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

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED NOVEMBER 10, 2023

NEW ISSUE
BOOK-ENTRY ONLY

2023A SENIOR BONDS INSURED RATING (S&P Global Ratings): "AA"
2023A SENIOR BOND INSURER: Build America Mutual Assurance Company
2023B(3) SUBORDINATE BONDS: NON-RATED
See "RATING"

In the opinion of Ballard Spahr LLP, Denver, Colorado, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. Bond Counsel is also of the opinion that, to the extent that interest on the Bonds is excludable from gross income for federal income tax purposes, interest on the Bonds is also excludable from gross income for State of Colorado income tax purposes and from the calculation of State of Colorado alternative minimum taxable income. See "TAX MATTERS" herein.

$31,225,000*
MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT
(ADAMS COUNTY, COLORADO)
LIMITED TAX (CONVERTIBLE TO UNLIMITED TAX)
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2023A

$1,650,000*
MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT
(ADAMS COUNTY, COLORADO)
SUBORDINATE LIMITED TAX
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2023B(3)

The 2023A Senior Bonds (all capitalized terms are defined herein) are issued as fully registered bonds in denominations of $5,000 or any integral multiple of $1,000 in excess thereof, pursuant to the 2023A Senior Indenture. The 2023B(3) Subordinate Bonds are issued as fully registered bonds in denominations of $500,000 or any integral multiple of $1,000 in excess thereof, pursuant to the 2023B(3) Subordinate Indenture. Purchases of the Bonds are to be made in book-entry form only through The Depository Trust Company, New York, New York. See Appendix D - Book-Entry Only System. The 2023A Senior Bonds bear interest at the rates set forth on the inside cover hereof, payable semiannually on June 1 and December 1 of each year from available Senior Pledged Revenue, if any, commencing June 1, 2024. The 2023B(3) Subordinate Bonds bear interest at the rate set forth on the inside cover hereof, payable annually on December 15 of each year from available Subordinate Pledged Revenue, if any, commencing December 15, 2023. See "THE 2023A SENIOR BONDS" and "THE 2023B(3) SUBORDINATE BONDS."

The 2023A Senior Bonds are limited tax (convertible to unlimited tax) general obligations of the District secured by and payable from the Senior Pledged Revenue, which is defined in the 2023A Senior Indenture as: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund. The Senior Required Mill Levy is convertible on the Conversion Date to an unlimited mill levy upon meeting certain requirements of and subject to certain conditions of the 2023A Senior Indenture. The Conversion Date is not guaranteed to occur. The 2023A Senior Bonds are also secured by the 2023A Reserve Fund up to the Reserve Requirement ($2,252,000*), which will be satisfied at the initial issuance of the 2023A Senior Bonds as follows: (i) 50% will be cash funded with proceeds of the 2023A Senior Bonds; and (ii) 50% will be satisfied by the issuance of the 2023A Reserve Policy. *Notwithstanding any other provision in the 2023A Senior Indenture, in the event that any amount of principal of or interest on the 2023A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2063, the 2023A Senior Bonds shall be deemed discharged. See "THE 2023A SENIOR BONDS – Discharge on December 1, 2063."*

The 2023B(3) Subordinate Bonds are limited tax general obligations of the District secured by and payable from the Subordinate Pledged Revenue, which is defined in the 2023B(3) Subordinate Indenture as: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund. *Notwithstanding any other provision in the 2023B(3) Subordinate Indenture, in the event that any amount of principal of or interest on the 2023B(3) Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2063, the 2023B(3) Subordinate Bonds shall be deemed discharged. See "THE 2023B(3) SUBORDINATE BONDS – Discharge on December 15, 2063."*

The scheduled payment of principal of and interest on the 2023A Senior Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2023A Senior Bonds by Build America Mutual Assurance Company. The Specimen Municipal Bond Insurance Policy – 2023A Senior Bonds is attached hereto as Appendix J. See "BOND INSURANCE – 2023A SENIOR BONDS." ***The 2023A Senior Bond Insurance Policy does not guarantee the payment of any principal or interest on the 2023B(3) Subordinate Bonds.***

For further description of the security for the Bonds, see "SECURITY FOR THE 2023A SENIOR BONDS" and "SECURITY FOR THE 2023B(3) SUBORDINATE BONDS." **The Bonds are not obligations of Adams County or the State of Colorado.**

The 2023B(3) Subordinate Bonds are structured as "cash flow" bonds, meaning that the 2023B(3) Subordinate Indenture contains no scheduled payments of principal on the 2023B(3) Subordinate Bonds prior to the maturity date. Instead, principal is payable on each December 15 from available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. Payment of principal of and interest on the 2023B(3) Subordinate Bonds is subordinate to the annual payment of debt service on the 2023A Senior Bonds and any 2023A Parity Bonds.

The designation "(3)" in the title of the 2023B(3) Subordinate Bonds indicates that such bonds are being sized and priced based on an assumption that residential assessed values in the District will appreciate at an annual rate of 3% throughout their term, which is not guaranteed to occur. See Appendix B – Market Study.

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO INVESTMENT RISK. AS SUBORDINATE OBLIGATIONS THAT ARE NOT SECURED BY THE 2023A SENIOR BOND INSURANCE POLICY, REPAYMENT OF THE 2023B(3) SUBORDINATE BONDS IS SUBJECT TO A HIGHER DEGREE OF INVESTMENT RISK. THE BONDS ARE NOT APPROPRIATE FOR ALL INVESTORS. THE 2023B(3) SUBORDINATE BONDS ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS," AS DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES. IT IS ANTICIPATED THAT EACH PURCHASER OF THE 2023B(3) SUBORDINATE BONDS WILL BE REQUIRED TO EXECUTE AN INVESTOR LETTER, A FORM OF WHICH IS ATTACHED HERETO AS APPENDIX I. REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE 2023B(3) SUBORDINATE BONDS IN ACCORDANCE WITH THE FINANCIAL FORECAST IS DEPENDENT UPON COMPLETION OF THE DEVELOPMENT AND FUTURE INCREASES IN THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT, NEITHER OF WHICH MAY OCCUR.

Each series of Bonds is subject to redemption prior to maturity at the option of the District as set forth in the Indentures. The 2023A Senior Bonds are also subject to mandatory sinking fund redemption under certain circumstances set forth in the 2023A Senior Indenture, and the 2023B(3) Subordinate Bonds are also subject to mandatory redemption under certain circumstances set forth in the 2023B(3) Subordinate Indenture. See "THE 2023A SENIOR BONDS – Prior Redemption" and "THE 2023B(3) SUBORDINATE BONDS – Prior Redemption."

The 2023A Senior Bonds are being issued for the purpose of: (i) refunding the Refunded Bonds; (ii) funding a portion of the Reserve Requirement; and (iii) paying other costs in connection with the issuance of the 2023A Senior Bonds and the 2023B(3) Subordinate Bonds and refunding the Refunded Bonds (including the premium for the 2023A Senior Bond Insurance Policy and the 2023A Reserve Policy). The 2023B(3) Subordinate Bonds are being issued for the purpose of: (i) refunding the Refunded Bonds; and (ii) paying other costs in connection with the issuance of the 2023B(3) Subordinate Bonds. See "USES OF PROCEEDS."

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Limited Offering Memorandum to obtain information essential to making an informed investment decision, giving particular attention to the section entitled "RISK FACTORS."

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter subject to the approval of legality of the Bonds by Ballard Spahr LLP, Denver, Colorado, Bond Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., Denver, Colorado, has acted as disclosure counsel to the District in connection with the Limited Offering Memorandum. Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado, has acted as counsel to the Underwriter. Certain legal matters will be passed upon for the District by its general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 22, 2023.*

PIPER SANDLER

This Limited Offering Memorandum is dated November __, 2023.

* Preliminary; subject to change.

2023A SENIOR BONDS MATURITY SCHEDULE*

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP©
December 1, 2025	$ 25,000			
December 1, 2026	$180,000			
December 1, 2027	$305,000			
December 1, 2028	$470,000			
December 1, 2029	$500,000			
December 1, 2030	$530,000			
December 1, 2031	$670,000			
December 1, 2032	$705,000			
December 1, 2033	$740,000			

$4,355,000 % Term Bond Due December 1, 2038 - Yield: _____% (CUSIP Number: © ____________)

$5,690,000 % Term Bond Due December 1, 2043 - Yield: _____% (CUSIP Number: © ____________)

$17,055,000 % Term Bond Due December 1, 2053 - Yield: _____% (CUSIP Number: © ____________)

2023B(3) SUBORDINATE BONDS MATURITY SCHEDULE*

$1,650,000 % Term Bond Due December 15, 2053 - Price: _____% (CUSIP Number: © ____________)

Dated: Date of Delivery

* Preliminary; subject to change.

 The CUSIP numbers are provided for convenience only. The District takes no responsibility for the accuracy of the CUSIP numbers.

USE OF INFORMATION IN THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum, which includes the cover page, inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Limited Offering Memorandum in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

The information set forth in this Limited Offering Memorandum has been obtained from the District, from the sources referenced throughout this Limited Offering Memorandum and from other sources believed to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of information received from parties other than the District. In accordance with its responsibilities under federal securities laws, the Underwriter has reviewed the information in this Limited Offering Memorandum but does not guarantee its accuracy or completeness. This Limited Offering Memorandum contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Limited Offering Memorandum are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or in the information, estimates, or opinions set forth herein, since the date of this Limited Offering Memorandum.

Build America Mutual Assurance Company (the "2023A Senior Bond Insurer") makes no representation regarding the 2023A Senior Bonds or the advisability of investing in the 2023A Senior Bonds. In addition, the 2023A Senior Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Limited Offering Memorandum or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the 2023A Senior Bond Insurer, supplied by the 2023A Senior Bond Insurer and presented under the heading "BOND INSURANCE – 2023A SENIOR BONDS" and Appendix J - Specimen Municipal Bond Insurance Policy – 2023A Senior Bonds.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the District, the Bonds and the terms of the offering, including the merits and risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE BONDS, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

MIDTOWN AT CLEAR CREEK METROPOLITAN DISTRICT
(ADAMS COUNTY, COLORADO)

Board of Directors

Matthew Zielinski, President
Jordan Reck, Vice President
Stephen Clark, Treasurer
Megan Hanning-Bean, Secretary
David Simutis, Assistant Secretary

Trustee, Registrar and Paying Agent

UMB Bank, n.a.
Denver, Colorado

General Counsel

White Bear Ankele Tanaka & Waldron Professional Corporation
Centennial, Colorado

Bond Counsel

Ballard Spahr LLP
Denver, Colorado

Underwriter

Piper Sandler & Co.
Denver, Colorado

Disclosure Counsel

Sherman & Howard L.L.C.
Denver, Colorado

Underwriter's Counsel

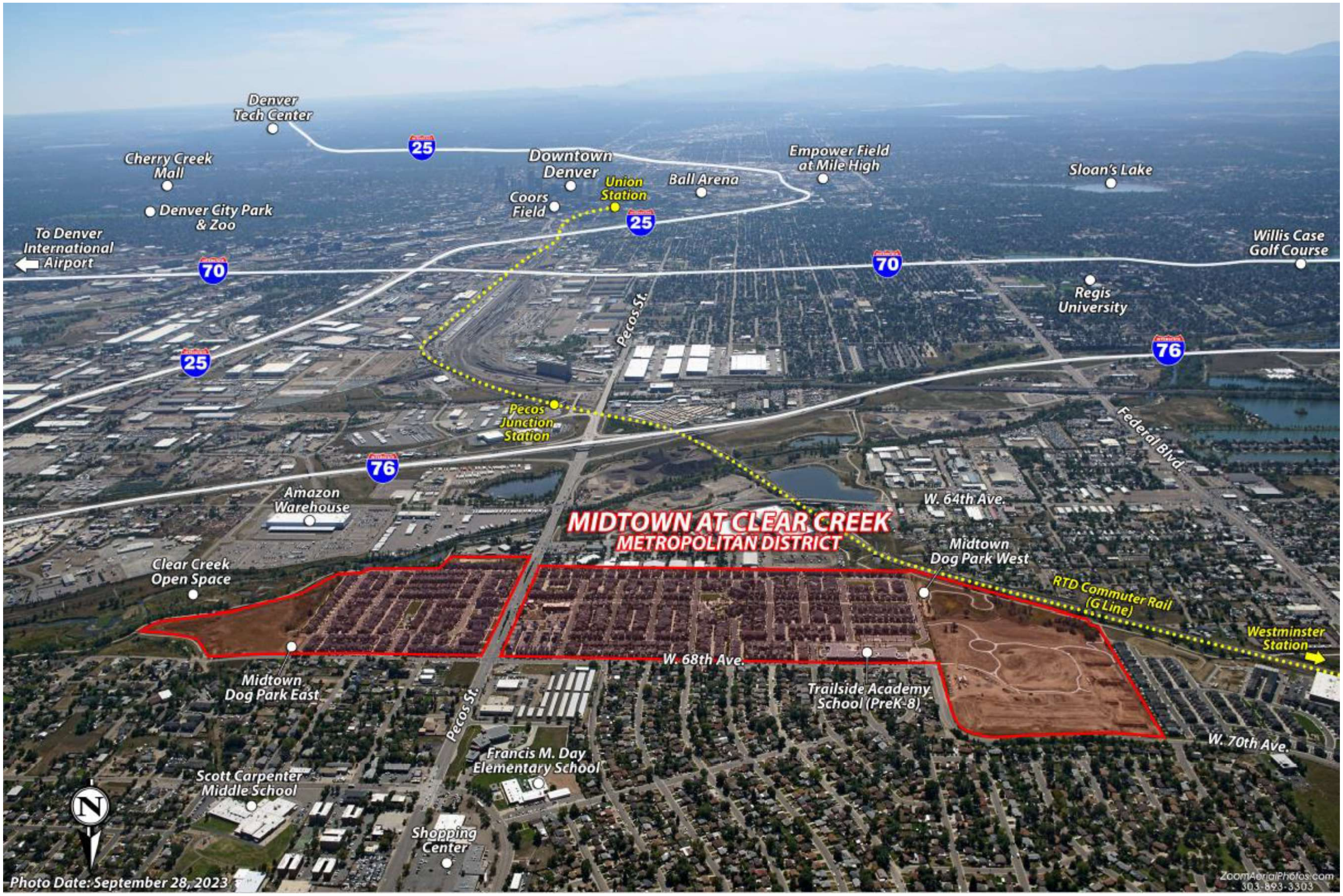
Stradling Yocca Carlson & Rauth, P.C.
Denver, Colorado

