lot.

(b) Except as provided herein as to maintenance of portions of certain Lots by the District, the exterior of all Improvements and grounds of a Lot must be maintained by the Owner in a state of good condition and repair, and adequately painted, or otherwise finished by such Owner, before the surfacing becomes weather-beaten or worn off. Such obligation includes, but is not limited to, maintaining the exterior materials and finishes of the Improvements, fencing, landscaping, drainage areas, driveways and sidewalks, underdrain system laterals within a Lot from the Lot property line, geogrids for retaining walls located on the Lot, and snow removal from driveways. Irrigation of landscaping will be in compliance with any applicable watering ordinance.

Section 2.7 Rebuilding or Restoration. If any Improvement is destroyed in whole or in part, the Owner is responsible for promptly rebuilding the Improvement to the condition as it existed before such destruction, or any modified condition subject to Design Review Committee approval, or the Owner shall promptly remove all debris and restore the Lot to a safe and attractive condition. Such rebuilding or restoration must he commenced within thirty (30) days after the damage or destruction occurs and thereafter diligently pursued to completion within a reasonable time, not to exceed ten (10) months after the date the damage occurred or such longer period of time as may he approved by the Design Review Committee. If restoration or rebuilding is not completed within the above time periods or such later time approved by the Design Review Committee, or if the restoration or rebuilding shall cease for a period of twenty (20) days without permission of the Design Review Committee, the Design Review Committee may give written notice to the Owner that unless the restoration is diligently pursued within the ten (10) days following notice, the Improvement will be declared a nuisance and the Declarant or the Board shall have the right to take enforcement action pursuant to this Declaration.

Section 2.8 Insurance to be Maintained by Owners. Insurance coverage on each Owner's Lot, and the Improvements thereon, as well as on personal property, furnishings and fixtures belonging to an Owner and liability insurance coverage on each Lot, shall all be the responsibility of the Owner of such Lot. Each Lot shall be insured in an amount not less than the full replacement cost of the Improvements thereon, less applicable deductibles, and excluding items normally excluded from property policies such as land, foundations and excavations.

Section 2.9 Outside Storage. Equipment, tools and other items must be stored in an enclosed building or otherwise adequately screened so as not to be visible from neighboring properties or adjoining streets, except that Declarant may temporarily store materials as necessary in connection with construction on a Lot.

Section 2.10 Patio Covers, Swing Sets, Play Structures, and Other Similar Structures. Patio covers, swing sets, play structures and other similar structures or other similar facilities or equipment may only be installed on a Lot in accordance with the Design Guidelines or as approved by the Design Review Committee.

Section 2.11 Trash and Refuse. Unsightly objects or materials, including but not limited to ashes, trash, garbage, grass or shrub clippings, scrap material or other refuse, or containers for such items, must not be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during hours of refuse collection as specified in the Rules and Regulations. This Section shall not apply to Declarant. The District shall have the right to provide, or contract for and regulate the provision of services and facilities, including, without limitation, snow removal, trash collection and recycling, cable television and/or telecommunications services and facilities for all or any of the Owners and their Lots, and may enter into and terminate contracts or agreements with other entities, including Declarant, to provide such services and facilities. Nothing in this Section shall be construed as a representation by Declarant or the District as to what, if any, services shall be provided. In addition, the Board may modify or cancel existing contracts for services or facilities in its sole discretion, unless the services or facilities are otherwise required by this Declaration.

Section 2.12 Nuisances. No activity or condition constituting a nuisance as contemplated by applicable legal authority may be carried on or present in or upon any Lot, Dwelling Unit or Improvement. No Lot may be used for the growing, sale or dispensing of marijuana or any of its compounds or derivatives.

Section 2.13 Lights, sounds and odors. Lights that are unreasonably bright or cause unreasonable glare, and sounds or odors that are unreasonably noxious or offensive to others are not permitted to emanate from any Lot.

Section 2.14 Noxious Weeds. All portions of a Lot must be kept free from noxious weeds.

Section 2.15 Animals. No horses, livestock, fowl, poultry, or other animals of any kind shall be raised, bred, kept or boarded in the Community; provided, however, that the Owners of each Lot may keep a reasonable number of bona fide household pets (including dogs, cats, and other domestic animals approved by the Board), not to exceed the maximum number of pets specified in the Design Guidelines, so long as such pets are not kept for any commercial purpose and are not kept in such number or in such manner as to create a nuisance to any resident of the Community. The District shall have, and is hereby given, the right and authority to do the following as well as take such other action(s) with regard to these matters as the Board may determine: set a maximum number of household pets; set a size or weight limit for pets; regulate the type(s) of

animals that are permitted to be kept; determine that any dog(s), cat(s) or pet(s) or other animals are being kept for commercial purposes or are being kept in such number or in such manner as to be unreasonable or to create a nuisance; determine that an Owner is in violation of the leash laws of the applicable jurisdiction or other governmental laws, ordinances, or other provisions; or determine that an Owner is otherwise in violation of any provision of this Declaration or the Rules and Regulations. If the Board determines that any of the foregoing have been or are being violated, the Board may take any action(s) it determines appropriate, including requiring permanent removal of the pet. An Owner's right to keep household pets is coupled with the responsibility to remove and properly dispose of animal waste, and pay for any damage caused by such pets, as well as all costs incurred by the District as a result of such pets, and all such costs and damages shall be subject to all of the District's rights with respect to the enforcement of the obligations set forth in this Declaration. Notwithstanding the foregoing, nothing in this Declaration shall be construed in a manner that restricts or impinges on a person's right to own or use an animal in violation of the Fair Housing Act, 42 U.S.C. §§ 3601 et seq., or other applicable law.

Section 2.16 Vehicles; Parking. A boat, trailer, camper (on or off supporting vehicles), tractor, commercial vehicle, mobile home, motor homes, any towed trailer unit, motorcycle, all-terrain vehicle, recreational vehicle or any vehicle whose gross vehicle weight exceeds 10,000 pounds or which exceeds 23 feet in length, shall not be parked on any street in the Community or within any Lot except in a completely enclosed building such as a garage, or unless screened in a manner approved by the Design Review Committee. An exception to this restriction will be made for an emergency motor vehicle used by an Owner who is a bona fide member of a volunteer fire department or is an employee of an emergency firefighting, ambulance service, law enforcement or emergency medical services provider, provided that the vehicle: i) has a gross weight rating of 10,000 pounds or less; ii) bears an official emblem of the emergency services provider; and iii) does not obstruct emergency access or interfere with the reasonable needs of other Owners. Passenger vehicles owned, leased, rented or used by Owners or any other Person used as primary transportation on a day-to-day basis shall not be parked on any street within the Property for longer than seventy-two (72) consecutive hours without being moved in a manner required by the Rules and Regulations. Movement of a vehicle for the purpose of circumventing the restrictions in this Section will not be permitted. It is the intent of this Declaration that all vehicles park in garages and driveways; no extended street parking is permitted. The foregoing notwithstanding, however, this Section shall not apply to Declarant, nor shall it restrict trucks or other commercial vehicles that are necessary for construction or maintenance of any portion of the Community or any Improvements located thereon.

(a) Vehicle Repairs. The maintenance, servicing, repair, dismantling, sanding or repainting or any type of vehicle, boat, machine, apparatus, trailer, equipment or device may not be carried on except within a completely enclosed Improvement which screens the sight and sound of the activity from adjoining streets and from neighboring property.

(b) Abandoned or Inoperable Vehicles and Equipment. Any type of stripped down, partially wrecked or abandoned or other similar vehicle (including any boat, machine, apparatus, trailer, equipment or device, or any sizeable part thereof) which has not been driven or operated under its own propulsion or by its own means for a period of two weeks, shall not be

permitted to be placed anywhere within the Property except within a completely enclosed Improvement.

Section 2.17 Leases. The term "lease," as used herein, shall include any agreement or arrangement for the occupancy of a Lot or Dwelling Unit on the Lot by a Person other than the Owner or members of the Owner's immediate family, with or without the contemporaneous occupancy by the Owner or members of the Owner's immediate family, including month-to-month rentals, shorter term rentals, long-term rentals, and subleases, and "leases" shall mean collectively all leases then in effect. Any Owner has the right to lease his Lot, or any portion thereof, under the following conditions:

(a) All leases shall be in writing;

(b) All leases shall provide that the terms of the lease and lessee's occupancy of the leased premises shall be for no less than thirty (30) days and be subject in all respects to the terms of this Declaration and the Rules and Regulations; and

(c) No Dwelling Unit or portion thereof may be used for short term lodging, home share arrangements, home exchange arrangements, vacation rental, or any similar temporary lodging or living quarter arrangement.

Section 2.18 Signs. One (1) temporary sign advertising the real property for sale or rent, or for a garage sale, which is no more than six square feet in size, the style of which is compatible with the appearance of the Community and which may be subject to prior approval of the Design Review Committee or as provided in the Design Guidelines, may be placed on a Lot. Trade signs identifying a contractor performing work such as landscaping, painting, remodeling, etc., may only be displayed while such work is in progress on a Lot and must be removed upon completion of the work. No Owner or Person may post signs upon any portion of the District Properties or public rights-of-way. This Section shall not apply to Declarant.

Section 2.19 Hazardous Activities. No activities shall be conducted on any Lot or within an Improvement which are unreasonably unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on any Lot except in a contained cooking unit while attended and in use for cooking purposes or within an attended fireplace or fire pit. Further, no hazardous materials or chemicals shall at any time be located, kept or stored in, on or at any Lot except such as may be contained in common household products and in such limited quantities so as to not constitute an unreasonable hazard or danger to person or property. An Owner must not permit any condition on a Lot that creates a fire hazard or is in violation of fire prevention regulations adopted by the governmental authority having jurisdiction and control over outside burning. If any ban on outdoor fires is at any time imposed by a governmental authority, such ban shall be observed within the Property.

Section 2.20 Temporary Buildings. No temporary house, trailer, garage or other outbuilding may be placed or erected on a Lot or used as a residence. The Design Review

Committee may grant permission to an Owner for the placement of a temporary structure for storage of materials during construction on a Lot.

Section 2.21 Professional or Home Occupation. Except as may be required of Declarant in pursuit of construction activities within the Property, Lots shall be used for residential use only including uses which are customarily incident to such residential use, and shall not be used at any time for business, commercial or professional purposes. However, an Owner may conduct business activities within a Dwelling Unit provided that all of the following conditions are met:

(a) The business conducted is clearly secondary to the residential use of the Dwelling Unit and is conducted entirely within the Dwelling Unit;

(b) The existence or operation of the business is not detectable from outside of the Dwelling Unit by sight, sound, smell, vibration or otherwise, or by the existence of signs or deliveries indicating that a business is being conducted;

(c) The business does not result in an undue volume of traffic or parking within the Property;

(d) The business conforms to all applicable zoning requirements and is lawful in nature; and

(e) The business conforms to any Rules and Regulations that may be adopted by the Board from time to time.

Section 2.22 Subdivision or Combination of Lots. No Lot may be subdivided or further divided or combined with another Lot by an Owner other than Declarant.

Section 2.23 Satellite Dishes and Antennas. Except as provided below in this Section, no aerial, antenna or other device for reception of radio, television, microwave device or other electronic signals may be maintained on the roof of any Improvement, nor shall such structure be mounted at any location so as to be visible from neighboring properties or adjacent streets. Plans for structures, other than FCC Structures (defined below) must be approved by the Design Review Committee prior to installation. An FCC Structure is defined by the Federal Communications Commission as: (a) an antenna that is one meter (39.37") or less in diameter and is designed to: (i) receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite; (ii) receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, or to receive or transmit fixed wireless signals other than via satellite; and (b) an antenna that is used to receive television broadcast signals. An FCC structure may be installed on a Lot without prior Design Review Committee approval, subject to the following conditions:

(a) To the extent feasible, the satellite dish/antenna should be placed in the rear or side yard in such a manner that it is screened from adjacent street(s) and neighboring properties. Rooftop mounting that is visible from adjacent street(s) is discouraged.

(b) The satellite dish/antenna should be installed at the lowest possible placement, utilizing ground level siting (unless a signal is not attainable).

(c) The satellite dish/antenna should be painted to match the surrounding environment or screened with a reasonable amount of plantings to minimize its visual impact to surrounding areas, so long as such painting or screening does not materially interfere with the broadcast signals.

Section 2.24 Utilities Location. Before installing Improvements on a Lot, Owners are responsible for locating all water, sewer, gas, electrical, cable television or other utility lines within easements granted for such purposes. Owners must not construct any Improvements over utilities easements without the consent of the utility involved and Owners will be responsible for any damage to utility lines caused by their work. Owners should request the location of underground utility lines and easements through a utility line location center.

Section 2.25 Restriction on Conveyance of District Properties. For a minimum period of eight (8) years following conveyance of the last Lot in the Property from the Declarant to a non-Declarant Owner, the District Properties shall not be sold, conveyed, or transferred except in conjunction with the dissolution of the District.

ARTICLE 3.
DESIGN REVIEW AND APPROVAL

Section 3.1 Design Review Committee. The Design Review Committee shall consist of at least one and not more than five individuals, all of whom shall be appointed by the Board. In lieu of appointing a separate Design Review Committee, the Board may act as the Design Review Committee. The Design Review Committee shall exercise the functions assigned to it by the Board, this Declaration and the Design Guidelines.

Section 3.2 Composition of the Design Review Committee. If the Board does not serve as the Design Review Committee, then individuals appointed to serve on the Design Review Committee shall serve for a two-year term and may be removed by a majority vote of the Board at any time even if prior to expiration of a designated term. Individuals may serve for more than one term, even if consecutive. If a vacancy on the Design Review Committee occurs for any reason, a majority of the Board may appoint a replacement to complete the unexpired term. Design Review Committee members need not be Owners.

Section 3.3 Design Guidelines. The District may from time to time adopt Design Guidelines applicable to Improvements within the Property. Such Design Guidelines may regulate, without limitation, matters including but not limited to the following:

(a) Site location;

(b) Architectural design;

(c) Site accessories, *(e.g.,* lights, signs, yard decorations or ornaments);

(d) Landscape design;

(e) Building size and height;

(f) Aesthetics of Improvements; and

(g) Approval processes.

The District shall have the right to modify or supplement the Design Guidelines from time to time upon the written approval of the Board. The Design Guidelines may include, among other things, guidelines to clarify the types of designs and materials that may be considered in design approval, may state requirements for submissions in order to obtain review by the Design Review Committee, may state procedural requirements, may specify acceptable Improvement(s) that may be installed without the prior approval of the Design Review Committee, may include design standards, conditions, restrictions, requirements, and/or other provisions, pertaining to any matters; and may provide for changes in technology, industry standards, style, materials, safety issues, consistency with updated building codes or other laws or ordinances, or for any other reason that the Design Review Committee deems to be proper, necessary or in the best interests of the Community. In addition, such provisions may provide for blanket approvals, interpretations and/or restrictions on Improvements. All Improvements proposed to be constructed, and any guidelines that are adopted, shall be completed and used in accordance with this Declaration. The Design Guidelines shall have the same force and effect as if they were set forth in and were a part of this Declaration. In the event of conflict between the Design Guidelines and the provisions of this Declaration, the Declaration shall control.

Section 3.4 Approval Required. An Improvement shall not be placed, erected, installed or permitted to exist on any Lot, the exterior of any existing Improvements shall not be altered, and construction shall not be commenced on any Improvements, unless and until the plans for such Improvement have been submitted to and approved in writing by the Design Review Committee. Improvements installed or constructed prior to Design Review Committee written approval, or not installed or constructed in compliance with the approved Plans, shall be deemed to be in non-compliance and may be subject to enforcement action under this Declaration including, in addition to any other available right or remedy set forth herein, the Board's right to record a notice of violation or noncompliance against title to the Lot.

Section 3.5 Exclusive Approval by Board. Notwithstanding the foregoing provisions of this Article, the Board shall have the exclusive right to review, approve and enforce construction of all Improvements on a Lot prior to the completion of the first Dwelling Unit on a Lot in accordance with this Declaration and the Design Guidelines. After the first Dwelling Unit on a Lot has been completed, the Design Review Committee shall have the right to review and approve construction of Improvements on a Lot in accordance with this Declaration and Design Guidelines.

Section 3.6 Exemption of Declarant. Declarant shall be exempt from the provisions of this Article. This exemption shall terminate at such time as Declarant no longer owns any real property within the Property.

Section 3.7 Submittal of Plans. The requirements for submittal of plans to the Design Review Committee will he set forth in the Design Guidelines.

Section 3.8 Approval Process. All final action required or permitted to be taken by the Design Review Committee must be stated in writing, and any such written statement must establish the action of the Design Review Committee. The Design Review Committee will approve or disapprove Plans within forty-five (45) days following submission of a complete set of Plans. If the Design Review Committee does not act within forty-five (45) days following submission, the plans shall be deemed disapproved. The Design Review Committee may charge reasonable fees to cover expenses incurred in the review of plans. The Design Review Committee will retain one copy of all approved plans as provided in its Rules and Regulations and written records of all actions taken by it that will be available to Owners for inspection at reasonable business hours. Plan approval will automatically expire one year after approval if construction is not commenced within such one-year period, or such shorter period of time approved by the Design Review Committee, and if approval so expires, the applicant must submit a new request for approval.

Section 3.9 Approval Standards. In granting or withholding approval of matters submitted to it, the Design Review Committee shall consider the specific standards and specifications set forth in any Design Guidelines then in effect and any other matter, whether objective or subjective, that the Design Review Committee feels is relevant to the issue presented.

Section 3.10 Review of Plans. The Design Review Committee shall have the right to disapprove any plans or details submitted to it if it determines, in its sole discretion, that the proposed Improvement is not consistent with the Design Guidelines or any provision of this Declaration; if the plans submitted are incomplete; or if the Design Review Committee deems the plans or details, or any part thereof, to be contrary to the best interests, welfare or rights of all or any part of the Community, District, or the Owners. If the Design Review Committee believes there may be questions of structural integrity or proposed Improvements that affect drainage on the Lot or adjacent portions of the Property, it may, as part of the review process, require certification of the final plans and specifications by a professional architect or engineer licensed in Colorado. A majority of the Design Review Committee members attending a meeting in accordance with applicable bylaws at which plans are approved shall constitute a quorum, and a majority vote of the Design Review Committee members present at which a quorum is present shall constitute action of the Design Review Committee. Owners acknowledge that Design Review Committee review is an inherently subjective process and that the Design Review Committee is given wide discretion in carrying out its function.

Section 3.11 Appeal of Decision. If an application for an Improvement is denied by the Design Review Committee, the Owner seeking approval of the application shall have the right to appeal such decision to the Board, if a written request for a hearing on an appeal of the same is submitted to the Board within thirty (30) days after such denial by the Design Review Committee ("Appeal Request"). After receiving an Appeal Request, the Board shall notify the Owner and the

Design Review Committee in writing of the date, time, and location of the hearing. The hearing shall be held as soon as practicable after receipt of the Appeal Request. At the hearing, all parties will have the opportunity to present evidence in support of their respective positions. Within ten (10) days of the conclusion of the appeal hearing, the Board shall issue its written decision ("Design Appeal Decision"). The Board's Design Appeal Decision shall be final and binding.

Section 3.12 Variances. The Board, or if the Board delegates its authority to the Design Review Committee, then the Design Review Committee shall have the authority to grant for a Lot a variance from any provision of this Declaration (including any provision of the Design Guidelines) that is within the authority of the Board or the Design Review Committee, as the case may be. Such variance will only be made upon a finding of unreasonable hardship not created by the Lot Owner or circumstances where literal enforcement of the covenant will create a material hardship to the applicant, and that such a variance is not contrary to the intent or interests of the Community, District, and Owners. A variance may be made subject to terms and conditions approved by the Board or the Design Review Committee. If a variance is denied, the applicant may not bring another application for a similar variance for the same Lot for a period of one year after submittal of the original request.

Section 3.13 Waivers; No Precedent. The approval or conditional approval or consent of the Design Review Committee, or any representative thereof, to any application shall not be deemed to constitute a waiver of any right to withhold or deny approval or conditional approval by the Design Review Committee as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval, conditional approval or consent be deemed to constitute a precedent as to any other matter.

Section 3.14 No Liability. The Declarant, the District, and the Design Review Committee, and any member, agent or representative thereof, shall not be liable in damages or otherwise to anyone submitting plans for approval or requesting a variance, or to any Owner or other Person, by reason of mistake in judgment, negligence, nonfeasance or any act or omission in connection with the approval, disapproval or failure to approve the Plans or variance. Approval of plans shall not mean that plans are in compliance with the requirements of any local building codes, zoning ordinances, or other governmental regulations, and it shall be the responsibility of the Owner, Declarant or applicant to comply with all codes, ordinances and regulations. Nothing in this Declaration shall be construed as a waiver in whole or in part of any of the rights, protections, privileges, limitations on damages, or governmental immunity provided to the District, or the directors, officers, employees, servants, agents, or authorized volunteers of the District, pursuant to the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as the same currently exists or may hereafter be amended.

Section 3.15 Design Review Non-Compliance. If an Owner is in violation of the provisions of this Article or the Design Guidelines, the violation will be processed in accordance with Article 4 of this Declaration.

ARTICLE 4.
ENFORCEMENT AND DELEGATION OF AUTHORITY.

Section 4.1 Adoption of Rules and Regulations. The Board may adopt, amend, repeal and enforce such Rules and Regulations as may be deemed necessary or appropriate with respect to the interpretation and implementation of this Declaration. The Rules and Regulations may provide for the assessment of fines for a violation of this Declaration or the Rules and Regulations. Written notice of the adoption, amendment or repeal of any Rule or Regulation will be provided to all Owners in the manner provided in the bylaws, and copies of the currently effective Rules and Regulations will be made available to each Owner upon request. Rules and Regulations shall have the same force and effect as if they were set forth in and this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, this Declaration shall control. The Design Review Committee, an owners association or other district which has been delegated authority by the Board to adopt, amend or repeal Rules and Regulations may so adopt, amend or repeal only with the written approval of the Board.

Section 4.2 Enforcement. Subject to the Notice and Hearing provisions set forth in Section 4.3 below, the Board shall further have the right to levy and collect fines for violation of any of the provisions of this Declaration and the Rules and Regulations. The decision to pursue enforcement action in any particular case shall be left to the Board's discretion. A decision to enforce or not enforce shall not be construed as a waiver of the Board's right to enforce such provision at a later time or preclude the Board from enforcing any other covenant, restriction, or Rule and Regulation.