TABLE OF CONTENTS

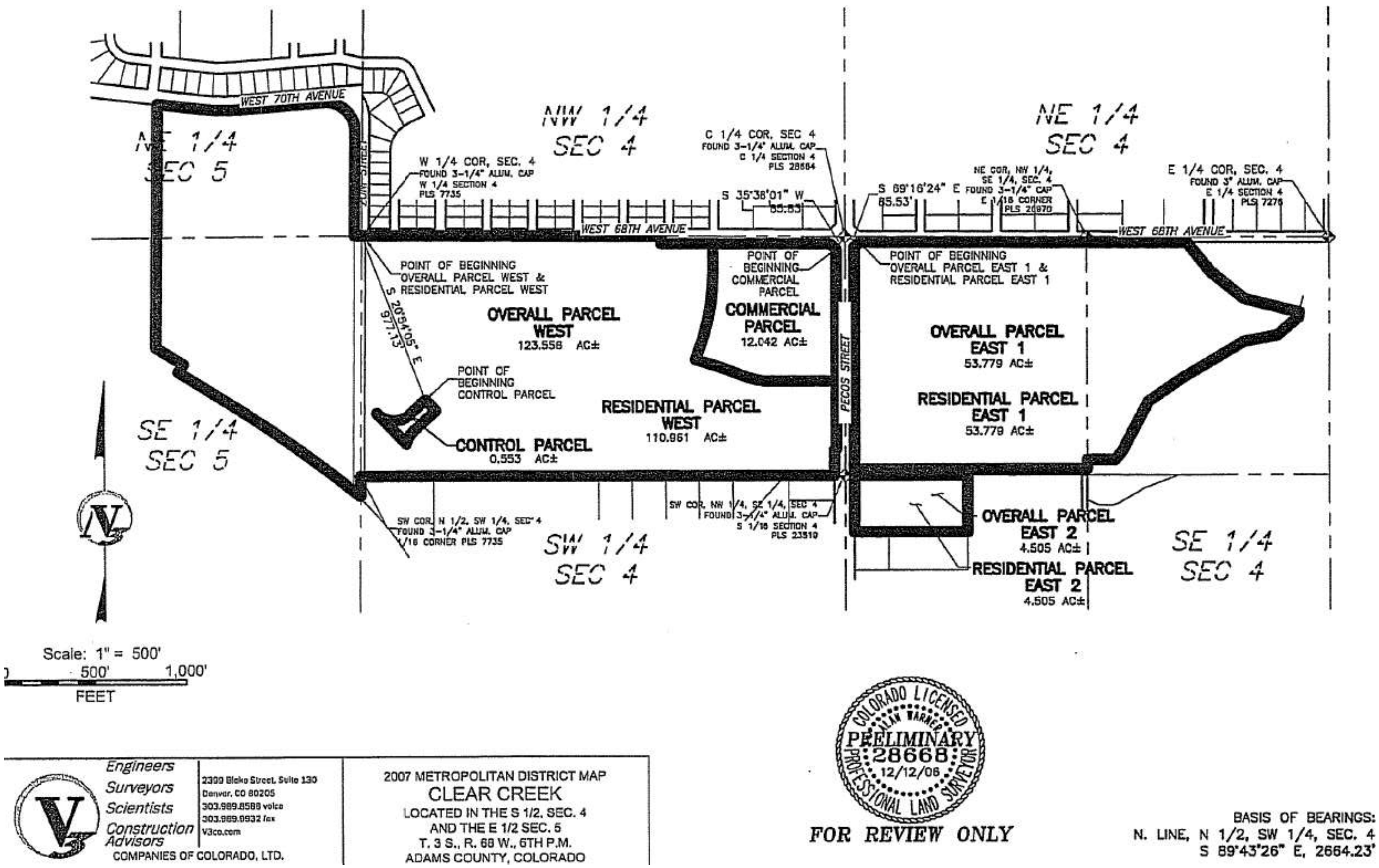
INDEX OF TABLES

Tables marked with an asterisk (*) are required to be updated by the District pursuant to the Continuing Disclosure Agreement set forth in Appendix E hereto.

AERIAL PHOTOGRAPH OF THE DISTRICT (SOUTH VIEW)



MAP OF THE DISTRICT'S BOUNDARIES



CONCEPTUAL DEVELOPMENT PLAN

IMPORTANT NOTE: this plan represents the Developer's current conceptual master plan for the Development. Certain property, defined herein as the Midtown Facility Parcel and Developer Parcel, is currently vacant and undeveloped, and there is no assurance that such property will be developed as shown on this plan, or at all. See "RISK FACTORS – Completion of the Development Not Assured."

LIMITED OFFERING MEMORANDUM

\$31,225,000[*]
MIDTOWN AT CLEAR CREEK
METROPOLITAN DISTRICT
(ADAMS COUNTY, COLORADO)
LIMITED TAX (CONVERTIBLE TO UNLIMITED TAX) GENERAL OBLIGATION REFUNDING BONDS
SERIES 2023A

\$1,650,000[*]
MIDTOWN AT CLEAR CREEK
METROPOLITAN DISTRICT
(ADAMS COUNTY, COLORADO)
SUBORDINATE LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2023B(3)

INTRODUCTION

General

This Limited Offering Memorandum, which includes the cover page, inside cover page and the appendices, provides information in connection with the offer and sale of: (i) the Midtown at Clear Creek Metropolitan District Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding Bonds, Series 2023A (the "2023A Senior Bonds"), to be issued by Midtown at Clear Creek Metropolitan District, in Adams County, Colorado (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado (the "State"), in the total aggregate principal amount of \$31,225,000,[*] and (ii) the Midtown at Clear Creek Metropolitan District Subordinate Limited Tax General Obligation Refunding Bonds, Series 2023B(3) (the "2023B(3) Subordinate Bonds", and together with the 2023A Senior Bonds, the "Bonds") to be issued by the District in the total aggregate principal amount of \$1,650,000.[*]

The Bonds will be issued pursuant to a resolution (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board") prior to the issuance of the Bonds. The Bond Resolution will authorize the District to enter into: (i) an Indenture of Trust (Senior) between the District and UMB Bank, n.a., Denver, Colorado, as trustee (the "Trustee") dated as of November 1, 2023[*] (the "2023A Senior Indenture"), pursuant to which the 2023A Senior Bonds will be issued; and (ii) an Indenture of Trust (Subordinate) between the District and the Trustee, dated as of November 1, 2023[*] (the "2023B(3) Subordinate Indenture", and together with the 2023A Senior Indenture, the "Indentures"), pursuant to which the 2023B(3) Subordinate Bonds will be issued.

The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein, particularly the section entitled "RISK FACTORS." Detachment or other use of this "INTRODUCTION" without the entire Limited Offering Memorandum, including the cover page, inside cover page and appendices, is

[*] Subject to change.

unauthorized. Undefined capitalized terms have the meanings given in the Indentures. The definitions provided in the 2023A Senior Indenture are summarized in Appendix F hereto, and the definitions provided in the 2023B(3) Subordinate Indenture are summarized in Appendix G hereto.

The District

In 2018 Clear Creek Station Metropolitan District Nos. 1-3 were consolidated to form a single district known as Midtown at Clear Creek Metropolitan District, as further described herein.

Organization of District Nos. 1-3. Clear Creek Station Metropolitan District No. 1 ("District No. 1") was organized pursuant to an Order and Decree issued by the Adams County District Court (the "District Court") on December 7, 2007, Clear Creek Station Metropolitan District No. 2 ("District No. 2") was organized pursuant to an Order and Decree issued by the District Court on December 7, 2007, and Clear Creek Station Metropolitan District No. 3 ("District No. 3") was organized pursuant to an Order and Decree issued by the District Court on December 10, 2007. Formation of District Nos. 1-3 was preceded by the approval of the Board of County Commissioners (the "County Commissioners") for Adams County, Colorado (the "County") of a Consolidated Service Plan for Clear Creek Station Metropolitan District Nos. 1-3 on April 30, 2007, as amended by the First Amendment to Service Plan for Midtown at Clear Creek Metropolitan District approved by the County Commissioners on June 6, 2023 (the "Service Plan"). District Nos. 1-3 were organized as quasi-municipal corporations and political subdivisions of the State pursuant to Article 1, Title 32, Colorado Revised Statutes (the "Special District Act").

At elections held on November 6, 2007, the eligible electors of each of District Nos. 1-3 authorized the issuance of debt and other matters (the "2007 Election").

Consolidation of District Nos. 1-3. The District was organized through the consolidation of District Nos. 1-3 in accordance with Part 6 of the Special District Act (the "Consolidation Act"). On September 26, 2017, District No. 2 adopted a Resolution to Initiate the Consolidation of Two or More Special Districts in accordance with the Consolidation Act (the "Consolidation Resolution"). On December 13, 2017, District No. 1 and District No. 3 adopted separate Resolutions Concurring with the Consolidation of Two or More Special Districts (the "Concurring Resolutions"). On May 8, 2018, each of District Nos. 1-3 held an election (the "Consolidation Elections") at which the eligible electors of the respective districts voted to approve District No. 1's and District No. 3's inclusion into and consolidation with District No. 2, thereafter to be known as Midtown at Clear Creek Metropolitan District (previously defined as the "District"). Also in accordance with the Consolidation Elections, each of District Nos. 1-3 approved the District's assumption of the responsibility for the outstanding general obligation indebtedness of District Nos. 1-3, if any, which at that time included the Refunded Bonds (defined below). See "DISTRICT DEBT STRUCTURE – General Obligation Debt." On June 25, 2018, the District Court issued an Order Organizing the Consolidated District to be known as Midtown at Clear Creek Metropolitan District, which was amended by the Amended and Restated Order Organizing the Consolidated District to be known as Midtown at Clear Creek Metropolitan District entered on October 23, 2018 (the "Organizational Order").

In accordance with the Consolidation Act, unless limited by the Organizational Order, the District shall have all of the rights, powers, and authorities which were granted by statute to each of District Nos. 1-3, and the District shall have all rights, powers and authorities granted to a metropolitan district.

2023 Preliminary Assessed Value of the District. The 2023 preliminary assessed valuation of the District is $44,882,020, subject to change on or before December 10, 2023. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Tax Data."

Location and Boundaries. The District contains approximately 187.3 acres. The District is located in the southeastern portion of the County, approximately two miles west of Interstate 25, seven miles north of downtown Denver and 25 miles west of Denver International Airport. The District is generally bounded by Federal Boulevard to the west, west 70th Avenue to the north, Broadway to the east and west 64th Avenue to the south. The District is bifurcated by North Pecos Street. See **AERIAL PHOTOGRAPH OF THE DISTRICT** on page viii and **MAP OF THE DISTRICT'S BOUNDARIES** on page ix.

Refunded Bonds. On September 7, 2017, District No. 2 issued its: (i) Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017A, in the aggregate principal amount of $21,735,000 (the "2017A Senior Bonds"); (ii) Subordinate Limited Tax General Obligation Bonds, Series 2017B, in the aggregate principal amount of $3,265,000 (the "2017B Subordinate Bonds"); and (iii) Junior Lien Limited Tax General Obligation Bonds, Series 2017C, in the aggregate principal amount of $4,775,000 (the "2017C Junior Lien Bonds", and together with the 2017A Senior Bonds and 2017B Subordinate Bonds, the "Refunded Bonds"). In accordance with the Consolidation Elections, the District assumed responsibility for the Refunded Bonds.

In accordance with the 2023A Senior Indenture and 2023B(3) Subordinate Indenture, the net proceeds of the Bonds are to be utilized to refund the Refunded Bonds in their entirety. Upon issuance of the 2023A Bonds and 2023B(3) Subordinate Bonds, and satisfaction of the terms of the Refunded Bonds Escrow Agreement as described herein, the 2023A Senior Bonds and 2023B(3) Subordinate Bonds will be the only outstanding limited tax or unlimited tax general obligation indebtedness of the District. See "USES OF PROCEEDS – Refunding Project."

The Development

The following section contains a summary of the information set forth herein under "THE DEVELOPMENT." Additional information regarding the Development (defined below) is set forth therein. *Completion of development within the District depends upon the managerial and financial capability of the Developer, the ability of the Developer to plat the Developer Parcel (defined herein), the ability of Midtown Dwellings (defined herein) to construct and sell homes, and numerous other factors. No representatives of Century, Weekley or Infinity (each as defined herein) have participated in the preparation of this Limited Offering Memorandum. See "RISK FACTORS – Completion of the Development Not Assured."*

The Development. The Midtown development is anticipated to include approximately 1,074 homes, 12,000 square feet of commercial space, Trailside Academy (defined herein), the Shed (defined herein), Home Plate Park (defined herein), Big Foot Park (defined herein), Natural Park (defined herein), East Park (defined herein), a system of trails, other open space and rights-of-way (collectively, "Midtown" or the "Development"). The Development contains approximately 187.3 acres, coterminous with the boundaries of the District. See **MAP OF THE DISTRICT'S BOUNDARIES** on page ix and **CONCEPTUAL DEVELOPMENT PLAN** on page x.

Developer and Related Entities. Midtown is a development of Midtown LLC, a Colorado limited liability company (the "Developer"). The Developer owns an approximately 13-acre parcel on the eastern boundary of the District planned for future development (the "Developer Parcel"). Midtown Facility LLC, a Colorado limited liability company ("Midtown Facility") owns an approximately 32-acre parcel on the western boundary of the District planned for future development (the "Midtown Facility Parcel"). Midtown Residential LLC, a Colorado limited liability company ("Midtown Residential") constructed single-family detached homes in the District. Midtown Dwellings LLC, a Colorado limited liability company ("Midtown Dwellings") constructed and is anticipated to construct single-family attached homes in the District. According to the Developer, the Developer, Midtown Facility, Midtown Residential and Midtown Dwellings are related entities and are all owned through various subsidiaries by Brookfield Residential Properties, Inc. ("Brookfield Residential"). Brookfield Residential is a land developer and homebuilder with current projects throughout the U.S. and Canada.

For additional information on the Developer, Midtown Facility, Midtown Residential, Midtown Dwellings and Brookfield Residential, see "THE DEVELOPMENT – The Developer, Midtown Facility, Midtown Residential, Midtown Dwellings and Brookfield Residential." ***The Developer and its related entities have not guaranteed the payment of debt service on the Bonds, and the Bonds are not obligations of the Developer or its related entities in any manner.***

Zoning and Platting. All property in the Development is zoned in accordance with the Midtown at Clear Creek PUD, as most recently amended in 2018 (the "PUD"). The PUD permits up to 1,208 dwelling units, a five-acre school site, a commercial/mixed-use amenity area, and a variety of open spaces. According to the Developer, it is not necessary to obtain additional zoning approvals or otherwise further amend the PUD in order to complete the Development as described herein and in the Market Study.

A majority of the property in the Development is platted in accordance with Midtown at Clear Creek, Filings 1-11, and the Midtown at Clear Creek School Site (together, the "Prior Plats"). The property subject to the Prior Plats contains the existing residential and commercial development as described herein.

On May 16, 2023, the County Commissioners approved Midtown at Clear Creek, Filing 12 ("Filing 12"). Filing 12 subdivided the Midtown Facility Parcel into approximately 107 single-family attached lots, the tract anticipated to contain Natural Park, other open space and right-of-way. According to the Developer, it is not necessary to amend Filing 12 in order to complete the Development as described herein and in the Market Study.

According to the Developer, the Developer Parcel is anticipated to be platted in accordance with Midtown at Clear Creek, Filing 13 ("Filing 13"). According to the Developer, it is anticipated that Filing 13 would subdivide the Developer Parcel into approximately 78 single-family attached lots, the tract anticipated to contain East Park, other open space and right-of-way. According to the Developer, the Developer anticipates submitting an application for Filing 13 by approximately the end of November 2023, and anticipates that the County will approve Filing 13 by approximately the end of June 2024. In accordance with the County's Development Standards and Regulations (the "County Regulations"), all subdivision plats must be approved by the County Commissioners and meet other conditions set forth therein.

The County must approve Filing 13 in order to complete the Development as described herein and in the Market Study. No assurance is provided that the Developer will submit an application for Filing 13 or that the County Commissioners will approve Filing 13, each as currently anticipated by the Developer, or at all. See "RISK FACTORS – Completion of the Development Not Assured."

<u>Sales and Construction Activity - Residential</u>. According to the Developer, it is anticipated that the Development will include approximately 1,074 homes, including 666 single-family detached homes and 408 single-family attached homes (i.e., townhomes).

Existing Development. According to the Developer, as of November 1, 2023, all 666 single-family detached homes planned for the Development were constructed and sold to homeowners and 223 single-family attached homes were constructed and sold to homeowners. The homebuilders in the Development include Century Communities, Inc. ("Century"), Weekley Homes, LLC ("Weekley"), Infinity Homes LLC ("Infinity"), Midtown Residential and Midtown Dwellings. As of November 1, 2023, 889 homes out of the approximately 1,074 homes planned for the Development were constructed and sold to homeowners.

Anticipated Development. According to the Developer, it is anticipated that Midtown Dwellings will construct the remaining approximately 185 single-family attached homes anticipated to be constructed in the Development. 107 single-family attached homes are anticipated to be constructed in Filing 12, and 78 single-family attached homes are anticipated to be constructed in Filing 13. As of November 1, 2023, none of the 185 single-family attached homes anticipated to be constructed in Filing 12 and Filing 13 were under construction or completed.

No assurance is provided that the Development will be completed as described herein and in the Market Study. See "RISK FACTORS – Completion of the Development Not Assured." Additionally, until Filing 13 is approved, residential product locations, lot counts, densities and lot configurations within the Developer Parcel are subject to material change. See "THE DEVELOPMENT – Zoning and Platting." The Financial Forecast attached hereto as Appendix C assumes that the remaining approximately 185 single-family attached homes will be constructed as currently anticipated by the Developer. See "RISK FACTORS – Risks Related to the Projections."

Summary of the Existing and Planned Development - Residential. According to the Developer, it is anticipated that the Development will contain approximately 1,074 homes. As of November 1, 2023, 889 homes were completed and sold to homeowners, and an additional approximately 185 homes were anticipated to be constructed in the future. The status of construction, home sales and platting is summarized as follows:

Status of Residential Construction, Sales and Platting Activity [1]

		Construction Status				Sale Status		Platting Status	
Builder or Anticipated Builder	Product Type[2]	Construction Not Yet Commenced	Under Construction	Completed Homes	Total[3]	Not Yet Sold to Homeowner	Sold to Homeowner	Platted Residential Lots	Unplatted Planned Residential Lots[4]
Century	SFA	--	--	98	98	--	98	98	--
Weekley	SFD	--	--	255	255	--	255	255	--
Infinity	SFD	--	--	30	30	--	30	30	--
Midtown Residential	SFD	--	--	381	381	--	381	381	--
Midtown Dwellings [5]	SFA	185 [6]	--	125	310	185	125	232	78
Total		185	--	889	1,074	185	889	996	78
% of Total		17%	0%	83%	100%	17%	83%	93%	7%

(1) As of November 1, 2023.
(2) Represents single-family detached homes (identified herein as Product Type "SFD") and single-family attached homes, such as townhomes, (identified herein as Product Type ("SFA").
(3) Total anticipated number of units is based on current estimates. ***The County has not approved Filing 13, and the anticipated number of residential lots within the Developer Parcel is subject to material change. See "THE DEVELOPMENT – Zoning and Platting - Platting."***
(4) Represents the planned residential lots anticipated to be platted in accordance with Filing 13. No assurance is provided that the County will approve Filing 13 as currently contemplated by the Developer, or at all. See "THE DEVELOPMENT – Zoning and Platting – Platting."
(5) Represents homes constructed and anticipated to be constructed by Midtown Dwellings, an entity related to the Developer.
(6) In accordance with the Market Study attached hereto as Appendix B, it is anticipated that the remaining homes anticipated to be constructed in the District will be completed by approximately 2027. See "RISK FACTORS – Risks Related to Projections."

Sources: The Developer and the Market Study.

Sales and Construction Activity - Commercial. According to the Developer, as of November 1, 2023, the Development contained approximately 12,000 square feet of commercial space owned by the Developer. According to the Developer, the Developer anticipates retaining ownership of such commercial property and leasing certain space to end-users. As of November 1, 2023, all commercial space was constructed and leased, or otherwise utilized to support the Development, all as further explained below.

According to the Developer, as of November1, 2023, approximately: (i) 4,783 square feet of commercial space in the Development was leased to Bruz Beers; (ii) 2,200 square feet of commercial space in the Development was leased to Midtown Montessori Academy; (iii) 2,303 square feet was leased to Early Bird; (iv) 630 square feet was utilized as a mail room to support the Development; and (v) 2,084 square feet was comprised of corridors, restrooms and storage facilities.

The status of commercial construction, leasing and platting activity is summarized as follows:

Status of Commercial Construction, Leasing and Platting Activity [1]

		Construction Status			Leasing Status[2]		Platting Status	
Owner	End-User /Use	Not Yet Completed (Sq. Feet)	Completed (Sq. Feet)	Total (Sq. Feet)	Not Yet Leased to End-User (Sq. Feet)	Leased to End-User (Sq. Feet)	Platted (Sq. Feet)	Unplatted (Sq. Feet)
Developer	Bruz Beers	--	4,783	4,783	--	4,783	4,783	--
Developer	Midtown Montessori	--	2,200	2,200	--	2,200	2,200	--
Developer	Early Bird[3]	--	2,303	2,303	--	2,303	2,303	--
Developer	Mail Room	--	630	630	N/A	N/A	630	--
Developer	Restrooms and Storage	--	2,084	2,084	N/A	N/A	2,084	--
Total		--	12,000	12,000	--	9,286	12,000	--
% of Total		0%	100%	100%	0%	100%	100%	0%

(1) As of November 1, 2023.
(2) Total square footage and percentage of total square footage are based on approximate square footage available for lease. Such figures do not include the approximately 630 square foot mail room or the approximately 2,084 square feet comprised of corridors, restrooms and storage space.
(3) According to the Developer, Early Bird has entered into a lease with the Developer; however, Early Bird is working through permitting with the County and has not yet opened.

Source: The Developer.

Existing and Planned Public Uses. The Development currently contains a school in the Mapleton Public School District that serves students in preschool through eighth grade known as "Trailside Academy." The Development also contains: (i) a space that allows for both indoor and outdoor community meetings, including a community garden, playground, shade shelter, water feature and related amenities (the "Shed"); (ii) an interactive water park, spray ground, large playground, multi-use field, shade shelter and group gathering areas ("Home Plate Park"); (iii) a large interactive playground, multiple challenge climbing walls, slides, group gathering area and off-street parking ("Big Foot Park"); and (iv) a system of trails and other open space areas. The Development is also planned to include: (i) an approximately 32-acre natural park area, anticipated to include a dog park, soft and hard trails, a sledding/biking hill, fitness stairs, a natural garden and a sports field ("Natural Park") and (ii) a large natural area, with both hard and soft trails, a dog park, shade shelters and nature path ("East Park"). ***Natural Park and East Park are not yet constructed. Natural Park is anticipated to be developed in accordance with Filing 12. East Park is anticipated to be planned and designed in accordance with the approvals for Filing 13; such plans and designs are subject to material change. No assurance is provided that such facilities will be constructed as currently contemplated, or at all.***

Public Improvements. In accordance with the Service Plan, it is intended that the District will provide a part or all of the Public Improvements necessary and appropriate for the development of properties within and around its boundaries. The Public Improvements are to be constructed for the use and benefit of the public, generally, and those residents and property owners within the District, specifically. The primary purpose of the District will be to finance the construction of these Public Improvements. "Public Improvements" is defined in the Service Plan as a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped, operated, maintained and/or financed, including necessary and appropriate landscaping, appurtenances and acquisition of real property to effect such improvements, as generally described in the Service Plan, and as are necessary to serve the future taxpayers and inhabitants of the District as determined by the Board.

According to the Developer, the Development has a total Public Improvement budget of approximately $51 million. As of November 1, 2023, approximately $49 million had been expended on the construction of Public Improvements. According to the Developer, the Developer anticipates funding the remaining approximately $2 million in Public Improvement costs through its cash reserves. No assurance is provided that this funding source, or any other funding source, will be available. *The 2023A Senior Bonds and 2023B(3) Subordinate Bonds are being issued to refund the Refunded Bonds. No portion of the 2023A Senior Bonds or 2023B(3) Subordinate Bonds will be available to fund the construction of any remaining Public Improvements.*

Market Study and Absorption of Lots. The Market Study attached as Appendix B sets forth the conclusions of King & Associates (defined herein) as to the potential future absorption of the remaining approximately 185 single-family attached homes planned to be constructed in the Development. See Appendix B and "RISK FACTORS – Risks Related to the Projections." *There is no assurance that the remaining developable property in the District will be developed in the time and manner described herein and in the Market Study, or at all. Construction of Public Improvements, construction of and sale of homes, and other actions and events will be required to occur before the Development is complete. The actual rate and amount of development is subject to material change. See "RISK FACTORS – Completion of the Development Not Assured."*

Security for the 2023A Senior Bonds

General. In accordance with the 2023A Senior Indenture, the 2023A Senior Bonds shall constitute limited tax (convertible to unlimited tax) general obligations of the District payable from the Senior Pledged Revenue as provided therein. The primary component of the Senior Pledged Revenue is expected to be tax revenues imposed and collected by the District and pledged to the payment of the 2023A Senior Bonds pursuant to the 2023A Senior Indenture. *Payment of the principal of and interest on the 2023A Senior Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.*

The Senior Pledged Revenue may not be sufficient to pay the principal of and interest on the 2023A Senior Bonds. *No representation is made by the District or the Underwriter that the Senior Pledged Revenue will be sufficient to pay the principal of and interest on the 2023A Senior Bonds.* See "RISK FACTORS" and "SECURITY FOR THE 2023A SENIOR BONDS."

Senior Pledged Revenue. The 2023A Senior Indenture defines "Senior Pledged Revenue"[1] as: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

Senior Property Tax Revenues. The 2023A Senior Indenture defines "Senior Property Tax Revenues" as all moneys derived from imposition by the District of the Senior Required Mill Levy. Senior Property Tax Revenues are net of the collection costs of the County

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[1] Defined in the 2023A Senior Indenture as the Pledged Revenue, but defined herein as the Senior Pledged Revenue to differentiate such revenue from the Subordinate Pledged Revenue.

and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Senior Property Tax Revenues do not include specific ownership tax revenues.)

Senior Required Mill Levy. The 2023A Senior Indenture generally defines "Senior Required Mill Levy" as, prior to the Conversion Date, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2023A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund), and replenishing the 2023A Reserve Fund to the Reserve Requirement or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, as applicable, but not in excess of 45 mills (subject to adjustment as described herein). On and after the Conversion Date, Senior Required Mill Levy is generally defined in the 2023A Senior Indenture as an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2023A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund) and replenishing the 2023A Reserve Fund to the Reserve Requirement or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, as applicable.

Conversion Date. The 2023A Senior Indenture defines "Conversion Date" as the first date on which all of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the 2023A Senior Bonds are due but unpaid; and (c) the amount on deposit in the 2023A Reserve Fund is not less than the Reserve Requirement.

Senior Specific Ownership Tax Revenues. The 2023A Senior Indenture defines "Senior Specific Ownership Tax Revenues" as the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Senior Required Mill Levy.

2023A Reserve Fund. The 2023A Senior Bonds are also secured by the 2023A Reserve Fund up to the Reserve Requirement ($2,252,000*), which is being satisfied at the initial issuance of the 2023A Senior Bonds as follows: (i) 50% will be cash funded with proceeds of the 2023A Senior Bonds; and (ii) 50% will be satisfied by the issuance of the 2023A Reserve Policy. See "THE 2023A BONDS – Funds and Accounts – 2023A Reserve Fund; 2023A Reserve Policy Provisions."