Section 4.3 Notice and Hearing Procedures before Levying Fines. If the Board determines that an Owner is in violation of this Declaration or the Rules and Regulations, the Board shall give written notice to the Owner, which includes a description of the violation and the date of the violation (the "Notice"). The Notice shall also provide the day, time and location of the hearing on the violation and shall be hand-delivered or sent by U.S. Mail postage prepaid, to the Owner alleged to be in violation not less than ten (10) days prior to the scheduled hearing date. The hearing may be recorded by video or audio recording by the Board. All parties will have the opportunity to present evidence in support of their respective positions. Within ten (10) days of the conclusion of the hearing, the Board shall issue its written decision. The hearing may occur whether or not the Owner attends the hearing. The Board's decision shall be final and binding.

Section 4.4 Failure to Remedy Violation. If, after Notice and Hearing, the Board issues a written decision that an Owner has violated the Declaration or the Rules and Regulations, the Owner shall have forty-five (45) days from the date of the Board's decision under Section 4.3 to remedy such violation. If the Owner fails to remedy such violation within forty-five (45) days after a decision under Section 4.3 is issued, the Board may impose fines and record a notice of noncompliance or notice of lien on the Owner's Lot ("Notice of Lien"). The Notice of Lien will substantially set forth:

(a) The amount of the monetary lien or description of the violation;

(b) The interest and expenses of collection which have accrued, if any;

(c) The legal description and street address of the Lot against which the lien is claimed or violation has occurred; and

(d) The name of the record Owner.

The Notice of Lien shall be signed and acknowledged by an officer of the Board or its duly authorized agent. The amounts claimed under the lien may include, without limitation, all amounts authorized under Colorado law. Upon an Owner's payment of the fines in full and remedying the violation, the Board shall execute and record a release of the Notice of Lien on the Owner's Lot. Unless paid or otherwise satisfied, the lien may be foreclosed through a Colorado court of competent jurisdiction in accordance with the laws of the State of Colorado. In addition to, or as an alternative to, recording a Notice of Lien on an Owner's Lot, if an Owner fails to remedy the violation within forty-five (45) days after the Board renders a decision, the Board may remove the violation or otherwise remedy the noncompliance, and the Owner responsible for the violation shall reimburse the Board, upon demand, for all costs and expenses incurred by the Board in remedying the violation.

Section 4.5 Delegation of Authority. Subject to limitations set forth elsewhere in this Declaration, the Board shall have the right to delegate all or a portion of its power and authority to adopt Rules and Regulations (including Design Guidelines), and its design review and covenant enforcement rights and obligations under this Declaration to persons or entities including but not limited to the Design Review Committee and District employees or consultants. Notwithstanding such delegation, the Board shall always maintain the right to enforce the provisions of this Declaration, Design Guidelines and the Rules and Regulations if the party to whom enforcement has been delegated or Declarant fails to sufficiently, in the Board's view, enforce the same.

ARTICLE 5.
EASEMENTS

Section 5.1 District Easement. An easement to enforce its rights or perform its obligations pursuant to this Declaration is hereby granted to the District, its officer, agents, employees, representatives and assigns, upon, across, over, in and under all property within the Community, but only the exterior portions of the Lots, except as necessary for the District to access, operate, maintain, repair, and replace any improvements for this the District is responsible, together with the right to make such use of the Community as may be necessary or appropriate in carrying out such maintenance or other rights or obligations.

Section 5.2 Easements for Utilities. Declarant hereby creates and reserves to itself until Declarant no longer owns any real property within the Property, and thereafter, to the District, perpetual, alienable, divisible and releasable easements and the right from time to time to grant such easements to others over, under, in and across each of the utility easements of each Lot as shown on a Plat for the placement of utilities, drainage structures or other similar purposes, together with a blanket easement across, over and under the District Properties for access, utilities, drainage and the installation, replacement, repair and maintenance of utilities and drainage facilities.

Section 5.3 Drainage Easement. Declarant hereby reserves, to itself and to the District, easements for drainage and drainage facilities within the easements granted and reserved on the

Plat; provided, however, that if a Dwelling Unit is located upon any of the areas described in this sentence, then such easement shall be reduced in width to the width of the distance from the nearest lot line of such Lot to the exterior wall of the residence on such Lot that is nearest to such lot line. Except for Dwelling Units as provided in the preceding sentence, no Improvements shall be placed or permitted to remain on any Lot nor shall any change in grading be permitted to exist which may change the direction of flow or obstruct or retard the flow of water or other moisture through channels or swales within such rear, front or side yard drainage easements. Declarant reserves to itself and to the District the right to enter upon each such rear, front and side yard drainage easements to construct, repair, replace or change drainage pipes, structures or drainage ways, or to perform such grading, drainage or corrective work as Declarant or the District may deem necessary or desirable; provided, however, that such right and authority in the Declarant shall cease at such time that Declarant no longer owns any real property in the Property, at which time said reserved right shall vest in the District.

Section 5.4 Easement for Emergency Vehicles. An easement is granted for emergency vehicles, including fire, police and ambulance, to enter upon any portion or the Community for emergency or other official purposes.

Section 5.5 Easements over Adjoining Lots for Maintenance of Party Walls. In each case where Dwelling Units share a Party Wall, non-exclusive easements over the Lots of such Dwelling Units for maintenance, repair and replacement of the Party Wall, foundations and other common structural elements by such Owner and the permittees of such Owner, and for access, ingress and egress necessary for such maintenance, repair and replacement are hereby granted and reserved.

Section 5.6 Matters of Record. In addition to the easements created in this Article and on any Plat, the Property is subject to all other easements, reservations and restrictions of Record.

ARTICLE 6.
PARTY WALLS

Section 6.1 Common Law Rules Apply to Party Walls. Except as otherwise specifically provided herein, the general rules of law applicable to Party Walls and of liability for property damage arising from negligence or willful acts or omissions shall apply with respect to any Party Wall. Without limiting the generality of the foregoing, each Owner shall have the right to use a Party Wall which is a part of such Owner's Dwelling Unit provided that such use does not unreasonably interfere with the use and enjoyment thereof by the other Owner who shares such Party Wall. Additionally, nothing shall be done, without the written consent of the District, in, on or to any Dwelling Unit or any Party Wall which is a part thereof, which would impair the structural integrity of such Party Wall or any other Dwelling Unit.

Section 6.2 Sharing Party Wall Repair, Maintenance and Restoration Costs. The costs and expenses of necessary and reasonable repair, maintenance or restoration of any portion of a Party Wall, including restoration in the event of damage or destruction due to fire or other casualty (subject, however, to the provisions of Sections 2.7 and 2.8), shall be shared equally by the Owner of each Dwelling Unit sharing the Party Wall, without prejudice however, to the right of any such

Owner to recover from the other Owner under any rule of law with respect to liability for negligent or willful acts or omissions; provided, however, nothing contained herein shall require such Owners to share the costs and expenses of normal repair and maintenance, such as painting and refinishing, of the surfaces of the Party Walls which are interior to the Dwelling Unit of the other Owner. If any monolith slab requires repair, the entire monolithic foundation shall be included in the repair process. The Owners and occupants of each of the two Lots on which such monolithic foundation is located shall cooperate regarding repairs to such foundation.

Section 6.3 Weatherproofing Exposed Party Wall. In the event any portion of a Party Wall is exposed to the elements by reason of damage, destruction or demolition of one of the Dwelling Units sharing such Party Wall, the Owner of the Lot on which such Dwelling Unit existed shall be responsible for providing weatherproofing or other protection of the exposed portion of such Party Wall, without prejudice, however, to the right of such Owner to recover the costs of weatherproofing from the other such Owner under any rule of law with respect to liability for negligent or willful acts or omissions.

Section 6.4 Lien for Party Wall Repair, Maintenance and Restoration Costs. If an Owner shall fail, after a written demand, to pay any costs and expenses with respect to a Party Wall to be borne by such Owner, then the Owner of the adjoining Dwelling Unit sharing such Party Wall shall have a lien, from and after the time a notice of lien is recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado, against the Lot of the Owner who has failed to pay any such costs and expenses, for the full amount due and not paid, plus interest charges (computed from its due date at a rate of twenty-one percent (21%) per annum or such lesser rate as the District may establish from time to time), plus all costs and expenses of collecting the unpaid amount, including reasonable attorney fees. The lien may be foreclosed in the manner of foreclosure of mortgages in the State of Colorado.

Section 6.5 Rights of Owners. The Owners of each Lot with a Party Wall shall have the following rights: (a) a perpetual and reciprocal easement in and to that part of the adjacent Lot on which such Party Wall is located, for Party Wall purposes only, including mutual support, maintenance, repair and inspection. For the purposes of repairing or maintaining a Party Wall, the Owners of each Lot with a Party Wall are granted the right to enter onto the adjacent Lot which shares the same Party Wall and to enter into any residence or other Improvements thereon to perform work necessary in the exercise of rights provided herein at all reasonable times after reasonable notice to the occupants of such adjacent Lot, or immediately in the event of an emergency; and (b) after reasonable notice to the occupants of the adjacent Lot on which a Party Wall is located, the Owner of a Lot on which such Party Wall is located shall have the right to break through an appurtenant Party Wall for the purposes of repairing or restoring sewer, water, or other utilities located within such Party Wall, subject to the obligation to restore such Party Wall to its previous structural condition at the sole cost and expense of the Owner who effectuates such breakage.

Section 6.6 Arbitration of Party Wall Disputes. In the event of any dispute with respect to a Party Wall or with respect to costs and expenses to be borne by an Owner with respect to a Party Wall, the dispute shall be resolved in accordance with the provisions of Article 8 hereof.

ARTICLE 7.
SPECIAL DECLARANT RIGHTS; ADDITIONAL RESERVED RIGHTS

Section 7.1 Exercise of Special Declarant Rights. For so long as Declarant owns real property in the Property, Declarant reserves for itself and its successors and assigns the right to perfom1 the acts and exercise the rights specified below (the "Special Declarant Rights"). Special Declarant Rights include the following rights:

(a) To exercise any Development Right as contemplated by Section 1.7 herein. The exercise of Development Rights as to some portions of the real property owned by Declarant will not obligate the Declarant to exercise them as to other portions;

(b) To maintain sales offices, sales trailers, construction offices, construction trailers, management offices, model homes and signs advertising the Community and/or Lots; and

(c) To use easements through the District Properties for the purpose of making Improvements within the Community or within real estate which may be added to the Community.

All of the Special Declarant Rights may be exercised by the Declarant with respect to any portion of the property now or hereafter within the Community. Declarant may exercise any or all of these Special Declarant Rights at any times, and from time to time.

Section 7.2 Additional Reserved Rights. In addition to the Special Declarant Rights set forth above, Declarant reserves for itself and its successors and assigns the following additional rights for so long as Declarant owns real property in the Property:

(a) The right to amend this Declaration without Owner consent or approval in connection with the exercise of any Development Rights or in connection with the qualification or continued qualification for loan guarantees, and for compliance with the requirements of government financing programs. Declarant also shall have the right to amend this Declaration to comply with the requirements of applicable law if any provision contained in this Declaration does not comply with applicable law; and

(b) The right to amend this Declaration without Owner consent or approval in order to correct clerical, typographical or technical errors, or to clarify any provision of this Declaration.