2023A Senior Bond Insurance. The scheduled payment of principal of and interest on the 2023A Senior Bonds when due will be guaranteed under a Municipal Bond Insurance Policy (the "2023A Senior Bond Insurance Policy") to be issued concurrently with the delivery of the 2023A Senior Bonds by Build America Mutual Assurance Company (the "2023A Senior Bond Insurer"). See "BOND INSURANCE – 2023A SENIOR BONDS."

* Subject to change.

Discharge on December 1, 2063. The 2023A Senior Indenture provides that notwithstanding any other provision therein, in the event that any amount of principal of or interest on the 2023A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2063, the 2023A Senior Bonds and the lien of the 2023A Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023A Senior Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023A Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023A Senior Bonds remaining unpaid.

The 2023A Senior Bonds are solely obligations of the District. The 2023A Senior Bonds are not obligations of the County or the State.

Security for the 2023B(3) Subordinate Bonds

General. In accordance with the 2023B(3) Subordinate Indenture, the 2023B(3) Subordinate Bonds shall constitute limited tax general obligations of the District payable from the Subordinate Pledged Revenue as provided therein. The primary component of the Subordinate Pledged Revenue is expected to be tax revenues imposed and collected by the District and pledged to the payment of the 2023B(3) Subordinate Bonds pursuant to the 2023B(3) Subordinate Indenture. *Payment of the principal of and interest on the 2023B(3) Subordinate Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.*

The Subordinate Pledged Revenue may not be sufficient to pay the principal of and interest on the 2023B(3) Subordinate Bonds. *No representation is made by the District or the Underwriter that the Subordinate Pledged Revenue will be sufficient to pay the principal of and interest on the 2023B(3) Subordinate Bonds.* See "RISK FACTORS" and "SECURITY FOR THE 2023B(3) SUBORDINATE BONDS."

Subordinate Pledged Revenue. The 2023B(3) Subordinate Indenture defines "Subordinate Pledged Revenue" as: (i) all Subordinate Property Tax Revenues; (ii) all Subordinate Specific Ownership Tax Revenues; and (iii) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Property Tax Revenues. The 2023B(3) Subordinate Indenture defines "Subordinate Property Tax Revenues" as all moneys derived from imposition by the District of the Subordinate Required Mill Levy. Subordinate Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Subordinate Property Tax Revenues do not include specific ownership tax revenues.)

Subordinate Required Mill Levy. The 2023B(3) Subordinate Indenture generally defines "Subordinate Required Mill Levy" as an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount equal to (i) 38 mills (subject to adjustment as described herein) **less the Senior Obligation Mill Levy**, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2023B(3) Subordinate Bonds in full in the year such levy is collected.

Senior Obligation Mill Levy. The 2023B(3) Subordinate Indenture defines "Senior Obligation Mill Levy" as the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations.

<u>Subordinate Specific Ownership Tax Revenues</u>. The 2023B(3) Subordinate Indenture defines "Subordinate Specific Ownership Tax Revenues" as the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Subordinate Required Mill Levy.

<u>Subordinate Position in Relation to the 2023A Senior Bonds</u>. The payment of debt service on the 2023B(3) Subordinate Bonds is subordinate to the payment of debt service on the 2023A Senior Bonds and any 2023A Parity Bonds issued under the 2023A Senior Indenture. In accordance with the Base Case of the Financial Forecast attached hereto as Appendix C, it is anticipated that there will be Subordinate Pledged Revenue available to pay debt service on the 2023B(3) Subordinate Bonds beginning December 15, 2024.[*] See the Financial Forecast attached as Appendix C, "RISK FACTORS – Subordinate Lien of the 2023B(3) Subordinate Bonds" and " - Risks Related to the Projections."

<u>No Regularly Scheduled Payments on the 2023B(3) Subordinate Bonds</u>. The 2023B(3) Subordinate Bonds are structured as "cash flow" bonds, meaning that the 2023B(3) Subordinate Indenture contains no scheduled payments of principal on the 2023B(3) Subordinate Bonds prior to the maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. See "RISK FACTORS – "Cash Flow" Nature of the 2023B(3) Subordinate Bonds and the Financial Forecast."

<u>Discharge on December 15, 2063</u>. The 2023B(3) Subordinate Indenture provides that notwithstanding any other provision therein, in the event that any amount of principal of or interest on the 2023B(3) Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2063, the 2023B(3) Subordinate Bonds and the lien of the 2023B(3) Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023B(3) Subordinate Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023B(3) Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023B(3) Subordinate Bonds remaining unpaid.

The 2023B(3) Subordinate Bonds are solely obligations of the District. The 2023B(3) Subordinate Bonds are not obligations of the County or the State.

[*] Subject to change.

Purpose

In accordance with the 2023A Senior Indenture, the 2023A Senior Bonds are being issued for the purpose of: (a) refunding the Refunded Bonds; (b) funding a portion of the Reserve Requirement; and (c) paying other costs in connection with the issuance of the 2023A Senior Bonds and 2023B(3) Subordinate Bonds and refunding the Refunded Bonds (including the premium for the 2023A Senior Bond Insurance Policy and the 2023A Reserve Policy). In accordance with the 2023B(3) Subordinate Indenture, the 2023B(3) Subordinate Bonds are being issued for the purpose of: (a) refunding the Refunded Bonds; and (b) paying other costs in connection with the issuance of the 2023B(3) Subordinate Bonds. See "USES OF PROCEEDS."

The Bonds; Redemption

The 2023A Senior Bonds are issued solely as fully registered bonds in the denominations of $5,000 or any integral multiple of $1,000 in excess thereof. See "THE 2023A SENIOR BONDS – 2023A Authorized Denominations." The 2023B(3) Subordinate Bonds are issued solely as fully registered bonds in the denominations of $500,000 or any integral multiple of $1,000 in excess thereof. See "THE 2023B(3) SUBORDINATE BONDS – 2023B(3) Authorized Denominations." The Bonds mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal of and interest on the 2023A Senior Bonds is described in "THE 2023A SENIOR BONDS - Payment of Principal and Interest; 2023A Record Date" and the payment of principal and interest on the 2023B(3) Subordinate Bonds is described in "THE 2023B(3) SUBORDINATE BONDS – Payment of Principal and Interest; 2023B(3) Record Date."

The 2023A Senior Bonds are subject to redemption prior to maturity at the option of the District and are subject to mandatory sinking fund redemption as described in "THE 2023A SENIOR BONDS – Prior Redemption." The 2023B(3) Subordinate Bonds are subject to redemption prior to maturity at the option of the District and are subject to mandatory redemption as described in "THE 2023B(3) SUBORDINATE BONDS – Prior Redemption."

Authority for Issuance

The Bonds are issued in full conformity with the constitution and laws of the State, particularly Parts 11 and 13 of the Special District Act and Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act"), and pursuant to the Bond Resolution, the 2007 Election and the Indentures.

Book-Entry Registration

The Bonds initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), the securities depository for the Bonds. Purchases of the Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Bonds. See "THE 2023A SENIOR BONDS – Book-Entry Only System" and "THE 2023B(3) SUBORDINATE BONDS – Book-Entry Only System."

Tax Status

In the opinion of Ballard Spahr LLP, Denver, Colorado, Bond Counsel, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. Bond Counsel is also of the opinion that, to the extent that interest on the Bonds is excludable from gross income for federal income tax purposes, interest on the Bonds is also excludable from gross income for State of Colorado income tax purposes and from the calculation of State of Colorado alternative minimum taxable income. See "TAX MATTERS" herein.

Professionals

Ballard Spahr LLP, Denver, Colorado, is acting as Bond Counsel. Sherman & Howard L.L.C., Denver, Colorado, is acting as disclosure counsel to the District in connection with the Limited Offering Memorandum. Stradling Yocca Carlson & Rauth, P.C., Denver, Colorado, has acted as counsel to the Underwriter. Certain legal matters will be passed upon for the District by its general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. Piper Sandler & Co. (the "Underwriter"), Denver, Colorado will act as the underwriter for the Bonds. See "UNDERWRITING."

Continuing Disclosure Undertaking

2023 Undertaking. Pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule"), the District will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with the Developer and the Trustee at the time of the closing for the Bonds.[1] The Continuing Disclosure Agreement will be executed and delivered for the benefit of the beneficial owners of the Bonds and in order to assist the Underwriter in complying with the Rule. The Continuing Disclosure Agreement will provide that so long as the Bonds remain outstanding, the District will provide certain information to the Trustee on a quarterly and annual basis for dissemination to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system and to provide notice of certain material events. The form of the Continuing Disclosure Agreement is attached hereto as Appendix E.

2017 Undertaking. The District has not previously entered into any continuing disclosure undertakings pursuant to the Rule. However, at the time of issuance of the Refunded Bonds, District No. 2 (as subsequently assumed by the District) entered into a continuing disclosure agreement with the Developer and UMB Bank, N.A. (the "2017 Undertaking"). According to the Underwriter's review of filings available on the Electronic Municipal Market

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[1] According to the Underwriter, the 2023A Senior Bonds are subject to the Rule but the 2023B(3) Subordinate Bonds are exempt from the Rule as the 2023B(3) Subordinate Bonds are being offered in 2023B(3) Authorized Denominations of $500,000 or any integral multiple of $1,000 in excess thereof. Notwithstanding the foregoing, the Continuing Disclosure Agreement includes information related to both the 2023A Senior Bonds and 2023B(3) Subordinate Bonds.

Access system, since entering into the 2017 Undertaking, the annual report for 2020 was filed four days late, and the quarterly report for the second quarter in 2021 was filed one day late.

Delivery Information

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to: prior sale, the approving legal opinions of Bond Counsel (the forms of which are attached hereto as Appendix H), and certain other matters. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about November 22, 2023*.

Additional Information

All references herein to the Indentures, Bond Resolution and other documents are qualified in their entirety by reference to such documents. Additional information and copies of the documents referred to herein are available from the following sources, as applicable:

Midtown at Clear Creek Metropolitan District
c/o White Bear Ankele Tanaka & Waldron
Professional Corporation
2154 E. Commons Ave., Suite 2000
Centennial, Colorado 80122
Telephone: (303) 858-1800

Piper Sandler & Co.
1144 15th Street, Suite 2050
Denver, Colorado 80202
Telephone: (303) 405-0846

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, including but not limited to the Market Study and the Financial Forecast (each as defined in "RISK FACTORS – Risks Related to the Projections") attached hereto as Appendices B and C, respectively, and the information in "THE DEVELOPMENT," contains statements relating to future results that are "forward-looking statements." When used in this Limited Offering Memorandum, the words "estimate," "intend," "expect," "anticipate," "plan," and similar expressions identify forward-looking statements. Any forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forward-looking statement will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between forward-looking statements and actual results, and those differences may be material. For a discussion of certain of such risks, see the following section, "RISK FACTORS."

*Subject to change.

RISK FACTORS

Each prospective purchaser of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the District to pay the principal of, and interest on, the Bonds is subject to various risks and uncertainties which are discussed throughout this Limited Offering Memorandum. Certain of such investment considerations are set forth below. This section of this Limited Offering Memorandum does not purport to summarize all of the risks. Investors should read this Limited Offering Memorandum in its entirety.

Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. Although the revenues pledged to the 2023A Senior Bonds and 2023B(3) Subordinate Bonds are derived from the same revenue sources, the 2023B(3) Subordinate Bonds are subordinate to the 2023A Senior Bonds and any 2023A Parity Bonds, no regularly scheduled principal payments are due on the 2023B(3) Subordinate Bonds, the 2023A Senior Bond Insurance Policy doesn't secure the 2023B(3) Subordinate Bonds, and the risk of non-payment of principal and interest on the 2023B(3) Subordinate Bonds is substantially higher than the risk of non-payment of principal and interest on the 2023A Senior Bonds.

The 2023B(3) Subordinate Bonds are offered only to financial institutions and institutional investors in minimum denominations of $500,000, will not receive a credit rating from any source, and are not suitable investments for all investors. By purchasing the 2023B(3) Subordinate Bonds, each purchaser represents that it is a financial institution or an institutional investor with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the 2023B(3) Subordinate Bonds. Each 2023B(3) Subordinate Bond purchaser is anticipated to be required to execute an investor letter prior to purchasing any such 2023B(3) Subordinate Bonds. The form of the investor letter is attached hereto as Appendix I.

Limited Security for the 2023A Senior Bonds

The 2023A Senior Bonds constitute limited tax (convertible to unlimited tax) general obligations of the District payable solely from the Senior Pledged Revenue as provided in the 2023A Senior Indenture. See "SECURITY FOR THE 2023A SENIOR BONDS." The primary source of Senior Pledged Revenue is expected to be property tax revenues generated from ad valorem taxes assessed against all taxable property within the District, subject to the limitations of the Senior Required Mill Levy. Prior to the Conversion Date (defined below), the Senior Required Mill Levy is subject to a maximum of 45 mills (subject to adjustment as described herein).

Prior to the Conversion Date, the owners of the 2023A Senior Bonds (the "2023A Owners") cannot require the District to raise its Senior Required Mill Levy above 45 mills (subject to adjustment). The District's ability to retire the indebtedness created by the issuance of the 2023A Senior Bonds, without use of the 2023A Senior Bond Insurance Policy, therefore is dependent upon the maintenance of an adequate tax base from which the District can collect sufficient property tax revenues from this limited mill levy.

The Senior Pledged Revenue may or may not be sufficient to pay the principal of and interest on the 2023A Senior Bonds. No representation is made by the District or the Underwriter that the Senior Pledged Revenue will be sufficient to pay the principal of and interest on the 2023A Senior Bonds.

The 2023A Senior Bonds are solely obligations of the District. The 2023A Senior Bonds are not obligations of the County or the State. Payment of the principal of and interest on the 2023A Senior Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.

Notwithstanding the foregoing, in the event the District defaults on scheduled principal or interest payments on the 2023A Senior Bonds when the due, the 2023A Owners will have a claim under the 2023A Senior Bond Insurance Policy for such defaulted payments. See "2023A SENIOR BOND INSURANCE POLICY" and " – Risks Related to 2023A Senior Bond Insurance" below.

Limited Tax (Convertible to Unlimited) Pledge. Prior to the Conversion Date the Senior Required Mill Levy is limited to 45 mills (subject to adjustment). "Conversion Date" is defined in the 2023A Senior Indenture as the first date on which all of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the 2023A Senior Bonds are due but unpaid, and (c) the amount on deposit in the 2023A Reserve Fund is not less than the Reserve Requirement (defined as $2,252,000*). "Senior Debt to Assessed Ratio" is generally defined in the 2023A Senior Indenture as the ratio derived by dividing the then-outstanding principal amount of Senior Debt by the most recent Final Assessed Valuation of the District.

To the extent principal of any 2023A Senior Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the provision of the 2023A Senior Indenture described in " – Discharge Dates under the Indentures" below. To the extent interest on any 2023A Senior Bond is not paid when due, such interest shall compound semiannually on each June 1 and December 1 of each year, commencing June 1, 2024, and continuing for so long as the 2023A Senior Bonds are Outstanding (each a "2023A Interest Payment Date"), at the rate then borne by the 2023A Senior Bond; provided however, that notwithstanding anything in the 2023A Senior Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the 2007 Election in repayment of the 2023A Senior Bonds, including all payments of principal, premium if any, and interest, and all 2023A Senior Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount, subject to the provision of the 2023A Senior Indenture described in " – Discharge Dates under the Indentures" below. *During this period of accrual (prior to the Unlimited Tax Receipt Date), the District will not be in default on the payment of such principal and interest, and the 2023A Owners will have no recourse against the District to require such payments (other than to require the District to continue to assess, enforce and collect the Senior Required Mill Levy and apply the Senior Pledged Revenue under the circumstances set forth in the 2023A Senior Indenture).*

On and after the Conversion Date, the Senior Required Mill Levy is not limited in

* Subject to change.

rate. On and after the Conversion Date, the Senior Required Mill Levy will remain unlimited as to rate notwithstanding any subsequent change in the Senior Debt to Assessed Ratio. There is no guarantee that the Senior Debt to Assessed Ratio will ever be 50% or less, in which case the Senior Required Mill Levy will remain a limited mill levy. Upon issuance of the Bonds, the District's Senior Debt to Assessed Ratio will be approximately 70.1%*, based on the District's 2023 preliminary assessed value. See "DISTRICT DEBT STRUCTURE – Selected Debt Ratios."

Limited Security for the 2023B(3) Subordinate Bonds

General Description. The 2023B(3) Subordinate Bonds are limited tax general obligations of the District payable solely from the Subordinate Pledged Revenue described herein. See "SECURITY FOR THE 2023B(3) SUBORDINATE BONDS." The primary source of the Subordinate Pledged Revenue is expected to be property tax revenues generated from ad valorem taxes assessed against all taxable property within the District, subject to the limitations of the Subordinate Required Mill Levy. The Subordinate Required Mill levy is subject to a maximum of 38 mills (subject to adjustment) **less the Senior Obligation Mill Levy**.

Owners of the 2023B(3) Subordinate Bonds (the "2023B(3) Owners") cannot require the District to raise its Subordinate Required Mill Levy above 38 mills (subject to adjustment) **less the Senior Obligation Mill Levy**. The District's ability to retire the indebtedness created by the issuance of the 2023B(3) Subordinate Bonds therefore is dependent upon the establishment and maintenance of an adequate tax base from which the District can collect sufficient property tax revenues from the Subordinate Required Mill Levy. ***The Financial Forecast attached hereto as Appendix C assumes an additional 185 single-family attached homes will be constructed in the Development; however, no assurance is provided that Midtown Dwellings or any other builder will construct such homes as described herein and in the Market Study, or at all. If the Development is not completed as described herein and in the Market Study, the Subordinate Pledged Revenue may be less than forecasted in the Financial Forecast, and the District's ability to make debt service payments on the 2023B(3) Subordinate Bonds may be negatively impacted. See " – Completion of the Development Not Assured" below.***

The Subordinate Pledged Revenue may or may not be sufficient to pay the principal of and interest on the 2023B(3) Subordinate Bonds. No representation is made by the District or the Underwriter that the Subordinate Pledged Revenue will be sufficient to pay the principal of and interest on the 2023B(3) Subordinate Bonds.

The 2023B(3) Subordinate Bonds are solely obligations of the District. The 2023B(3) Subordinate Bonds are not obligations of the County or the State. Payment of the principal of and interest on the 2023B(3) Subordinate Bonds is not secured by any deed of trust, mortgage or other lien or security interest on any property within the District.

Limited Tax Pledge; Not Convertible to Unlimited. The Subordinate Required Mill Levy is limited to a maximum of 38 mills (subject to adjustment), **less the Senior Obligation Mill Levy**. To the extent principal of any 2023B(3) Subordinate Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the provision of the 2023B(3) Subordinate

* Subject to change.

Indenture described in " – Discharge Dates under the Indentures" below. To the extent interest on any 2023B(3) Subordinate Bond is not paid when due, such interest shall compound annually on December 15 of each year, commencing December 15, 2023 and continuing for so long as the 2023B(3) Subordinate Bonds are Outstanding (each a "2023B(3) Interest Payment Date"), at the rate then borne by the 2023B(3) Subordinate Bond; provided however, that notwithstanding anything in the 2023B(3) Subordinate Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the 2007 Election in repayment of the 2023B(3) Subordinate Bonds, including all payments of principal, premium if any, and interest, and all 2023B(3) Subordinate Bonds will be deemed defeased and no longer Outstanding upon payment by the District of such amount, subject to the provision of the 2023B(3) Subordinate Indenture described in " – Discharge Dates under the Indentures" below. *During this period of accrual, the District will not be in default on the payment of such principal and interest, and the 2023B(3) Owners will have no recourse against the District to require any payments (other than to require the District to continue to assess, enforce and collect the Subordinate Required Mill Levy and apply the Subordinate Pledged Revenue under the circumstances set forth in the 2023B(3) Subordinate Indenture). Unlike the Senior Required Mill Levy, the Subordinate Required Mill Levy is not convertible to an unlimited mill levy.*

Discharge Dates under the Indentures

2023A Senior Indenture. The 2023A Senior Indenture provides that notwithstanding any other provision therein, in the event that any amount of principal of or interest on the 2023A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2063, the 2023A Senior Bonds and the lien of the 2023A Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023A Senior Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023A Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023A Senior Bonds remaining unpaid.

2023B(3) Subordinate Indenture. The 2023B(3) Subordinate Indenture provides that notwithstanding any other provision therein, in the event that any amount of principal of or interest on the 2023B(3) Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2063, the 2023B(3) Subordinate Bonds and the lien of the 2023B(3) Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023B(3) Subordinate Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023B(3) Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023B(3) Subordinate Bonds remaining unpaid.

"Cash Flow" Nature of the 2023B(3) Subordinate Bonds and the Financial Forecast

The 2023B(3) Subordinate Bonds are structured as "cash flow" bonds, meaning that the 2023B(3) Subordinate Indenture contains no scheduled payments of principal on the 2023B(3)

Subordinate Bonds until the maturity date. Instead, principal is payable on each December 15 from the available Subordinate Pledged Revenue, if any, pursuant to a mandatory redemption. It is anticipated that there will be sufficient Subordinate Pledged Revenue to pay accrued interest on the 2023B(3) Subordinate Bonds on December 15, 2024*, and it is anticipated that there will be sufficient Subordinate Pledged Revenue to pay principal of the 2023B(3) Subordinate Bonds on December 15, 2035.* See the Financial Forecast attached as Appendix C, "RISK FACTORS – Subordinate Lien of the 2023B(3) Subordinate Bonds" and "RISK FACTORS - Risks Related to the Projections."

The expectations regarding first payments of principal and interest on the 2023B(3) Subordinate Bonds set forth in the Financial Forecast are based upon various assumptions in the Market Study and Financial Forecast, some or all of which may prove to be inaccurate. See " - Risks Related to the Projections," below, and "DEBT SERVICE REQUIREMENTS AND ESTIMATED PAYMENTS ON THE 2023A SENIOR BONDS AND 2023B(3) SUBORDINATE BONDS."

Subordinate Lien of the 2023B(3) Subordinate Bonds

Although the revenues pledged to the 2023A Senior Bonds and 2023B(3) Subordinate Bonds are derived from the same revenue sources, the 2023B(3) Subordinate Bonds are subordinate to the 2023A Senior Bonds and any 2023A Parity Bonds issued under the 2023A Senior Indenture. Payments on the 2023B(3) Subordinate Bonds are to be made annually after all payments required to be paid with respect to the 2023A Senior Bonds and any 2023A Parity Bonds issued under the 2023A Senior Indenture in such calendar year have been made.

Repayment of the principal and interest on the 2023B(3) Subordinate Bonds in accordance with the Financial Forecast is dependent upon the completion of the Development and continued increases of assessed valuation of property within the District, neither of which may occur.

No Capitalized Interest, Reserve Fund, Surplus Fund or Insurance Policy for the 2023B(3) Subordinate Bonds

The 2023B(3) Subordinate Indenture does not provide for the funding of any capitalized interest, reserve fund, surplus fund or any other fund or account from which the principal of and accrued interest on the 2023B(3) Subordinate Bonds may be paid, other than the Subordinate Bond Fund. Further, the 2023B(3) Subordinate Bonds are not secured by the 2023A Senior Bond Insurance Policy or any other insurance policy. The District is therefore reliant exclusively upon future Subordinate Pledged Revenue, if any, to pay debt service on the 2023B(3) Subordinate Bonds.

Risks Related to Property Tax Revenues

Generally. The primary source of security for the Bonds is expected to be property taxes imposed by the District. The level of property tax revenues generated by the District's

* Subject to change.

imposition of the Senior Required Mill Levy and Subordinate Required Mill Levy depends upon the assessed valuation of the property within the District and its ability to collect property taxes. This section describes certain risks related to such property tax revenues.

Property Valuation Statutes and Appeals. Under certain circumstances, Colorado statutes permit the owners of vacant property to apply to the Adams County Assessor (the "Assessor") for discounted valuation of such property for ad valorem property tax purposes, which could cause a reduction in assessed value. Property owners are also entitled to challenge the valuations of their property. No assurance can be given that the Developer, Midtown Facility, Midtown Dwellings or other owners of property in the District will not seek to do so.

Potential for Tax-Exempt Uses. Property used for tax-exempt purposes may not be subject to taxation by the District, and property owners are not prohibited from selling property to tax-exempt purchasers. It is possible that property in the District could qualify for tax-exempt status using tax credits or on some other basis. For example, the property owned by Trailside Academy is exempt from taxation, and is not anticipated to be subject to the District's Senior Required Mill Levy or Subordinate Required Mill Levy. *However, no payment-in-lieu of taxes "PILOT" covenant is currently recorded on the property in the District, and the Developer has no present plan to record a PILOT. Further, PILOT revenue collected from the Senior Required Mill Levy and/or Subordinate Required Mill Levy, if any, is not pledged to the Bonds in accordance with the Indentures. No Senior Property Tax Revenues or Subordinate Property Tax Revenues are anticipated to be generated from any tax-exempt property within the District.*

According to the Developer approximately 889 out of the 1,074 homes planned for the Development have been constructed and sold to homeowners. Except for Trailside Academy and public facilities owned by the District and the County, the District and the Developer do not anticipate any tax-exempt property or tax-exempt uses within the District. However, the property ownership status in the District is subject to change. The Financial Forecast assumes that all 1,074 homes and approximately 12,000 square feet of commercial space planned for the Development will remain taxable while the Bonds are Outstanding. See " – Risks Related to the Projections" below. No assurance is provided that all such property will remain taxable while the Bonds remain Outstanding.

Condemnation. It is also possible that some or all of the property in the District could be condemned for public use, in which case it may no longer be subject to taxation.

Should any of the foregoing occur, resulting in lower assessed valuations of property in the District, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the level at which property is assessed for tax purposes, the District's ability to enforce and collect the property tax is dependent upon the property in the District having sufficient fair market value to support the taxes which are imposed. No assurance can be given as to the future market values of property in the District.

<u>Dependence Upon Timely Payment of Property Tax; Tax Collections</u>. Delinquency in the payment of property taxes by property owners within the District would impair the District's ability to pay its debt service requirements on the Bonds. Property taxes do not constitute personal obligations of a property owner. While the current year's taxes constitute a

lien upon assessed property and the County Treasurer is required by statute to offer for sale delinquent property to satisfy the District's tax lien for the year in which the taxes are in default, this remedy can be time-consuming. Moreover, any such tax sale would be only for the amount of taxes due and unpaid for the particular tax year in question.

In addition, the County's ability to enforce tax liens could be delayed by bankruptcy laws and other laws affecting creditor's rights generally. During the pendency of any bankruptcy of any property owner, the parcels owned by such property owner could be sold only if the bankruptcy court approves the sale. No assurance is provided that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment. If the property taxes are not paid over a period of years, the District's ability to pay principal and interest on the Bonds could be materially adversely affected. Property taxes on land are not personal obligations of the property owners.

State Laws Regarding Property Taxes. The mill levies imposed by the District are governed by State laws. From time to time, these State laws are revised by the Colorado General Assembly.

The Service Plan and the definitions of Senior Required Mill Levy and Subordinate Required Mill Levy (contained in the Indentures) include certain adjustment language which is intended to require the District to increase such mill levies if necessary to offset the loss of tax revenue which occur due to certain changes in law. It is possible, however, that this language will not account for every conceivable change of law which could occur.

For example, SB 22-238 (defined herein) reduces property taxes for levy years 2023 and 2024 through reductions in assessed valuation and actual valuation of certain subclasses of residential and non-residential property. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes." Further, the District is required to impose a uniform mill levy. Reducing the assessed and actual value of real property based on subclass is novel, and the District's attempt to increase its Senior Required Mill Levy and Subordinate Required Mill Levy to reflect such reductions will be significantly more complex and may ultimately require judicial interpretation.