ARTICLE 8.
MANDATORY DISPUTE RESOLUTION

Section 8.1 Alternative Method for Resolving Disputes. Declarant, the District, their officers, directors, affiliates, agents, employees and contractors, all Owners, and consultants, each such entity being referred to individually as a "Bound Party" and collectively as the "Bound Parties," agree to encourage the amicable resolution of disputes involving the Community and all of its improvements without the emotional and financial costs of litigation. Accordingly, except as

otherwise agreed to in writing between any Bound Parties, each Bound Party covenants and agrees to submit all Claims to mediation, and if such mediation is not successful, final binding arbitration, as set forth below in this Declaration.

Section 8.2 Definition of Claim. Except as specifically excluded in this Section or as otherwise agreed to in writing between any Bound Parties, all claims, disputes and other controversies arising out of or relating in any way to the following are hereinafter referred to as a "Claim" or "Claims:"

(a) Interpretation, application or enforcement of this Declaration;

(b) Design, construction, sale, maintenance, habitability or condition of any improvements within the Community or any alleged defect therein, including without limitation any "action" as defined in C.R.S. § 13-20-802.5(1);

(c) Design Appeal Decision under Section 3.11 of this Declaration; and

(d) Rights, obligations and duties of any Bound Party under this Declaration, the Rules and Regulations, and/or any violation thereof.

All Claims shall be subject to and resolved in accordance with the terms and provisions of this Article 8.

Notwithstanding any contrary provision of this Article 8, the following shall not be subject to the provisions of this Article 8:

(a) Any legal action by the District or Declarant to obtain a temporary or permanent restraining order or injunction and such other ancillary relief as the court may deem necessary in order for the District or Declarant to act under and enforce the provisions of Article 2 (Covenants to Preserve the Character of the Community Design Approval) or Article 3 (Design Review and Approval);

(b) Any action to collect a fine or other charge as provided in Section 4.4 above; and

(c) Any legal action to enforce an arbitration award provided in this Article 8.

Any question about whether a matter is a Claim or whether such matter is covered by this Article shall be determined by the arbitrator.

Section 8.3 Notice of Claim. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall notify each Respondent in writing of their Claim, stating plainly and concisely: (a) the nature of the Claim, including the date, time, location, persons involved, and Respondent's role in the Claim; (b) the basis of the Claim (i.e., the specific authority out of which the claim arises); and (c) the specific relief and/or proposed remedy sought ("Notice of Claim"). The Claimant must deliver the Notice of Claim to the respective Respondents within

a reasonable time after the Claim has arisen, but in no event later than any applicable statute of limitations or repose under Colorado law. Upon receipt of a Notice of Claim, the parties shall make a reasonable effort to meet and confer for the purpose of resolving the Claim by good faith negotiation.

Section 8.4 Right to Inspect. If a Claim asserted against Declarant and/or its officers, directors, affiliates, agents, employees, contractors or consultants is based on a defect in the design or the construction of any Improvements within the Community, subject to Owner's prior written approval, which shall not be unreasonably withheld, Declarant shall have the right to access the affected area for purposes of inspecting the condition complained of, and the correction thereat: including any necessary redesign. This shall include, but not be limited to, notice prior to conducting any investigative or destructive testing. The Claimant shall meet with Declarant and/or its designees to discuss, in good faith, ways to resolve the Claim.

The Inspecting Party shall indemnify, defend and hold harmless the Owners, tenants, guests, employees and agents, against any and all liability, claims, demands, losses, costs and damages incurred, including court costs and attorney fees, resulting from its inspection of the Property.

Section 8.5 Mediation. Within forty-five (45) days of the date of the Notice of Claim, if the parties have not otherwise resolved the Claim(s) through good faith negotiation, the parties shall submit the Claim to mediation before a neutral third party mediator agreed upon by the parties. If the parties are unable to agree upon a mediator within fifteen (15) days of the date of the Notice of Claim, then a single mediator shall be chosen in accordance with the rules governing the selection of an arbitrator under the Colorado Uniform Arbitration Act (the "CUAA"). All mediation fees shall be split equally among the parties.

Section 8.6 Final Binding Arbitration. If a Claim remains unresolved at the conclusion of the mediation, any party may submit the Claim for final and binding arbitration under this Section within thirty (30) days after conclusion of the mediation. The arbitration will be conducted in accordance with the following procedures:

(a) If the Claim(s) are not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim(s) shall be deemed abandoned, and Respondent(s) shall be released and discharged from any and all liability to Claimant arising out of such Claims.

(b) In the absence of an agreement otherwise between the applicable Bound Parties, all Claims subject to arbitration shall be conducted in accordance with the CUAA and be decided by a single private party arbitrator who is a retired Colorado state court or Federal judge or attorney licensed to practice law in the State of Colorado.

(c) If the parties are unable to agree upon an arbitrator within thirty (30) days from the date that the Claim(s) were submitted for arbitration, then the arbitrator shall be chosen in accordance with the rules governing the selection of an arbitrator under the CUAA.

(d) No person shall serve as the arbitrator who may have any financial or personal interest in the result of the arbitration or any family, social or significant professional acquaintance with any other party to the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all parties any circumstance likely to affect the appearance of impartiality and/or actual impartiality, including any bias or financial or personal interest or relationship in the outcome of the arbitration ("Arbitrator's Disclosure"). If any party objects to the service of any arbitrator within fourteen (14) days after receipt of the Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner as provided in Section 7.6(b) above.

(e) The arbitrator shall fix the date, time and place for the hearing. The arbitration proceedings shall be conducted in Arapahoe County, Colorado unless otherwise agreed by the parties.

(f) Subject to the provisions of these procedures, the arbitration shall be conducted in accordance with rules and procedures determined by the arbitrator.

(g) Subject to the arbitrator's right to establish rules and procedures governing formal discovery in the arbitration, no formal discovery shall be conducted in the absence of an order of the arbitrator or express written agreement of the parties. Notwithstanding the foregoing sentence, any party asserting Claims against the Declarant and/or its officers, directors, affiliates, agents, employees, contractors or consultants shall notify the Declarant prior to retaining any Person as an expert witness for purposes of any arbitration or authorized litigation, and the Declarant shall be entitled to conduct discovery, including depositions, of such expert.

(h) The arbitrator shall render a decision and award within thirty (30) days after the close of the arbitration. The award shall be in writing and signed and dated by the arbitrator and shall contain express findings of fact and the basis for the award. An award in favor of any party shall be limited to actual damages, and the arbitrator shall not have any authority to award exemplary, punitive, special, indirect, consequential or any other damages other than actual damages. The award rendered by the arbitrator shall be final and binding and may be filed with any court of competent jurisdiction in accordance with the laws of the State of Colorado. All arbitration fees shall be split equally among all parties. Each Bound Party shall be responsible for its own costs, expenses, and attorney's fees incurred in the arbitration.

(i) Unless directed by the arbitrator, there shall be no post-hearing briefs.

(j) The arbitration award shall address each Claim to be resolved in the arbitration, provide a summary of the reasons therefor and the relief granted.

Section 8.7 Binding Effect. BY TAKING TITLE TO ANY PORTION OF THE COMMUNITY, EACH OWNER THEREOF ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS ARTICLE 9 ARE A SIGNIFICANT INDUCEMENT TO DECLARANT'S WILLINGNESS TO DEVELOP THE COMMUNITY, CONSTRUCT IMPROVEMENTS AND SELL DWELLING UNITS, AND THAT IN THE ABSENCE OF THE PROVISIONS CONTAINED IN THIS ARTICLE 8, DECLARANT WOULD HAVE BEEN UNABLE AND

UNWILLING TO DEVELOP THE COMMUNITY, CONSTRUCT IMPROVEMENTS OR SELL DWELLING UNITS FOR THE PRICES PAID BY THE ORIGINAL PURCHASERS. BY ACCEPTING TITLE TO SUCH PORTION OF THE COMMUNITY, EACH OWNER ACKNOWLEDGES AND AGREES THAT THE TERMS OF THIS ARTICLE 8 LIMIT HIS OR HER RIGHTS WITH RESPECT TO THE RIGHTS AND REMEDIES THAT MAY BE AVAILABLE IN THE EVENT OF A POTENTIAL OR ACTUAL CONSTRUCTION DEFECT AFFECTING THE IMPROVEMENTS OR ANY PORTION THEREOF, INCLUDING WITHOUT LIMITATION ANY DWELLING UNIT.

ARTICLE 9.
MISCELLANEOUS

Section 9.1 Persons Entitled to Enforce Declaration. Subject to the provisions of Article 8 above, the District shall have the exclusive right to enforce any or all of the provisions, covenants, conditions or restrictions contained in this Declaration. Subject to the provisions of Article 8 above, the right or enforcement shall include the right to bring an action for damages, as well as an action to enjoin any violation of any provision of the Declaration, and all other rights and remedies provided in the Declaration or available at law or in equity.

Section 9.2 Term of Declaration. This Declaration shall be effective for twenty (20) years following the date this Declaration was originally recorded, and thereafter shall be automatically extended for successive periods of ten (10) years each unless it is terminated by the written approval of Declarant (until such time as Declarant no longer owns real property within the Property and thereafter, the Board) and Owners of at least sixty-seven percent (67%) of all Lots in the Community. The written agreement shall he duly acknowledged by the Declarant (or Board) and the Owners and recorded in the Records.

Section 9.3 Amendment of Declaration.

(a) Except as otherwise provided in this Declaration, and subject to the written approval of Declarant (until such time as Declarant no longer owns real property within the Property and thereafter, the Board), any provision, covenant, condition, or restriction in this Declaration may be amended, rescinded, added or modified upon written approval by Owners of at least sixty-seven percent (67%) of all Lots in the Community.

(b) This Declaration may be amended at any time by Declarant without the consent or approval of any other Owner or any other Person, in order to comply with the requirements, standards, or guidelines of the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, including the Federal Housing Administration, the Veterans Administration, or any other governmental or quasi-governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by any of such entities. Declarant's right of amendment herein shall terminate at such time as Declarant no longer owns land within the Property.

(c) No action to challenge an amendment of this Declaration may be brought more than one (1) year after the date of recordation of such amendment.

(d) An amendment to this Declaration shall be acknowledged by the Declarant (or Board) and if approval of Owners is required, shall contain a certification that written approval of such amendment was given by Owners of at least sixty-seven percent (67%) of all Lots within the Community, and shall be recorded in the Records.

Section 9.4 Notices. Unless otherwise required by applicable law or this Declaration, any requirement to deliver any notice, statement, demand, document or record to an Owner shall be deemed satisfied by sending the same to the applicable Owner by electronic delivery if the Owner has provided an electronic mail or delivery address to the District. Otherwise, any notice given under this Declaration shall be in writing and may be served either personally, by mail or by any other lawful means. If served by mail, the notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the District for the purpose of service of such notice, or to the Lot of such Person if no address has been given to the District, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the third business day after it is deposited in a regular depository of the U.S. Postal Service. Such address may be changed from time to time by notice in writing to Declarant or the District.

Section 9.5 Violations of Law. Any violation of any federal, state, county or municipal law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any portion of the Property is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration. There shall be no obligation or duty of Declarant to undertake the enforcement of the laws, ordinances, rules or regulations of other governmental entities.

Section 9.6 Remedies Cumulative. Each remedy provided under the Declaration is cumulative and not exclusive.

Section 9.7 Limitation on Liability. District, Declarant, the Design Review Committee, and their officers, directors, shareholders, managers, members, partners, agents or employees, shall not be liable to any Person for any action or for any failure to act if such action or failure to act was in good faith and without malice.