The Financial Forecast assumes that the District will adjust its Senior Required Mill Levy and Subordinate Required Mill Levy to reflect all changes to both assessed valuation and actual valuation. However, no assurance is provided that the District will be permitted to increase its Senior Required Mill Levy and Subordinate Required Mill Levy to account for all anticipated adjustments resulting from SB 22-238 or other changes to State law. Accordingly, in the event the District is unable to adjust its Senior Required Mill Levy and Subordinate Required Mill Levy as a result of SB 22-238 and all other future legislative changes, actual tax revenues available to pay the Bonds may be less than presently projected in the Financial Forecast. See "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes."

Completion of the Development Not Assured

In addition to the factors described herein, the collection of all of the components of the Subordinate Pledged Revenue depends upon the level of current and future development in the District. *The Financial Forecast assumes that an additional 185 single-family attached homes will be constructed in the District; however, there is no guarantee that such development will occur as planned, or at all. See " - Risks Related to the Projections," below.*

General. Completion of Midtown is largely dependent on the ability of the Developer to accomplish its development objectives, and the ability of Midtown Dwellings to accomplish its construction and sales objectives. A number of factors may affect the ability of the Developer, Midtown Dwellings and future residential builders, if any, to develop or build upon such property, including the overall economy of the County, the State, and the nation. Further, the negative impact of COVID-19 or future pandemics on future development may be material and cannot be predicted at this time. The building industry is cyclical in nature and is subject to substantial government regulation. The rate of development in the District could be impacted by many factors such as construction costs, interest rates, the local, regional and national economy, the availability of private financing for residential development, competition from other developments and other political, legal and economic conditions. Neither the District nor the Underwriter can make any representation regarding the viability of the development plans of the Developer or future residential builders, if any. See "THE DEVELOPMENT."

Repayment of the principal and interest on the 2023B(3) Subordinate Bonds in accordance with the Financial Forecast is dependent upon completion of development within the District in accordance with the Market Study, and the continued increases of assessed valuation of property within the District, neither of which may occur.

No investigation has been conducted as to the financial or managerial resources of the Developer or its related entities or their ability to secure entitlements, complete the construction of necessary Public Improvements, and construct and sell homes in the District. There is no assurance that the remainder of the Development will be completed as currently planned by the Developer and its related entities, or as projected in the Market Study. Neither the Developer, Midtown Facility nor other property owners are obligated to further develop the property in the District in any manner. See " - Risks Related to the Projections," below.

Risk of Growth Limitations or Moratoria. No assurance can be provided that the County or the State will not approve limitations or moratoriums on residential growth within their respective boundaries, which limitations or moratoriums could have the effect of delaying, limiting, or halting development within the Development. Several municipalities throughout the State have made proposals and taken certain actions to limit residential growth, including, for example, the City of Lakewood in 2019.

The Developer does not anticipate that growth limitations or moratoria would negatively impact completion of the Development, as the County has approved the PUD and PDP (each as described herein). However, neither the Developer nor the District can make any guarantees or representations about whether future unknown growth moratoria or restrictions will negatively impact the Development.

The risk of future anti-growth laws may be further mitigated by House Bill 23-1255 ("HB23-1255"), which became law on June 8, 2023. In accordance with HB 23-1255, a Governmental Entity (defined therein, and including the County and the District) shall not enact or enforce an Anti-Growth Law affecting property within its jurisdiction. "Anti-Growth Law" is generally defined in HB 23-1255 as an anti-use law that explicitly limits either the growth of the population in the Governmental Entity's jurisdiction or the number of development permits or building permit applications for residential development for any calendar or fiscal year. HB 23-1255 may be challenged in court. No assurance is provided that HB 23-1255 will remain in effect as currently constituted, or at all. Further, no assurance is provided that HB 23-1255, even if upheld, would prohibit all local action to limit growth.

No Development Required. The Developer is not under any contractual or other obligation to develop the property in the District, and Midtown Dwellings is not under any contractual obligation to construct and complete homes in the Development. If future residential builders, if any, acquire any property in the District, such builders are not expected to be under any contractual or other obligation to build residential units. The Developer could sell its remaining property in the District to another developer or homebuilder, or could withdraw completely from the Development. Any such sales or withdrawals could result in a material change in the remaining development plans for the Development and/or a delay in the construction of improvements in the Development, which in turn could materially negatively impact the District's ability to pay debt service on the 2023B(3) Subordinate Bonds.

Environmental Conditions. The Midtown Facility Parcel was previously used as an airplane parts manufacturing facility. Midtown Facility and its consultants have taken and continue to take certain remedial and monitoring actions in efforts to comply with related regulations and orders concerning the development of the site. Although the Developer believes that the development has proceeded in accordance with state and federal environmental laws, there can be no assurance that the actions taken in connection with the Development will be sufficient to avoid any adverse impact of environmental conditions as they relate to the District or the Development. See "THE DEVELOPMENT – Environmental Issues."

Fire Risks, Climate Change and Other Potential Disasters

In recent years, the State has experienced numerous significant wildfires. According to the National Interagency Fire Center, in 2021 more than 48,000 acres were burned by wildfires throughout the State and in 2020 more than 625,000 acres were burned. According to the Colorado Department of Public Safety, the three largest fires (measured by acreage) in State history occurred in 2020. Recent destructive fires include the Black Forest Fire in El Paso County in 2013, in which approximately 14,000 acres were burned and nearly 500 homes were destroyed. On December 30, 2021, the Marshall Fire burned approximately 6,000 acres and destroyed over 1,000 homes and businesses, making it the most destructive fire in State history.

The fires have been attributed to, among other things, severe weather conditions such as drought, high winds and rising temperatures. Experts state that the State will continue to be subject to wildfire conditions in the future as a result of changing weather patterns due to climate change. Climate change may cause additional extreme weather events such as drought, floods and heat waves, which may impact the assessed value of property within the District and/or the development of the property in the District.

The District is located in a largely developed portion of the County, but is adjacent to certain open space and vacant land. According to the Colorado State Forest Service's Wildfire Risk Public Viewer website on November 1, 2023[1], the property within the District is classified from the "Low" to "High" burn probability categories. No assurances can be given as to whether any future wildfire will impact any portion of the District.

In the event a fire or other natural or man-made disaster destroys all or any portion of the property within the District, the Senior Pledged Revenue or Subordinate Pledged Revenue could be materially negatively impacted. There can be no assurance that a casualty loss will be covered by any insurance of property owners, that any insurance company will fulfill its obligation to provide insurance proceeds, or that any insurance proceeds will be sufficient to rebuild any damaged property. There is no assurance that property owners will rebuild damaged or destroyed properties or, if they do, the timeframe in which they will rebuild.

Completion of Public Improvements

According to the Developer, the Development has a total Public Improvement budget of approximately $51 million. As of November 1, 2023, approximately $49 million had been expended on the construction of Public Improvements. According to the Developer, the Developer anticipates funding the remaining approximately $2 million in Public Improvement costs through its cash reserves. No assurance is provided that this funding source, or any other funding source, will be available. *The 2023A Senior Bonds and 2023B(3) Subordinate Bonds are being issued to refund the Refunded Bonds. No portion of the 2023A Senior Bonds or 2023B(3) Subordinate Bonds will be available to fund the construction of any remaining Public Improvements.*

There is no assurance that the remaining Public Improvements will be completed at the cost estimated by the Developer in the amount of time currently expected by the Developer, or at all. Unforeseen events such as higher costs of materials, unavailability of materials, weather conditions, engineering or environmental conditions, labor strikes or shortages, or other unanticipated events could delay the construction of the infrastructure or increase its cost materially. If the Public Improvements are not completed in the time and manner necessary to support the development projected in the Market Study and the Financial Forecast, the assessed valuation projected for the property in the District may not be realized, which could have a material, adverse effect on the District's ability to repay the 2023B(3) Subordinate Bonds.

Risks Related to the Projections

The District has retained: (i) King & Associates, Inc., Littleton, Colorado ("King & Associates") to prepare a Market Analysis for the remaining approximately 185 homes anticipated to be constructed in the Development dated September 2023 (the "Market Study"); and

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[1] See https://co-pub.coloradoforestatlas.org/. References to website addresses presented herein are for informational purposes only. Such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum.

(ii) Simmons & Wheeler, P.C., Englewood, Colorado ("Simmons") to prepare a "Forecasted Surplus Cash Balances and Cash Receipts and Disbursements" report dated as of November 8, 2023 (the "Financial Forecast").

Market Study. The Market Study is attached hereto as Appendix B, and should be read in its entirety. In the Market Study, King & Associates has analyzed the Developer's plan to construct an additional approximately 185 single-family attached homes in the Development, and determined the expected absorption period for construction based on historical, current and projected area market conditions. King & Associates also analyzed market values for such land uses, which are based on market values of comparable properties provided by the Adams County assessor offices. The Market Study does not contain a forecast of assessed valuation for taxation purposes. Instead, King & Associates has included anticipated market values for the remaining single-family attached homes anticipated to be constructed in the Development, which it believes is supportable by historical, current and projected market conditions.

In the Market Study, King & Associates has also reviewed residential value appreciation trends in the County and surrounding areas and provided an annual appreciation rate projection. King & Associates projects that the actual value of homes in the District will appreciate at an annual rate of 3% in each year through 2063 (6% biennial). As explained in "Financial Forecast" below, these assumptions have been used by Simmons in the preparation of the projected payment schedule of the 2023B(3) Subordinate Bonds. In the title of the 2023B(3) Subordinate Bonds, the designation 2023B(3) indicates the 3% ongoing appreciation rate assumption. ***Past increases in assessed value are not a guarantee that assessed values will increase in the future. Further, assessed values are likely to decrease in certain future years, even if the overall trend of assessed values is to increase in the future.***

The Market Study is based on key assumptions made by King & Associates and, like any forecast, is inherently subject to variations in the assumed data. These assumptions include, but are not limited to: (a) the remaining Public Improvements necessary to serve the property within the District are financed and constructed; (b) the County Commissioners approve Filing 13; and (c) Midtown Dwellings commences and completes construction of the 185 single-family attached homes anticipated to be platted in accordance with Filing 12 and Filing 13. The entire Market Study should be reviewed to understand the assumptions, projections, and estimates upon which it is based. Actual results will vary from those projected, and such variations may be material. See "FORWARD-LOOKING STATEMENTS." The Market Study is dated September 2023. Conditions may have changed since that date which could impact the conclusions of King & Associates.

Financial Forecast. A preliminary Financial Forecast is attached hereto as Appendix C, and should be read in its entirety. It is anticipated that a final Financial Forecast, reflecting the final terms of the Bonds as priced and sold, will be attached to the final version of this Limited Offering Memorandum.

The Financial Forecast contains forecasts of the assessed valuation of the District and the timing and amounts of projected payments of debt service on the 2023A Senior Bonds and 2023B(3) Subordinate Bonds. The Financial Forecast consists of the "Base Case," wherein Simmons has: (a) used assumptions regarding absorption and pricing which are consistent with the Market Study, (b) used assumptions regarding annual appreciation of the homes constructed and anticipated to be constructed in the District which is consistent with the Market Study, and (c) has made certain other assumptions to estimate the Senior Pledged Revenue available in each year that the 2023A Senior Bonds are expected to be outstanding and the Subordinate Pledged Revenue available each year that the 2023B(3) Subordinate Bonds are expected to be outstanding, and has forecasted the amount of revenue available to pay the Bonds. The Base Case is described in Notes 1-4 (on pages 3-6) of the Financial Forecast. In accordance with the Base Case of the Financial Forecast, the 2023A Senior Bonds are forecasted to be paid in full on December 1, 2053, and the 2023B(3) Subordinate Bonds are forecasted to be paid in full on December 15, 2038.* See "DEBT SERVICE REQUIREMENTS AND ESTIMATED PAYMENTS ON THE 2023A SENIOR BONDS AND 2023B(3) SUBORDINATE BONDS."

The Financial Forecast also contains two alternative projections. In the first alternative projection, repayment of the Bonds is projected assuming a biennial inflation rate for completed residential units of 3.19% instead of the 6% projected in the Market Study and no biennial inflation rate for commercial property instead of the 2% projected in the Base Case of the Financial Forecast. In accordance with the first alternative projection: (i) it is projected that the 2023A Senior Bonds will be repaid under the same schedule set forth in the Base Case of the Financial Forecast, and paid in full on December 1, 2053; and (ii) it is projected that the 2023B(3) Subordinate Bonds will be paid in full on December 15, 2052, which is prior to the maturity date set forth on the inside cover page hereof.

In the second alternative projection, repayment of the Bonds is projected assuming a biennial inflation rate for completed residential units of 1% instead of the 6% projected in the Market Study and no biennial inflation rate for commercial property instead of the 2% projected in the Base Case of the Financial Forecast. In accordance with the second alternative projection: (i) it is projected that the 2023A Senior Bonds will be repaid under the same schedule set forth in the Base Case of the Financial Forecast, and paid in full on December 1, 2053; and (ii) it is projected that the 2023B(3) Subordinate Bonds will be paid in full on December 15, 2062, which is after the maturity date set forth on the inside cover page hereof, but prior to the discharge date. See "RISK FACTORS – 'Cash Flow' Nature of the 2023B(3) Subordinate Bonds and the Financial Forecast" above.

The Financial Forecast is based on key assumptions and, like any forecast, is inherently subject to variations in the assumed data. Actual results will vary from those projected, and such variations may be material. See "FORWARD-LOOKING STATEMENTS."

Competition with Other Developments

The Development is expected to compete with other residential developments in the northern Denver metropolitan region. The impact of this competition on future development within the District cannot be assessed at the present time because future demand cannot be

* Subject to change.

predicted with accuracy and the factors influencing the success of each development are speculative. *See* "THE DEVELOPMENT" and the Market Study.

Financial Condition of the Developer, Midtown Facility, Midtown Residential, Midtown Dwellings and Brookfield Residential

There has been no independent investigation of and no representation is made in this Limited Offering Memorandum regarding the financial soundness of the Developer, Midtown Facility, Midtown Residential, Midtown Dwellings, Brookfield Residential or their related entities, the Developer's managerial capability to develop and market the property within the Development as planned or Midtown Dwelling's ability to construct and sell the remaining homes. Moreover, the financial circumstances of the Developer, Midtown Facility, Midtown Residential, Midtown Dwellings, Brookfield Residential and their related entities can change from time to time. Prospective investors are urged to make such investigation as deemed necessary concerning the financial soundness of such entities and their ability to implement the plan of Development as described herein. *See* "THE DEVELOPMENT – The Developer, Midtown Facility, Midtown Residential, Midtown Dwellings and Brookfield Residential."

Risks Related to 2023A Senior Bond Insurance

In the event the District defaults on the payment of scheduled principal or interest on the 2023A Senior Bonds when due, the 2023A Owners of will have a claim under the 2023A Senior Bond Insurance Policy for such defaulted payments.

In the event the 2023A Senior Bond Insurer is unable to make payment of principal and interest as such payments become due under the 2023A Senior Bond Insurance Policy, the 2023A Senior Bonds are payable solely from the funds on deposit in the Senior Bond Fund and the 2023A Reserve Fund as provided in the 2023A Senior Indenture. In the event the 2023A Senior Bond Insurer becomes obligated to make payments with respect to the 2023A Senior Bonds, no assurance is given that such event will not adversely affect the market price of the 2023A Senior Bonds or the marketability (liquidity) for the 2023A Senior Bonds.

The long-term rating on the 2023A Senior Bonds is dependent in part on the financial strength of the 2023A Senior Bond Insurer and its ability to pay claims. The 2023A Senior Bond Insurer's financial strength and ability to pay claims is reliant upon a number of factors which could change over time, including, without limitation, underwriting standards, claims experience, and conditions affecting the economy generally. No assurance is given that the long-term ratings of the 2023A Senior Bond Insurer will not be subject to downgrade or CreditWatch negative designations and such events could adversely affect the market price or liquidity of the 2023A Senior Bonds. See "RATING" herein.

The obligations of the 2023A Senior Bond Insurer are unsecured contractual obligations and in an event of default by 2023A Senior Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the District nor the Underwriter has made independent investigation into the 2023A Senior Bond Insurer's financial strength or ability to pay claims and no assurance or representation regarding the financial strength or projected financial strength of the 2023A Senior Bond Insurer is given. Prospective investors in the 2023A Senior Bonds should conduct their own investigation of such matters. Because the 2023A Senior Bonds are insured by the 2023A Senior Bond Insurer, certain of the risk factors described herein should not, under ordinary circumstances, adversely affect payment of the 2023A Senior Bonds. The principal risk that could affect payment of the 2023A Senior Bonds is the inability or refusal of the 2023A Senior Bond Insurer to perform its duties under the 2023A Senior Bond Insurance Policy. In such an event, the Trustee would exercise its available remedies against the 2023A Senior Bond Insurer and exercise its rights under the 2023A Senior Indenture on behalf of the 2023A Owners.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "Service") has a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the Service agrees (a) with the determination of Bond Counsel that interest on the Bonds is tax-exempt for federal income tax purposes or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the Service with respect to the tax-exempt status of interest on the Bonds could adversely impact the secondary market, if any, for the Bonds, and, if a secondary market exists, would also be expected to adversely impact the price at which the Bonds can be sold. The Indentures do not provide for any adjustment to the interest rates borne by the Bonds in the event of a change in the tax-exempt status of the Bonds. If the Service audits the Bonds, under current audit procedures the Service will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the District, the Underwriter or Bond Counsel is obligated to pay or reimburse the owner of any Bond for audit or litigation costs in connection with any legal action, by the Service or otherwise, relating to the Bonds.

There can be no assurance that an audit by the Service of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service regulation or ruling. No rulings have been or will be sought from the Service with respect to any federal tax matters relating to the issuance, purchase, ownership, receipt or accrual of interest upon, or disposition of the Bonds. See also "TAX MATTERS" herein.

Future Changes in Law

General. Various State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds and various agreements described herein. There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable provisions, laws and regulations, which would have a material effect, directly or indirectly, on the affairs of the District.

Federal and State Tax Law. From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any potential, proposed or pending legislation, regulatory initiatives or litigation.

Legal Constraints on District Operations

The District is formed pursuant to statute and exercises only limited powers. Various State laws and constitutional provisions govern the assessment and collection of general ad valorem property taxes, limit revenues and spending of the State and local governments and limit rates, fees and charges imposed by such entities, including the District. There can be no assurance that the application of such provisions, or the adoption of new provisions, will not have a material adverse effect on the affairs of the District. See "LEGAL MATTERS – Certain Constitutional Limitations."

Limitations on Remedies Available to Owners of the Bonds

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

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the Bonds and the obligations incurred by the District in issuing the Bonds may be subject to the federal bankruptcy code (unless limited as described in the following paragraph), and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations, which could result in a lien on the Senior Pledged Revenue and Subordinate Pledged Revenue which is superior to the lien thereon of the 2023A Senior Bonds and 2023B(3) Subordinate Bonds, respectively, and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings (if available) or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The Special District Act provides that Colorado special districts may not seek protection under the federal bankruptcy code unless the special district is unable to discharge its obligations as they become due by means of a mill levy of not less than 100 mills. Prior to the Conversion Date the 2023A Senior Indenture only requires that the District levy the Senior Required Mill Levy in the amount of up to 45 mills (subject to adjustment), and the 2023B(3) Subordinate Indenture only requires that the District levy the Subordinate Required Mill Levy in the amount of up to 38 mills (subject to adjustment) **less the Senior Obligation Mill Levy**. Accordingly, it may not be possible under State law for the District to file for bankruptcy, and no bankruptcy trustee will be available to represent the creditors of the District, including the 2023A Owners and 2023B(3) Owners. Bankruptcy protection may be available to the District, however, if the Senior Required Mill Levy or Subordinate Required Mill Levy ever equals or exceeds 100 mills due to the Senior Required Mill Levy's conversion to an unlimited mill levy in accordance with the 2023A Senior Indenture, their adjustment mechanisms or other unforeseen circumstances. The bankruptcy provisions of the Special District Act have not been interpreted by any Colorado appellate courts, however, and it is unclear how a court would apply some of these provisions.

Restrictions on Purchase of 2023B(3) Subordinate Bonds; Investor Suitability

The 2023B(3) Subordinate Bonds are being sold to one or more knowledgeable and experienced investors who are not purchasing with a view to distributing the 2023B(3) Subordinate Bonds. All purchasers of the 2023B(3) Subordinate Bonds must be a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S. Therefore, the 2023B(3) Subordinate Bonds should not be purchased by an investor unless the investor is able to hold such 2023B(3) Subordinate Bonds indefinitely.

Authorized Denominations; Secondary Market for the Bonds

By their acceptance of the 2023A Senior Bonds, each 2023A Owner acknowledges that the 2023A Senior Bonds may be sold, transferred or otherwise disposed of only in 2023A Authorized Denominations of $5,000 or any integral multiple of $1,000 in excess thereof. By their acceptance of the 2023B(3) Subordinate Bonds, each 2023B(3) Owner acknowledges that the 2023B(3) Subordinate Bonds may be sold, transferred or otherwise disposed of only in 2023B(3) Authorized Denominations of $500,000 or any integral multiple of $1,000 in excess thereof, provided that: (a) no individual 2023B(3) Subordinate Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a 2023B(3) Subordinate Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such 2023B(3) Subordinate Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000.

No assurance can be given concerning the future existence of a secondary market for the Bonds, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any. No application has been or is intended to be made to any securities rating agency for a rating of the 2023B(3) Subordinate Bonds.[1] See "RATING."

In the event that the initial purchasers of the Bonds sell a portion of their Bonds in the secondary market in an amount which leaves such purchasers holding Bonds in an amount less than the 2023A Authorized Denomination or 2023B(3) Authorized Denomination, respectively, there is a risk that such purchasers may experience difficulty in liquidating their remaining holding. In addition, it is possible that DTC or the Trustee would not permit a secondary market sale which results in the seller retaining an ownership interest in a residual amount less than the 2023A Authorized Denomination or 2023B(3) Authorized Denomination, as applicable.

Each initial 2023B(3) Subordinate Bond purchaser is anticipated to be required to execute an investor letter prior to purchasing any such 2023B(3) Subordinate Bonds. The form of the investor letter is attached hereto as Appendix I.

The foregoing standards are minimum requirements for prospective purchasers of the Bonds. The satisfaction of such standards does not necessarily mean the Bonds are a suitable investment for a prospective investor. Accordingly, each prospective investor is urged to consult with its own legal, tax and financial advisors to determine whether an investment in the Bonds is appropriate in light of its individual legal, tax and financial situation.

USES OF PROCEEDS

Refunding Project

At or prior to issuance of the Bonds, it is anticipated that the District and Trustee will enter into the Refunding Escrow Agreement Relating to the 2017A Senior Bonds, 2017B Subordinate Bonds and 2017C Junior Lien Bonds (the "Refunded Bonds Escrow Agreement"). As described in the Refunded Bonds Escrow Agreement, the net proceeds of the Bonds are anticipated to be used to: (a) redeem the 2017A Senior Bonds on December 3, 2023 (the "2017A Redemption Date"); (b) redeem the 2017B Subordinate Bonds on December 15, 2023 (the "2017B Redemption Date"); and (c) redeem the 2017C Junior Lien Bonds on December 3, 2023 (the "2017C Redemption Date" and together with the 2017A Redemption Date and the 2017B Redemption Date, the "Redemption Dates"). The purpose of the Refunded Bonds Escrow Agreement is to provide for the defeasance and redemption of the Refunded Bonds.

The Refunded Bonds Escrow Agreement creates and establishes with the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) a special and irrevocable escrow account designated as "Midtown at Clear Creek Metropolitan District Series 2017 Bonds Escrow Account (the "Refunded Bonds Escrow Account"), which shall be held as a separate account by the Trustee as a trust fund for the benefit of the holders of the Refunded Bonds.

[1] The 2023A Senior Bonds have an insured rating of "AA" due to the 2023A Senior Bond Insurance Policy. The 2023A Senior Bonds do not have an underlying rating. See "RATING."

In accordance with the 2023A Senior Indenture, the net proceeds of the 2023A Senior Bonds are to be transferred to the Trustee for application, together with other legally available monies of the District deposited thereto, to the redemption of the Refunded Bonds in accordance with the Refunded Bonds Escrow Agreement. See “THE 2023A SENIOR BONDS – Refunded Bonds Escrow Agreement.”

In accordance with the 2023B(3) Subordinate Indenture, the net proceeds of the 2023B(3) Subordinate Bonds are to be credited to the Refunded Bonds Fund. All moneys on deposit in the Refunded Bonds Fund shall be disbursed to the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) for application, together with a portion of the proceeds of the 2023A Senior Bonds and other legally available monies of the District, to the redemption of the 2017C Junior Lien Bonds, in accordance with the Refunded Bonds Escrow Agreement. See “THE 2023B(3) SUBORDINATE BONDS – Funds and Accounts – Refunded Bonds Fund.”

As described in the Refunded Bonds Escrow Agreement, Causey Demgen & Moore P.C., Denver, Colorado, in the Sufficiency Report (defined therein) has verified the mathematical computations performed by the Underwriter, which demonstrate that the cash held in the Refunded Bonds Escrow Account (upon issuance of the Bonds and application of the net proceeds in accordance with the Indentures, as described above), together with the maturing Federal Securities (defined therein) and interest to accrue thereon, will provide sufficient funds to:

(a) pay, on the 2017A Redemption Date, the aggregate principal amount of the 2017A Senior Bonds being redeemed on the 2017A Redemption Date, plus interest, plus redemption premium equal to 2.00% of the principal amount being redeemed on the 2017A Redemption Date (collectively, the “2017A Redemption Price”);

(b) pay, on the 2017B Redemption Date, the aggregate principal amount of the 2017B Subordinate Bonds being redeemed on the 2017B Redemption Date, plus interest, plus redemption premium equal to 2.00% of the principal amount being redeemed on the 2017B Redemption Date (collectively, the “2017B Redemption Price”); and

(c) pay, on the 2017C Redemption Date, the aggregate principal amount of the 2017C Junior Lien Bonds being redeemed on the 2017C Redemption Date, plus interest (collectively, the “2017C Redemption Price”, and together with the 2017A Redemption Price and 2017B Redemption Price, the “Redemption Prices”).

On or after the Redemption Dates, after payment of the Redemption Prices of and debt service due on all of the Refunded Bonds, any remaining moneys in the Refunded Bonds Escrow Account not needed to make such payments shall be transferred by the Trustee to the District. The Refunded Bonds Escrow Agreement shall terminate when the debt service on the Refunded Bonds due on or prior to the Redemption Dates and the Redemption Prices have been paid and any remaining moneys have been transferred as provided therein (and as described in the immediately preceding sentence). The Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) shall thereupon be released and discharged from its obligations under the Refunded Bonds Escrow Agreement.

2023A Reserve Fund, Costs of Issuance and Insurance Policies

The remaining proceeds of the 2023A Senior Bonds will be used to: (i) fund a portion of the Reserve Requirement; and (ii) pay other costs in connection with the issuance of the 2023A Senior Bonds and 2023B(3) Subordinate Bonds and refunding the Refunded Bonds (including the premium for the 2023A Senior Bond Insurance Policy and the 2023A Reserve Policy). See "BOND INSURANCE – 2023A SENIOR BONDS." The remaining proceeds of the 2023B(3) Subordinate Bonds will be used to pay other costs in connection with the issuance of the 2023B(3) Subordinate Bonds.

Sources and Uses of Funds

The sources and uses of funds for the Bonds are anticipated to be as follows:

Sources and Uses of Funds*

Sources:	2023A Senior Bonds	2023B(3) Subordinate Bonds	Total
Proceeds	$31,225,000	$1,650,000	$32,875,000
Funds on Hand			
TOTAL			
Uses:			
Refunded Bonds Escrow Agent Under the Refunded Bonds Escrow Agreement			
Refunded Bonds Fund			
Costs of issuance, 2023A Senior Bond Insurance Policy premium, 2023A Reserve Policy premium (see "2023A SENIOR BOND INSURANCE"), underwriting discount (see "UNDERWRITING") and contingency			
TOTAL			

Source: The Underwriter.

*Subject to change.