Section 9.8 Representations and Warranties. No representations, guaranties or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant, District, or by any of their officers, directors, shareholders, members, partners, agents or employees, in connection with any portion of the Property, or any Improvement, its physical condition, structural integrity, freedom from defects, zoning, compliance with applicable laws, fitness for intended use, or view, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof, unless specifically set forth in writing.

Section 9.9 Disclaimer Regarding Safety. DECLARANT, THE DISTRICT, AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS

AND EMPLOYEES, HEREBY DISCLAIM ANY OBLIGATION REGARDING THE SECURITY OF ANY PERSONS OR PROPERTY WITHIN THE PROPERTY. BY ACCEPTING A DEED TO A LOT WITHIN THE PROPERTY, EACH OWNER ACKNOWLEDGES THAT DECLARANT, THE DISTRICT, AND THEIR OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AGENTS AND EMPLOYEES, ARE OBLIGATED TO DO THOSE ACTS SPECIFICALLY ENUMERATED HEREIN IF ANY, AND ARE NOT OBLIGATED TO DO ANY OTHER ACTS WITH RESPECT TO THE SAFETY OR PROTECTION OF PERSONS OR PROPERTY WITHIN THE PROPERTY.

Section 9.10 Costs and Attorney Fees. In any action or proceeding to enforce any provision of the Declaration, except as otherwise provided in Article 8 above, the prevailing patty shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney fees, court costs, and collection costs.

Section 9.11 Governing Law. The Declaration shall be construed and governed in accordance with the laws of the State of Colorado. Exclusive venue for any legal proceeding other than as set forth in Article 8 above shall be in Arapahoe County, Colorado.

Section 9.12 Severability. Each of the provisions of the Declaration shall be deemed independent and severable, and the invalidity or unenforceability or partial invalidity or partial enforceability or any provision or portion thereof shall not affect the validity or enforceability of any other provision.

Section 9.13 Number. Unless the context requires a contrary construction, as used in the Declaration, the singular shall include the plural and the plural, the singular.

Section 9.14 Board Resolves Questions of Construction. If any doubt or question should arise concerning the true intent or meaning of any of the provisions, covenants, conditions and restrictions contained in this Declaration, the Board shall determine the proper construction of the provisions in question and shall set forth the meaning, effect, and application of the provision in a written document acknowledged by the Board. This determination will thereafter be binding on all parties so long as it is not arbitrary or capricious.

[Remainder of page intentionally left blank- signature on following page]

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first written above.

DECLARANT:

Richmond American Homes of Colorado, Inc.,
a Delaware corporation

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

The foregoing instrument was acknowledged before me this 23rd day of September, 2021 by Matt Hengel as Senior Vice President of Richmond American Homes of Colorado, Inc., a Delaware corporation.

Witness my hand and official seal.

{SEAL}

AMY L MARTIN
Notary Public
State of Colorado
Notary ID # 20084003861
My Commission Expires 02-01-2024

Amy L Martin
Notary Public

My Commission expires: 2-01-2024

Exhibit B

2025 Adopted Budget

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
EAST BEND METROPOLITAN DISTRICT

For the Calendar Year 2025: (1) Summarizing Expenditures and Revenues for Each Fund and Adopting a Budget; (2) Levying Property Taxes for Collection to Help Defray the Costs of Government; and (3) Appropriating Sums of Money to Each Fund in the Amounts and for the Purposes Set Forth Herein

Recitals

A. The East Bend Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado organized pursuant to the Colorado Special District Act, article 1, Title 32, C.R.S.; and

B. The Board of Directors of the East Bend Metropolitan District (the "**District**") has authorized its budget officer to prepare and submit a proposed budget to said governing body at the proper time; and

C. The proposed budget has been submitted to the Board of Directors of the District for its consideration; and

D. Upon due and proper notice, published in accordance with law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 9, 2024, and interested electors were given the opportunity to file or register any objections to said proposed budget prior to the budget's final adoption. A copy of the Meeting Notice and Affidavit of Publication is attached as **Exhibit A**; and

E. The budget adopted by the District has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; and

F. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law; and

G. The District, to meet its budgetary obligations, desires to levy property taxes as set forth in this Resolution, including any temporary tax credits or temporary mill levy rate reductions; and

H. The District's budget has made provisions for revenues in an amount equal to or greater than the total proposed expenditures and desires to appropriate the revenues, reserves and expenditures provided in the budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOAD OF DIRECTORS OF THE EAST BEND METROPOLITAN DISTRICT AS FOLLOWS:

1. Adoption of Budget. That the budget as submitted, amended and summarized by fund attached to this Resolution as **Exhibit B** is approved and adopted as the budget of the District for fiscal year 2025 (the "**Budget**").

2. Levy of Property Taxes.

a. General Operating Expenses. The Budget indicated that the amount of money necessary to balance the budget for the general operating expenses from property tax revenue is $39,817. The 2024 valuation for assessment for general operating expenses, as certified by the County Assessor, is $2,449,955. That for the purposes of meeting all general operating expenses of the District during the 2025 budget year, there is hereby levied a tax of 16.252 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

b. Temporary General Property Tax Credit/Temporary Mill Levy Rate Reduction. That for the purpose of rendering a refund to its constituents during the budget year, there is hereby levied a temporary property tax credit/mill levy rate reduction of 0.000 mills from the General Operating Expenses mill levy.

c. Debt Service – General Obligation Bonds and Interest. The Budget indicated that the amount of money necessary to balance the budget for making all bond principal and interest payments from property tax revenue is $165,274. The 2024 valuation for assessment for making all bond principal and interest payments, as certified by the County Assessor, is $2,449,955. That for the purposes of making all bond principal and interest payments of the District during the 2025 budget year, there is hereby levied a tax of 67.460 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

d. Contractual Obligations. The Budget indicated that the amount of money necessary to balance the budget for making all payments owed under contractual obligations which are to be repaid from property tax revenue is $3,305. The 2024 valuation for assessment for making all payments owed under contractual obligations which are to be repaid from property tax revenue, as certified by the County Assessor, is $2,449,955. That for the purposes of making all payments owed under contractual obligations which are to be repaid from property tax revenue of the District during the 2025 budget year, there is hereby levied a tax of 1.349 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2025.

3. Certification to County Commissioners. That the District's budget officer, manager, legal counsel, or other designee is hereby authorized and directed to immediately cause to have certified to the County Commissioners of Arapahoe County, the mill levies for the District as set forth in this Resolution, or be authorized and directed to certify to the County Commissioners of Arapahoe County, the mill levies as set forth in this Resolution, but as recalculated as needed upon receipt of the final certification of valuation from the county assessor in order to comply with any applicable revenue and other budgetary limits. The Certification of Tax Levies as filed is incorporated into this Resolution as **Exhibit C**.

4. Appropriations. That the amounts set forth as expenditures, transfers and balances remaining, as specified in the Budget, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated.

5. Budget Certification. That this Resolution and Budget be certified by the Secretary or Assistant Secretary of the District.

APPROVED AND ADOPTED this 9th day of December, 2024.

EAST BEND METROPOLITAN DISTRICT

By: Michelle Hart
Michelle Hart (Jan 28 2025 10:24 MST)
Name: Michelle Hart
President, Board of Directors

ATTEST:

By: [redacted]utzer (Jan 31, 2025 11:58 MST)
Name: Jeffrey Kutzer
Secretary or Assistant Secretary

CERTIFICATION

I, Jeffrey Kutzer, hereby certify that I am the duly elected and qualified Secretary or Assistant Secretary of the East Bend Metropolitan District, and certify that the Resolution, Budget and all attached exhibits constitutes a true and correct copy of the Resolution, Budget and all exhibits adopted and approved at a meeting of the Board of Directors of the District held on December 9, 2024.

Dated this 9th day of December, 2024.

By: [redacted]utzer (Jan 31, 2025 11:58 MST)

Name: Jeffrey Kutzer

Title: Assisant Secretary

EXHIBIT A

Meeting Notice and Affidavit of Publication

SENTINEL
PROOF OF PUBLICATION

STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.
That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated December 5 A.D. 2024 and that the last publication of said notice was in the issue of said newspaper dated December 5 A.D. 2024.

I witness whereof I have hereunto set my hand this 5th day of December A.D. 2024.

Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 5th day of December A.D. 2024.

Notary Public

ISABELLA FERN AMELIA PERRY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20194037562
MY COMMISSION EXPIRES OCTOBER 1, 2027

NOTICE OF PUBLIC HEARING AS TO AMENDED 2024 BUDGET AND PROPOSED 2025 BUDGET

NOTICE IS HEREBY GIVEN that a proposed 2025 budget has been submitted to the EAST BEND METROPOLITAN DISTRICT, for the fiscal year 2025. A copy of such proposed budget has been filed in the office of the accountant, CliftonLarsonAllen, 8390 E. Crescent Pkwy, Suite 300, Greenwood Village, Colorado, 80111, where the same is open for public inspection. Such proposed budget will be considered at a special meeting of the East Bend Metropolitan District to be held at 2:30 p.m. on Monday, December 9, 2024. If necessary, an amended 2024 budget will be filed in the office of the accountant and open for public inspection for consideration at the special meeting of the Board. The meeting will be held via telecommunication platform. Any interested elector of the East Bend Metropolitan District may inspect the amended and proposed budgets and file or register any objections at any time prior to the final adoption of the proposed 2025 budget and 2024 amended budget.

To access the meeting, use the following information:

Join Zoom Meeting
https://us06web.zoom.us/j/86541697210
Meeting ID: 865 4169 7210

BY ORDER OF THE
BOARD OF DIRECTORS:
EAST BEND
METROPOLITAN DISTRICT
By: /s/ ERB LAW, LLC
Attorneys for the District

Publication: December 5, 2024
Sentinel

EAST BEND METROPOLITAN DISTRICT
-SPECIAL BOARD MEETING-

December 9, 2024, at 2:30 p.m.

via Zoom: https://us06web.zoom.us/j/86541697210

Board of Directors	Term Expires
Jeffrey Kutzer	May 2025
Nicole Manning	May 2027
Michelle Hart	May 2027
Vacant	May 2027
Vacant	May 2025

AGENDA

1. Call to Order

2. Declaration of Quorum/Disclosure Matters/Confirm Meeting Posting/Approval of Agenda

3. Public Comment

4. Administrative Matters
   a. Update re Board Member Appointments by City of Aurora
   b. 2025 Annual Administrative Resolution including regular meeting schedule, posting locations, and Board Officer positions.

5. Consent Agenda
   a. Approval of Meeting Minutes – May 15, 2024 Meeting
   b. Approve and Ratify Board Actions Taken in 2024

6. Financial Matters
   a. Payment of Claims (enclosure) – Review and Ratify
   b. Financial Report –Unaudited Financial Statements and Statement of Cash Position – Review and Accept
   c. 2024 Amended Budget (if necessary)
      i. Review 2024 Budget Amendment
      ii. Public Hearing Regarding 2024 Budget Amendment
      iii. Resolution Approving 2024 Budget Amendment
   d. 2025 Budget
      i. Review 2025 Budget
      ii. Public Hearing Regarding 2025 Budget
      iii. Resolution Approving 2025 Budget, Appropriating Funds and Setting the Mill Levies
   e. 2024 Audit
      i. Discuss statutory requirements for an audit. Consider engagement of the Auditor to perform the 2024 Audit or authorize the Accountant to obtain proposals to perform the 2024 Audit.
   f. Consider approval of CLA's 2025 Statement of Work

7. Legal Matters
    a. 2025 Election – Review 2025 Election Resolution
    b. Board Appointments
        i. Discuss Withdrawal of Letter of Interest from Melanie Foster
        ii. Consider appointment of Taylor Forsyth to Board of Directors

8. Community Management/Covenant Violations
    a. Review Community Management Report
    b. Discuss covenant violation matters, including the status of delinquent accounts referred to Covenant Enforcement Counsel.
    c. Landscaping
        i. Consider approval of payment from Richmond Homes regarding replacement of sod damages due to drain installation
        ii. Discussion re Status of Common Areas and Acceptance by District from Richmond American Homes

9. Other Business

10. Adjourn

NEXT MEETING: TBD

EXHIBIT B

Budget and Budget Message

EAST BEND METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2025

EAST BEND METROPOLITAN DISTRICT
SUMMARY
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/2/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ (22,537)	$ 52,922	$ 26,428
REVENUES			
Property taxes	99,420	167,836	205,091
Specific ownership taxes	7,615	10,070	12,305
ARI - Aurora Regional Improvement Tax	1,514	2,706	3,305
Annual District Fees	137,669	183,263	186,928
Interest Income	142	95	-
Developer advance	45,920	-	-
Other Revenue	22,164	4,848	27,389
Total revenues	314,444	368,818	435,018
Total funds available	291,907	421,740	461,446
EXPENDITURES			
General Fund	60,642	67,000	72,000
Debt Service Fund	95,735	147,312	175,190
Special Revenue Fund	82,608	181,000	183,000
Total expenditures	238,985	395,312	430,190
Total expenditures and transfers out requiring appropriation	238,985	395,312	430,190
ENDING FUND BALANCES	$ 52,922	$ 26,428	$ 31,256
EMERGENCY RESERVE	$ 1,500	$ 1,300	$ 2,200
TOTAL RESERVE	$ 1,500	$ 1,300	$ 2,200

EAST BEND METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/2/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
ASSESSED VALUATION			
Residential	$ -	$ 1,777,042	$ 2,396,435
Commercial	7,474	-	-
State assessed	-	-	490
Vacant land	1,735,940	196,984	1,680
Personal property	-	22,992	51,350
Certified Assessed Value	$ 1,743,414	$ 1,997,018	$ 2,449,955
MILL LEVY			
General	15.664	16.252	16.252
Debt Service	50.000	67.791	67.460
ARI	1.000	1.355	1.349
Total mill levy	66.664	85.398	85.061
PROPERTY TAXES			
General	$ 27,309	$ 32,456	$ 39,817
Debt Service	87,171	135,380	165,274
ARI	1,743	2,706	3,305
Levied property taxes	116,223	170,542	208,396
Adjustments to actual/rounding	(15,289)	-	-
Budgeted property taxes	$ 100,934	$ 170,542	$ 208,396
BUDGETED PROPERTY TAXES			
General	**$ 23,716**	**$ 32,456**	**$ 39,817**
Debt Service	**75,704**	**135,380**	**165,274**
ARI	**1,514**	**2,706**	**3,305**
	$ 100,934	**$ 170,542**	**$ 208,396**

EAST BEND METROPOLITAN DISTRICT
GENERAL FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/2/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ (8,184)	$ 26,323	$ 1,300
REVENUES			
Property taxes	23,716	32,456	39,817
Specific ownership taxes	1,817	1,947	2,389
ARI - Aurora Regional Improvement Tax	1,514	2,706	3,305
Interest Income	18	20	-
Developer advance	45,920	-	-
Other Revenue	22,164	4,848	27,389
Total revenues	95,149	41,977	72,900
Total funds available	86,965	68,300	74,200
EXPENDITURES			
General and administrative			
Accounting	32,318	30,000	30,000
Auditing	6,500	7,200	7,500
County Treasurer's Fee	375	527	645
ARI Payment	1,491	2,665	3,255
Dues and Membership	-	339	500
Insurance	-	3,679	4,000
Legal	15,460	19,984	20,000
Miscellaneous	562	-	1,500
Election	2,053	-	2,000
Engineering	1,883	2,606	-
Contingency	-	-	2,600
Total expenditures	60,642	67,000	72,000
Total expenditures and transfers out requiring appropriation	60,642	67,000	72,000
ENDING FUND BALANCES	$ 26,323	$ 1,300	$ 2,200
EMERGENCY RESERVE	$ 1,500	$ 1,300	$ 2,200
TOTAL RESERVE	$ 1,500	$ 1,300	$ 2,200

EAST BEND METROPOLITAN DISTRICT
DEBT SERVICE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/2/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ 17,843	$ 3,734	$ -
REVENUES			
Property taxes	75,704	135,380	165,274
Specific ownership taxes	5,798	8,123	9,916
Interest Income	124	75	-
Total revenues	81,626	143,578	175,190
Total funds available	99,469	147,312	175,190
EXPENDITURES			
General and administrative			
County Treasurer's Fee	1,126	2,031	2,479
Paying agent fees	4,000	4,000	4,000
Miscellaneous	732	-	-
Debt Service			
Bond interest	84,877	141,281	168,711
Bond issue costs	5,000	-	-
Total expenditures	95,735	147,312	175,190
Total expenditures and transfers out requiring appropriation	95,735	147,312	175,190
ENDING FUND BALANCES	$ 3,734	$ -	$ -

EAST BEND METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
2025 BUDGET
WITH 2023 ACTUAL AND 2024 ESTIMATED
For the Years Ended and Ending December 31,

1/2/25

	ACTUAL 2023	ESTIMATED 2024	BUDGET 2025
BEGINNING FUND BALANCES	$ (32,196)	$ 22,865	$ 25,128
REVENUES			
Annual District Fees	137,669	183,263	186,928
Total revenues	137,669	183,263	186,928
Total funds available	105,473	206,128	212,056
EXPENDITURES			
General and administrative			
Billing	12,836	14,000	15,000
Legal - Covenant Control	-	1,000	5,000
Fee Collections	-	-	5,000
District management	49,369	95,000	55,500
Covenant enforcement	-	-	20,000
Events	-	-	1,000
Parking management	-	-	5,000
Contingency	-	-	2,600
Operations and maintenance			
Irrigation repairs	-	1,000	3,000
Landscape maintenance	5,950	36,100	22,000
Locates	-	-	500
Repairs and maintenance	5,629	10,000	10,000
Mosquito control	-	-	500
Pest control	-	-	500
Plant material replacements	-	-	14,000
Snow removal	8,824	20,000	10,000
Street sweeping	-	-	1,500
Website	-	-	5,000
Utilities			
Electricity	-	900	900
Water	-	3,000	3,000
Storm drainage	-	-	500
Winter watering	-	-	2,500
Total expenditures	82,608	181,000	183,000
Total expenditures and transfers out requiring appropriation	82,608	181,000	183,000
ENDING FUND BALANCES	$ 22,865	$ 25,128	$ 29,056

EAST BEND METRO DISTRICT
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on December 02, 2021 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes).

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

The District prepares its budget on the modified accrual basis of accounting, in accordance with 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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

For property tax collection year 2025, SB22-238, SB23B-001, SB24-233 and HB24B-1001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate		Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%		Single-Family Residential	$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%		Multi-Family Residential	$55,000
Commercial	27.90%		Vacant Land	27.90%		Commercial	$30,000
Industrial	27.90%		Personal Property	27.90%		Industrial	$30,000
Lodging	27.90%		State Assessed	27.90%		Lodging	$30,000
			Oil & Gas Production	87.50%			

Revenues – (continued)

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 6.00% of the property tax collected by the General Fund and the Debt Service Fund.

Operations & Maintenance Fees

To pay for the costs of providing, operating, and maintaining certain District improvements, the District imposes an operation and maintenance fee of $150 per month for each residential dwelling unit, to be increased on an annual basis by the same rate of increase to the Denver-Aurora-Lakewood's CPI, as published by the U. S. Bureau of Labor Statistics for the 12 month period ending in July of the prior year. For 2025, the fee is $168.68 per month per unit.

Developer Advance

The District is in the development stage. As such, the District's general and administrative expenditures will be mainly 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.

Expenditures

Administrative Expenditures

Administrative expenditures include the estimated costs of services necessary to maintain the District's administrative viability such as legal, accounting, insurance, and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Operations and Maintenance Expenditures

Operations and Maintenance Expenditures include the estimated costs of services related to landscaping, snow removal, repairs, utilities, and other related expenses.

East Bend Metro District
2025 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Debt and Leases

On June 14, 2022, the District issued $2,600,000 of Limited Tax General Obligation Bonds Series 2022 that bear interest at the rate of 6.50% per annum. The Bonds constitute senior “cash flow” limited tax general obligations of the District payable solely from into the extent of the Pledged Revenue, defined in the Indenture to mean the following: (a) the Required Mill Levy, net of the collection costs of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County; (b) the portion of Specific Ownership Tax which is collected is collected as a result of imposition if the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion to transfer to the Trustee for application as Pledged revenue.

The District has no operating or capital leases.

Reserve Funds

Emergency Reserves

A reserve for emergencies has been provided for in accordance with the TABOR Amendment. Any remaining funds available are considered to be reserved for future operations and capital replacement.

This information is an integral part of the accompanying budget.

EXHIBIT C

DLG-70 – Certification of Tax Levies

4709 County Tax Entity Code

DOLA LGID/SID 67501

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners[1] of ARAPAHOE COUNTY, Colorado.

On behalf of the EAST BEND METROPOLITAN DISTRICT, (taxing entity)[A]

the BOARD OF DIRECTORS (governing body)[B]

of the EAST BEND METROPOLITAN DISTRICT (local government)[C]

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of: $ 2,449,955 (GROSS[D] assessed valuation, Line 2 of the Certification of Valuation Form DLG 57[E])

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area[F] the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: $ 2,449,955 (NET[G] assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/09/2024 (mm/dd/yyyy) for budget/fiscal year 2025 (yyyy).
(no later than Dec. 15)

PURPOSE (see end notes for definitions and examples)	**LEVY**[2]		**REVENUE**[2]
1. General Operating Expenses[H]	16.252	mills	$ 39,817
2. <**Minus**> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction[I]	< >	mills	$ < >
SUBTOTAL FOR GENERAL OPERATING:	16.252	**mills**	**$** 39,817
3. General Obligation Bonds and Interest[J]	67.460	mills	$ 165,274
4. Contractual Obligations[K]	1.349	mills	$ 3,305
5. Capital Expenditures[L]		mills	$
6. Refunds/Abatements[M]		mills	$
7. Other[N] (specify):		mills	$
		mills	$
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	85.061	**mills**	**$** 208,396

Contact person: (print) Gigi Pangindian

Daytime phone: 303-779-5710

Signed: Gigi Pangindian

Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

[1] If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

[2] Levies must be rounded to three decimal places and revenue must be calculated from the total *NET assessed valuation* (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS[J]:

1.	Purpose of Issue:	**Public Improvements**
	Series:	**Limited Tax General Obligation Bonds, Series 2022**
	Date of Issue:	**June 14, 2022**
	Coupon Rate:	**6.50%**
	Maturity Date:	**December 1, 2052**
	Levy:	**67.460**
	Revenue:	**$165,274**
2.	Purpose of Issue:	
	Series:	
	Date of Issue:	
	Coupon Rate:	
	Maturity Date:	
	Levy:	
	Revenue:	

CONTRACTS[K]:

3.	Purpose of Contract:	**Regional Improvements within the City of Aurora**
	Title:	**Intergovernmental Agreement (IGA)**
	Date:	**December 10, 2021**
	Principal Amount:	**N/A**
	Maturity Date:	**One mill for the first 20 years and increases thereafter as set forth in the IGA with the City**
	Levy:	**1.349**
	Revenue:	**$3,305**
4.	Purpose of Contract:	
	Title:	
	Date:	
	Principal Amount:	
	Maturity Date:	
	Levy:	
	Revenue:	

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

Exhibit C

2024 Audit

EAST BEND METROPOLITAN DISTRICT
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2024

EAST BEND METROPOLITAN DISTRICT
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT	**I**
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	**1**
STATEMENT OF ACTIVITIES	**2**
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	**3**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	**4**
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	**5**
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**6**
SPECIAL REVENUE FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**7**
NOTES TO BASIC FINANCIAL STATEMENTS	**8**
SUPPLEMENTARY INFORMATION	
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	**23**
OTHER INFORMATION	
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS	**25**
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED	**26**

Haynie & Company
Certified Public Accountants & Management Consultants

1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120
303-734-4800
303-795-3356
www.HaynieCPAs.com

Independent Auditor's Report

To the Board of Directors
East Bend Metropolitan District

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of East Bend Metropolitan District (the District), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major funds of East Bend Metropolitan District, as of December 31, 2024, and the respective changes in financial position, and the budgetary comparisons for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Bend Metropolitan District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise East Bend Metropolitan District's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The other information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Haynie & Company

Littleton, Colorado

July 29, 2025

BASIC FINANCIAL STATEMENTS

EAST BEND METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities
ASSETS	
Cash and Investments	$ 10,936
Cash and Investments - Restricted	7,401
Receivable - County Treasurer	995
Accounts Receivable	52,509
Property Taxes Receivable	208,396
Prepaid Expenses	3,824
Capital Assets, Not Being Depreciated	3,120,183
Total Assets	3,404,244
LIABILITIES	
Accounts Payable	56,568
Prepaid Assessments	2,726
Accrued Interest Payable	222,859
Noncurrent Liabilities:	
Due in More Than One Year	3,616,701
Total Liabilities	3,898,854
DEFERRED INFLOWS OF RESOURCES	
Deferred Property Tax Revenue	208,396
Total Deferred Inflows of Resources	208,396
NET POSITION	
Restricted for:	
Emergency Reserves	6,700
Unrestricted	(709,706)
Total Net Position	$ (703,006)

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses) and Change in Net Position: Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 253,975	$ 180,990	$ -	$ -	$ (72,985)
Interest and Related Costs on Long-Term Debt	254,100	-	-	-	(254,100)
Total Governmental Activities	$ 508,075	$ 180,990	$ -	$ -	(327,085)
GENERAL REVENUES					
Property Taxes					167,836
Specific Ownership Taxes					10,040
ARI Property Taxes					2,706
Net Investment Income					219
Other Revenue					1,543
Total General Revenues					182,344
CHANGE IN NET POSITION					(144,741)
Net Position - Beginning of Year					(558,265)
NET POSITION - END OF YEAR					$ (703,006)

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	General	Special Revenue	Debt Service	Total Governmental Funds
ASSETS				
Cash and Investments	$ 9,242	$ 1,694	$ -	$ 10,936
Cash and Investments - Restricted	1,200	5,500	701	7,401
Receivable from County	192	-	803	995
Accounts Receivable	-	52,509	-	52,509
Property Taxes Receivable	43,122	-	165,274	208,396
Prepaid Expenses	3,824	-	-	3,824
Total Assets	$ 57,580	$ 59,703	$ 166,778	$ 284,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 27,479	$ 29,089	$ -	$ 56,568
Prepaid Assessments	-	2,726	-	2,726
Total Liabilities	27,479	31,815	-	59,294
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	43,122	-	165,274	208,396
Total Deferred Inflows of Resources	43,122	-	165,274	208,396
FUND BALANCES				
Nonspendable:				
Prepaid Expenses	3,824	-	-	3,824
Restricted for:				
Emergency Reserves	1,200	5,500	-	6,700
Debt Service	-	-	1,504	1,504
Unassigned	(18,045)	22,388	-	4,343
Total Fund Balances	(13,021)	27,888	1,504	16,371
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 57,580	$ 59,703	$ 166,778	

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets, Not Being Depreciated	3,120,183
Long-term liabilities are not due and payable in the current period and, therefore, are not in the funds:	
Bonds Payable	(2,600,000)
Accrued Interest Payable - Bonds	(222,859)
Developer Advances Payable	(849,225)
Accrued Interest Payable - Developer Advances	(167,476)
Net Position of Governmental Activities	$ (703,006)

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	General	Special Revenue	Debt Service	Total Governmental Funds
REVENUES				
Annual District Fees	$ -	$ 180,990	$ -	$ 180,990
Property Taxes	32,456	-	135,380	167,836
ARI Property Taxes	2,706	-	-	2,706
Specific Ownership Taxes	1,941	-	8,099	10,040
Net Investment Income	18	-	201	219
Other Revenue	1,543	-	-	1,543
Total Revenues	38,664	180,990	143,680	363,334
EXPENDITURES				
General and Administrative:				
Accounting	31,145	-	-	31,145
Audit	7,200	-	-	7,200
County Treasurer's Fee	532	-	2,050	2,582
Dues and Membership	340	-	-	340
ARI Payment	2,665	-	-	2,665
Engineering	9,960	-	-	9,960
Insurance	3,929	-	-	3,929
Legal	22,237	-	-	22,237
Operations and Maintenance:				
District Management	-	79,965	-	79,965
Billing Services	-	13,237	-	13,237
Covenant Control	-	498	-	498
Irrigation Repairs	-	6,653	-	6,653
Landscape Maintenance	-	46,027	-	46,027
Maintenance & Repairs	-	9,468	-	9,468
Plant Material Replacements	-	2,448	-	2,448
Snow Removal - Streets	-	14,493	-	14,493
Utilities	-	3,178	-	3,178
Debt Service:				
Loan Interest	-	-	139,860	139,860
Paying Agent Fees	-	-	4,000	4,000
Total Expenditures	78,008	175,967	145,910	399,885
NET CHANGE IN FUND BALANCES	(39,344)	5,023	(2,230)	(36,551)
Fund Balances - Beginning of Year	26,323	22,865	3,734	52,922
FUND BALANCES - END OF YEAR	$ (13,021)	$ 27,888	$ 1,504	$ 16,371

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Governmental Funds	$	(36,551)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued Interest on Developer Advance - Change in Liability		(67,938)
Accrued Interest on Bonds - Change in Liability		(40,252)
Change in Net Position of Governmental Activities	$	(144,741)

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Original and Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	$ 32,456	$ 32,456	$ -
ARI Property Taxes	2,706	2,706	-
Specific Ownership Taxes	1,947	1,941	(6)
Net Investment Income	-	18	18
Other Revenue	-	1,543	1,543
Total Revenues	37,109	38,664	1,555
EXPENDITURES			
General and Administrative:			
Accounting	30,000	31,145	(1,145)
Audit	7,200	7,200	-
County Treasurer's Fee	527	532	(5)
ARI Payment	2,665	2,665	-
Dues and Membership	500	340	160
Engineering	-	9,960	(9,960)
Insurance	4,000	3,929	71
Legal	30,000	22,237	7,763
Miscellaneous	1,500	-	1,500
Contingency	15,608	-	15,608
Total Expenditures	92,000	78,008	13,992
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(54,891)	(39,344)	15,547
OTHER FINANCING SOURCES			
Developer Advance	52,657	-	(52,657)
Total Other Financing Sources	52,657	-	(52,657)
NET CHANGE IN FUND BALANCE	(2,234)	(39,344)	(37,110)
Fund Balance - Beginning of Year	3,434	26,323	22,889
FUND BALANCE - END OF YEAR	$ 1,200	$ (13,021)	$ (14,221)

See accompanying Notes to Basic Financial Statements.

EAST BEND METROPOLITAN DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Annual District Fees	$ 172,228	$ 183,263	$ 180,990	$ (2,273)
Total Revenues	172,228	183,263	180,990	(2,273)
EXPENDITURES				
Admin Management	5,500	-	-	-
Billing Services	15,000	15,000	13,237	1,763
Covenant Control	10,000	-	-	-
District Management	47,000	85,000	79,965	5,035
Events	1,000	-	-	-
Irrigation Repairs	2,000	3,000	6,653	(3,653)
Landscape Maintenance	20,000	41,000	46,027	(5,027)
Legal - Covenant Control	5,000	2,000	498	1,502
Locates	1,200	-	-	-
Maintenance and Repairs	10,500	14,000	9,468	4,532
Mosquito Control	500	-	-	-
Pest Control	500	-	-	-
Plant Material Replacements	14,000	-	2,448	(2,448)
Snow Removal - Streets	10,000	22,100	14,493	7,607
Street Sweeping	1,500	-	-	-
Utilities - Electric	900	900	882	18
Utilities - Storm Drainage	500	3,000	2,296	704
Utilities - Water	3,000	-	-	-
Winter Watering	3,300	-	-	-
Contingency	3,600	-	-	-
Total Expenditures	155,000	186,000	175,967	10,033
NET CHANGE IN FUND BALANCE	17,228	(2,737)	5,023	7,760
Fund Balance - Beginning of Year	45,812	22,865	22,865	-
FUND BALANCE - END OF YEAR	$ 63,040	$ 20,128	$ 27,888	$ 7,760

See accompanying Notes to Basic Financial Statements.

NOTE 1 DEFINITION OF REPORTING ENTITY

East Bend Metropolitan District (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the Arapahoe County District Court on December 2, 2021, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City of Aurora (City) on August 9, 2021. The District's service area is located in the City, Arapahoe County (County), Colorado. The District was established to provide the following services: streets, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, irrigation system improvements, and all necessary equipment and appurtenances.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Government-Wide and Fund Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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

The District reports the following major governmental funds:

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

The Special Revenue Fund is used to account for Annual District Fees earned and expenditures incurred in connection with the operations and maintenance of District facilities.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

The District has amended its annual budget for the year ended December 31, 2024.

Pooled Cash and Investments

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

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, sale of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

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

Capital Assets

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

Deferred Inflows of Resources

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

Equity

Net Position

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

Fund Balance

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

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance (Continued)

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

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

The General Fund reported a deficit in the fund financial statement as of December 31, 2024. The deficit will be eliminated with the receipt of property taxes.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:		
Cash and Investments	$	10,936
Cash and Investments - Restricted		7,401
Total Cash and Investments	$	18,337

Cash and investments as of December 31, 2024, consist of the following:

Deposits with Financial Institutions	$	18,213
Investments		124
Total Cash and Investments	$	18,337

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Deposits with Financial Institutions

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

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

At December 31, 2024, the District's cash deposits had a bank balance and a carrying balance of $18,213.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

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

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

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

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Investments	Maturity	Amount
Colorado Local Government Liquid Asset Trust (COLOTRUST)	Weighted-Average Under 60 Days	$ 124
Total		$ 124

COLOTRUST

The District invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE.

COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to $1.00, offer daily liquidity. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a $10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by CRS 24-75-601, including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, highest rated commercial paper, and any security allowed under CRS 24-75-601.

A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAm by Standard & Poor's. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

The District holds all its investments in the COLOTRUST PLUS+ portfolio.

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2024 follows:

	Balance at December 31, 2023	Increases	Decreases	Balance at December 31, 2024
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Construction in Progress	$ 3,120,183	$ -	$ -	$ 3,120,183
Governmental Activities Capital Assets, Net	3,120,183	-	-	3,120,183

NOTE 5 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024	Due Within One Year
Bonds Payable					
2022 General Obligation Bonds	$ 2,600,000	$ -	$ -	$ 2,600,000	$ -
Subtotal of Bonds Payable	2,600,000	-	-	2,600,000	-
Other Debts:					
Developer Advance - Operating	100,071	-	-	100,071	-
Developer Advance - Capital	749,154	-	-	749,154	-
Accrued Interest on:					
Developer Advance - Operating	6,766	8,006	-	14,772	-
Developer Advance - Capital	92,772	59,932	-	152,704	-
Subtotal of Other Debts	948,763	67,938	-	1,016,701	-
Total of Long-Term Obligations	$ 3,548,763	$ 67,938	$ -	$ 3,616,701	$ -

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

Limited Tax General Obligation Bonds, Series 2022 (the Bonds) were issued as a single term bond on June 14, 2022, in the amount of $2,600,000, maturing on December 1, 2052. Proceeds from the sale of the Bonds were used to finance or reimburse the costs of public improvements and pay costs in connection with the issuance of the Bonds.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Bond Details

The Bonds bear interest at 6.50%, payable annually on each December 1, beginning on December 1, 2023, to the extent of available Pledged Revenue. The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest.

To the extent principal of any Bond is not paid on or prior to the maturity date of such Bonds, principal shall remain outstanding until paid, subject to termination on December 2, 2062. To the extent interest on any Bond is not paid when due, such interest shall compound on each interest payment date, at the rate then borne by the Bond.

The Bonds and interest thereon shall be deemed to be paid, satisfied, and discharged after application on December 1, 2062, of all available Pledged Revenue, regardless of the principal and interest amounts remaining unpaid.

The Bonds may be subject to acceleration pursuant to mandatory redemption provisions as described in the Indenture. The Bonds do not have any unused lines of credit. No assets have been pledged as collateral on the Bonds.

Events of default occur if the District fails to impose the Required Mill Levy, or to apply the Pledged Revenues as required by the Indenture and does not comply with other customary terms and conditions consistent with normal municipal financing as described in the Indenture. Acceleration of the Bond shall not be an available remedy for any Event of Default.

Optional Redemption of Bonds

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2027, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

Date of Redemption	Redemption Premium
June 1, 2027, to May 31, 2028	3.00%
June 1, 2028, to May 31, 2029	2.00
June 1, 2029, to May 31, 2030	1.00
June 1, 2030, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable solely from and to the extent of Pledged Revenue derived by the District from the following sources: (a) the Required Mill Levy, net of the collection costs of the County Treasurer and any tax refunds or abatements authorized by or on behalf of the County; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Required Mill Levy

The Required Mill Levy is an ad valorem mill levy imposed upon all taxable property of the District each year in the amount of 50.000 mills (as adjusted for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement on or after January 1, 2004) or such lesser mill levy which will pay all of the principal of, premium, if any, and interest on the Bonds in full.

Bonds Debt Service

The minimum annual principal and interest payments required to retire the Bonds based upon the original projection, not considering actual payments, are as follows:

Year Ending December 31,	Principal	Estimated Interest	Total
2025	$ -	$ 162,682	$ 162,682
2026	-	172,683	172,683
2027	-	172,683	172,683
2028	-	183,284	183,284
2029	-	183,284	183,284
2030-2034	-	1,020,964	1,020,964
2035-2039	6,000	1,170,833	1,176,833
2040-2044	596,000	775,450	1,371,450
2045-2049	1,053,000	526,955	1,579,955
2050-2052	945,000	126,555	1,071,555
Total	$ 2,600,000	$ 4,495,373	$ 7,095,373

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Authorized Debt

On November 2, 2021, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed $55,000,000 at an interest rate not to exceed 18.00% per annum. At December 31, 2024, the District had authorized but unissued indebtedness in the following amounts allocated for the following purposes:

	Amount Authorized November 2, 2021	Authorization Used 2022 Bonds	Remaining at December 31, 2024
Streets	$ 5,000,000	$ 1,604,418	$ 3,395,582
Parks and Recreation	5,000,000	319,406	4,680,594
Water	5,000,000	260,449	4,739,551
Sanitation/Storm Sewer	5,000,000	415,727	4,584,273
Public Transportation	5,000,000	-	5,000,000
Mosquito Control	5,000,000	-	5,000,000
Safety Protection	5,000,000	-	5,000,000
Security	5,000,000	-	5,000,000
Operations and Maintenance	5,000,000	-	5,000,000
Refunding of Debt	5,000,000	-	5,000,000
Intergovernmental Agreements	5,000,000	-	5,000,000
Total	$ 55,000,000	$ 2,600,000	$ 52,400,000

Pursuant to the Service Plan, the District is permitted to issue bond indebtedness of up to $5,000,000.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area within the limitations of the District's Service Plan.

Developer Advances

The District has entered into Funding and Reimbursement Agreements with Richmond American Homes of Colorado, Inc. (the Developer) as follows:

Operation Funding Agreement

On December 10, 2021, the District and the Developer entered into the 2021-2022 Operation Funding Agreement (the OFA), pursuant to which the Developer agreed to advance funds up to $50,000 for the fiscal years 2021, 2022 and 2023 (the OFA Shortfall Amount) to the District to fund operation, maintenance, and administrative expenses.

The District agreed to repay the Developer for such OFA Shortfall Amount plus accrued interest at the rate of 8.00%. As of December 31, 2024, outstanding advances under the OFA totaled $100,071 and accrued interest totaled $14,772.

NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)

Developer Advances (Continued)

Facilities Funding and Acquisition Agreement

The District and the Developer executed a 2021-2025 Facilities Funding and Acquisition Agreement (the FFAA) on December 10, 2021. The Developer agreed to advance funds up to $5,000,000 for the fiscal years 2021 through 2025, (the FFAA Shortfall Amount) to the District to fund the cost of construction or the acquisition of certain facilities and services which benefit the property within the District's boundaries.

The District agreed to repay the Developer for such FFAA Shortfall Amount plus accrued interest at the rate of 8.00%. As of December 31, 2024, outstanding advances under the FFAA totaled $749,154 and accrued interest totaled $152,704.

NOTE 6 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position consists of assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had a restricted net position as of December 31, 2024, as follows:

	Governmental Activities
Restricted Net Position:	
Emergencies	$ 6,700
Total Restricted Net Position	$ 6,700

The District has a deficit in unrestricted net position. This deficit amount is mainly due to the Bonds' issuance costs and operating expenses funded from Developer Advances.

NOTE 7 RELATED PARTY

During 2024, one of the members of the Board of Directors is an employee or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

NOTE 8 AGREEMENTS

Intergovernmental Agreement with the City of Aurora

On December 10, 2021, the District and the City entered into an Intergovernmental Agreement (the IGA). The IGA defines and clarifies the services which the District may provide, as well as those services which the District is prohibited from providing.

Pursuant to its Service Plan, the District is required to impose the Aurora Regional Improvement (ARI) Mill Levy upon the District's residents. This mill levy is 1.000 mill for 20 years, which for this purpose begins the first year that the District certifies a debt service mill levy. The levy increases to 5.000 mills for years 21 through 40 or the date of repayment of the debt incurred for public improvements, other than regional improvements, whichever occurs first. For the 10 years subsequent to the period where the 5.000 mills is imposed, the ARI mill levy is the average of the debt service mill levy for the previous 10 years. The District first imposed a mill levy for debt service for the collection year 2023.

NOTE 9 RISK MANAGEMENT

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

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS

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

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

NOTE 10 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 2, 2021, a majority of the District's electors authorized the District to collect, receive, retain, and spend the full amount of revenue authorized by law or contract to be imposed, collected or received by the District during 2021 and each fiscal year thereafter, without regard to any spending, revenue-raising or other limitation contained within Article X, Section 20 of the Colorado Constitution (TABOR) or Section 29-1-301, C.R.S.

On November 2, 2021, a majority of the District's electors authorized the District to impose taxes of up to $5,000,000 annually or such lesser amount as necessary to pay the District's administration, operations, maintenance, and capital expenses, by the imposition of ad valorem property taxes without limitation as to rate or amount.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3.00% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

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

SUPPLEMENTARY INFORMATION

EAST BEND METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	$ 135,380	$ 135,380	$ 135,380	$ -
Specific Ownership Taxes	8,123	8,123	8,099	(24)
Net Investment Income	-	1,763	201	(1,562)
Total Revenues	143,503	145,266	143,680	(1,586)
EXPENDITURES				
County Treasurer's Fee	2,031	2,031	2,050	(19)
Paying Agent Fees	4,000	4,000	4,000	-
Bond Interest	140,377	141,281	139,860	1,421
Contingency	-	1,688	-	1,688
Total Expenditures	146,408	149,000	145,910	3,090
NET CHANGE IN FUND BALANCE	(2,905)	(3,734)	(2,230)	1,504
Fund Balance - Beginning of Year	2,905	3,734	3,734	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ 1,504	$ 1,504

OTHER INFORMATION

EAST BEND METROPOLITAN DISTRICT
SCHEDULE OF ESTIMATED DEBT SERVICE REQUIREMENTS
DECEMBER 31, 2024

	$2,600,000 Limited Tax General Obligation Bonds, Series 2022 Dated June 14, 2022 Interest Rate 6.50% Principal and Interest Payable Annually on December 1		
Year Ending December 31,	Principal *	Estimated Interest *	Total
2025	$ -	$ 162,682	$ 162,682
2026	-	172,683	172,683
2027	-	172,683	172,683
2028	-	183,284	183,284
2029	-	183,284	183,284
2030	-	194,521	194,521
2031	-	194,521	194,521
2032	-	206,432	206,432
2033	-	206,432	206,432
2034	-	219,058	219,058
2035	-	219,058	219,058
2036	-	232,442	232,442
2037	-	232,442	232,442
2038	-	246,628	246,628
2039	6,000	240,263	246,263
2040	93,000	168,610	261,610
2041	99,000	162,565	261,565
2042	121,000	156,130	277,130
2043	129,000	148,265	277,265
2044	154,000	139,880	293,880
2045	164,000	129,870	293,870
2046	193,000	119,210	312,210
2047	205,000	106,665	311,665
2048	238,000	93,340	331,340
2049	253,000	77,870	330,870
2050	290,000	61,425	351,425
2051	308,000	42,575	350,575
2052	347,000	22,555	369,555
Total	$ 2,600,000	$ 4,495,373	$ 7,095,373

* Minimum annual principal and interest required to retire the Bonds based upon the original projection, not considering actual payments.

EAST BEND METROPOLITAN DISTRICT
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
DECEMBER 31, 2024

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Mills Levied			Property Taxes			Percent Collected to Levied
		General	Debt	ARI	Levied	Collected		
2022	$ 183,367	65.664	-	-	$ 12,041	$ 12,041		100.00 %
2023	1,743,414	15.664	50.000	1.000	116,223	100,934	(A)	86.85 %
2024	1,997,018	16.252	67.791	1.355	170,542	170,542		100.00 %
Estimated for the Year Ending December 31, 2025	$ 2,449,955	16.252	67.460	1.349	$ 208,396			

Notes:
Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

(A) County reported a rebate to taxpayers in the amount of $15,231.