THE 2023A SENIOR BONDS

Although a single Limited Offering Memorandum is being used in connection with the offer and sale of the 2023A Senior Bonds and 2023B(3) Subordinate Bonds, the 2023A Senior Bonds are secured solely by the 2023A Senior Indenture and the 2023B(3) Subordinate Bonds are secured solely by the 2023B(3) Subordinate Indenture. Further, each series of Bonds is secured by separately defined pledged revenues. The 2023A Senior Bonds are secured solely by the Senior Pledged Revenue (in addition to the 2023A Senior Bond Insurance Policy), and the 2023B(3) Subordinate Bonds are secured solely by the Subordinate Pledged Revenue. Accordingly, the use of a single Limited Offering Memorandum does <u>*not*</u> *imply that 2023A Owners and the 2023B(3) Owners are secured by the same revenue sources, insurance policies, funds or covenants. 2023A Owners and 2023B(3) Owners are afforded different rights under the 2023A Senior Indenture and the 2023B(3) Subordinate Indenture, respectively. Potential purchasers of each series of Bonds are cautioned to carefully review the provisions below and throughout this Limited Offering Memorandum describing the Indentures as applicable to the specific series of Bonds to be purchased.*

General Description

The 2023A Senior Bonds are limited tax (convertible to unlimited tax) general obligations of the District payable from the Senior Pledged Revenue as provided in the 2023A Senior Indenture. The maturity dates and interest rates for the 2023A Senior Bonds are set forth on the inside cover page hereof. For a complete statement of the details and conditions of the 2023A Senior Bonds, reference is made to the 2023A Senior Indenture, a copy of which is available from the Underwriter prior to delivery of the 2023A Senior Bonds. See "INTRODUCTION – Additional Information." Portions of the 2023A Senior Indenture are described in "THE 2023A SENIOR BONDS," "SECURITY FOR THE 2023A SENIOR BONDS" and Appendix F – Summary of Certain Provisions of the 2023A Senior Indenture. Capitalized terms not otherwise defined below are defined in Appendix F.

2023A Authorized Denominations

The 2023A Senior Bonds are being issued in "2023A Authorized Denominations,"[1] defined in the 2023A Senior Indenture to mean the amount of $5,000 or any integral multiple of $1,000 in excess thereof.

Refunded Bonds Escrow Agreement

Immediately upon issuance of the 2023A Senior Bonds and from the proceeds thereof and other legally available monies of the District (after payment of the Underwriter's discount and the Underwriter's payment, at the direction of the District, to the 2023A Senior Bond Insurer for payment of the premium for the issuance of the 2023A Senior Bond Insurance Policy and the premium for the issuance of the 2023A Reserve Policy), the Trustee shall transfer the net proceeds of the 2023A Senior Bonds to the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) for application, together with other legally

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[1] Defined in the 2023A Senior Indenture as Authorized Denomination, but defined herein as 2023A Authorized Denominations to differentiate such denominations from the 2023B(3) Authorized Denominations.

available monies of the District deposited thereto, to the redemption of the Refunded Bonds in accordance with the Refunded Bonds Escrow Agreement. For additional information on the Refunded Bonds Escrow Agreement, see "USES OF PROCEEDS – Refunding Project."

Payment of Principal and Interest; 2023A Record Date

The 2023A Senior Indenture provides that the principal of and premium, if any, on the 2023A Senior Bonds are payable in lawful money of the United States of America to the 2023A Owner of each 2023A Senior Bond upon maturity or prior redemption and presentation at the designated office of the Trustee. The interest on any 2023A Senior Bond is payable to the person in whose name such 2023A Senior Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the 2023A Record Date, irrespective of any transfer or exchange of such 2023A Senior Bond subsequent to such 2023A Record Date and prior to such 2023A Interest Payment Date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the 2023A Owner thereof at the close of business on the 2023A Record Date and shall be payable to the person who is the 2023A Owner thereof at the close of business on a 2023A Special Record Date for the payment of any such unpaid interest. Such 2023A Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the 2023A Special Record Date shall be given to the 2023A Owners of the 2023A Senior Bonds not less than 10 days prior to the 2023A Special Record Date by first-class mail to each such 2023A Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the 2023A Special Record Date and the date fixed for the payment of such unpaid interest.

Interest payments shall be paid by check or draft of the Trustee mailed on or before the 2023A Interest Payment Date to the 2023A Owners. The Trustee may make payments of interest on any 2023A Senior Bond by such alternative means as may be mutually agreed to between the 2023A Owner of such 2023A Senior Bond and the Trustee; provided that the District shall not be required to incur any expenses in connection with such alternative means of payment.

To the extent principal of any 2023A Senior Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the provision of the 2023A Senior Indenture described in " – Discharge on December 1, 2063" below. To the extent interest on any 2023A Senior Bond is not paid when due, such interest shall compound semiannually on each 2023A Interest Payment Date, at the rate then borne by the 2023A Senior Bond; provided however, that notwithstanding anything in the 2023A Senior Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the 2007 Election in repayment of the 2023A Senior Bonds, including all payments of principal, premium if any, and interest, and all 2023A Senior Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount, subject to the provision of the 2023A Senior Indenture described in " – Discharge on December 1, 2063" below.

Discharge on December 1, 2063

Notwithstanding any other provision in the 2023A Senior Indenture, in the event that any amount of principal of or interest on the 2023A Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available therefor on December 1, 2063, the 2023A Senior Bonds and the lien of the 2023A Senior Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023A Senior Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023A Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023A Senior Bonds remaining unpaid.

Prior Redemption

Optional Redemption. The optional redemption provisions of the 2023A Senior Indenture will be provided in the final Limited Offering Memorandum.

Mandatory Sinking Fund Redemption. The 2023A Senior Bonds maturing on December 1, 20__ also are subject to mandatory sinking fund redemption, in part, by lot, on December 1, 20__, and on each December 1 thereafter prior to the maturity date of such 2023A Senior Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amount as set forth below:

Year of Redemption (December 1)	Redemption Amount
	$
*	

* final maturity, not a sinking fund redemption

On or before 45 days prior to each sinking fund installment date as set forth above, the Trustee shall select for redemption, by lot in such manner as the Trustee may determine, from the Outstanding 2023A Senior Bonds, a principal amount of such 2023A Senior Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any 2023A Senior Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions shall be applied in such year or years as may be determined by the District. Prior to the Unlimited Tax Receipt Date, in the event that there are not sufficient moneys in the Senior Bond Fund to pay the full amount due in accordance with the foregoing on any sinking fund installment date, the Trustee shall redeem as many 2023A Senior Bonds as possible on such date in integral multiples of $1,000, and any redemption amount for which funds are not available to redeem 2023A Senior Bonds shall be added to the redemption amount for the immediately succeeding sinking fund installment date.

Redemption Procedure and Notice.

If less than all of the 2023A Senior Bonds within a maturity are to be redeemed on any prior redemption date, the 2023A Senior Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Trustee shall determine. The 2023A Senior Bonds shall be redeemed only in integral multiples of $1,000. In the event a 2023A Senior Bond is of a denomination larger than $1,000, a portion of such 2023A Senior Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such 2023A Senior Bond shall be treated for the purpose of redemption as that number of 2023A Senior Bonds which results from dividing the principal amount of such 2023A Senior Bond by $1,000. In the event a portion of any 2023A Senior Bond is redeemed, the Trustee shall, without charge to the 2023A Owner of such 2023A Senior Bond, authenticate and deliver a replacement 2023A Senior Bond or 2023A Senior Bonds for the unredeemed portion thereof.

In the event any of the 2023A Senior Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2023A Senior Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the 2023A Owner of each 2023A Senior Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any 2023A Owner or by electronic means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other 2023A Senior Bonds as to which no such failure or defect exists. The redemption of the 2023A Senior Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All 2023A Senior Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Funds and Accounts

The 2023A Senior Indenture creates and establishes the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of the 2023A Senior Indenture: (a) the Senior Bond Fund; (b) the 2023A Reserve Fund; and (c) the Costs of Issuance Fund.

Senior Bond Fund. There shall be credited to the Senior Bond Fund each 2023A Bond Year an amount of Senior Pledged Revenue which, when combined with other legally available moneys in the Senior Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms of the 2023A Senior Indenture), will be sufficient to pay the principal of, premium if any, and interest on the 2023A Senior Bonds which has or will become due in the 2023A Bond Year in which the credit is made, including as a result of mandatory sinking fund redemption in accordance with the 2023A Senior Indenture.

Moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the 2023A Senior Indenture) shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the 2023A Senior Bonds, in the following order of priority.

FIRST: to the payment of interest due in connection with the 2023A Senior Bonds (including without limitation current interest, accrued and payable but unpaid interest, and interest due as a result of compounding, if any); and

SECOND: to the extent any moneys are remaining in the Senior Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the 2023A Senior Bonds, whether due at maturity or upon prior redemption.

In the event that available moneys in the Senior Bond Fund (including any moneys transferred thereto from other funds pursuant to the terms of the 2023A Senior Indenture) are insufficient for the payment of the principal of, premium if any, and interest due on the 2023A Senior Bonds on any due date, the Trustee shall apply such amounts on such due date as follows:

FIRST: the Trustee shall pay such amounts as are available, proportionally in accordance with the amount of interest due on each 2023A Senior Bond; and

SECOND: the Trustee shall apply any remaining amounts to the payment of the principal of and premium, if any, on as many 2023A Senior Bonds as can be paid with such remaining amounts, such payments to be in increments of $1,000 or any integral multiple thereof, plus any premium. 2023A Senior Bonds or portions thereof to be redeemed pursuant to such partial payment shall be selected by lot from the 2023A Senior Bonds the principal of which is due and owing on the due date.

Moneys credited to the Senior Bond Fund may be invested or deposited as provided in the 2023A Senior Indenture.

2023A Reserve Fund; 2023A Reserve Policy Provisions.

(a) On the date of issuance of the 2023A Senior Bonds, there shall be deposited into the 2023A Reserve Fund the 2023A Reserve Policy (satisfying 50% of the Reserve Requirement) and proceeds of the 2023A Senior Bonds in an amount equal to 50% of the Reserve Requirement. The 2023A Reserve Fund shall thereafter be funded and maintained in the amount of the Reserve Requirement with the: (i) the 2023A Reserve Policy and (ii) cash, Permitted Investments, an additional 2023A Reserve Fund Guaranty, or any combination of the foregoing. Moneys in the 2023A Reserve Fund shall be used solely for the purpose of paying the principal of and interest on the 2023A Senior Bonds to the extent the moneys in the Senior Bond Fund are insufficient for such purpose. The Trustee shall transfer moneys from the 2023A Reserve Fund to the Senior Bond Fund (in the priority provided in paragraphs (f) and (g) below)) to pay the principal of or interest on the 2023A Senior Bonds to the extent moneys on deposit in the Senior Bond Fund are insufficient therefor on any 2023A Interest Payment Date. In the event that moneys in the Senior Bond Fund and the 2023A Reserve Fund are together insufficient to make such payments when due on any 2023A Interest Payment Date, the Trustee will nonetheless transfer all moneys in the 2023A Reserve Fund (including all amounts then available to be drawn under the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranty) to the Senior Bond Fund for the purpose of making partial payments as provided in the 2023A Senior Indenture (as described in " – Senior Bond Fund" below).

(b) Moneys credited to the 2023A Reserve Fund may be invested or deposited by the Trustee at the written direction of the District in Permitted Investments only and in accordance with the laws of the State. The investment of moneys credited to the 2023 Reserve Fund shall, however, be subject to the covenants and provisions of the 2023A Senior Indenture. Investments in the 2023A Reserve Fund shall be valued by the Trustee at market value at least quarterly. Interest income from the investment or reinvestment of moneys credited to the 2023A Reserve Fund shall remain in and become part of the 2023A Reserve Fund if the 2023A Reserve Fund balance is less than the Reserve Requirement for the 2023A Senior Bonds. At any time that the Trustee determines that the 2023A Reserve Fund balance exceeds the Reserve Requirement for the 2023A Senior Bonds, such excess amounts shall be transferred by the Trustee to the Senior Bond Fund on or before the next 2023A Interest Payment Date.

(c) If at any time the 2023A Reserve Fund is drawn upon or valued so that the amount of the 2023A Reserve Fund is less than the Reserve Requirement, then the Trustee shall apply Senior Pledged Revenue to the credit of the 2023A Reserve Fund, shall repay any draws under the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranty and shall pay all other 2023A Policy Costs from the Senior Pledged Revenue as Senior Pledged Revenue is available therefor in accordance with the 2023A Senior Indenture (as described in " – Application of Senior Pledged Revenue" below), and in the priority provided in paragraph (f) below, so as to result in the amount credited to the 2023A Reserve Fund (including the available coverage of the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranty) equaling the Reserve Requirement.

(d) Cash and Permitted Investments on deposit in the 2023A Reserve Fund on the final maturity date of the 2023A Senior Bonds shall be applied to the payment of the 2023A Senior Bonds on such date. The availability of such amounts shall be taken into account in calculating the Senior Required Mill Levy required to be imposed in the levy year prior to the year of the final maturity of the 2023A Senior Bonds.

(e) Interest shall accrue and be payable on any 2023A Policy Costs from the date of payment by the 2023A Senior Bond Insurer at the Late Payment Rate. Repayments of 2023A Policy Costs shall commence in the first month following each draw and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2023A Policy Costs related to such draw.

(f) Amounts in respect of 2023A Policy Costs paid to the 2023A Senior Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the 2023A Senior Bond Insurer on account of principal due, the coverage under the 2023A Reserve Policy will be increased by a like amount, subject to the terms of the 2023A Reserve Policy.

(g) All cash and investments in the 2023A Reserve Fund shall be transferred to the Senior Bond Fund for payment of the debt service on the 2023A Senior Bonds before any drawing may be made on the 2023A Reserve Policy or any other 2023A Reserve Fund Guaranty.

(h) Payment of any 2023A Policy Costs shall be made prior to replenishment of any cash amounts. Draws on all 2023A Reserve Fund Guaranties (including the 2023A Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the 2023A Reserve Fund. Payment of 2023A Policy Costs and reimbursement of amounts with respect to the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranties shall be made on a pro-rata basis prior to replenishment of any cash drawn from the 2023A Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable 2023A Reserve Fund Guaranty without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(i) Draws under the 2023A Reserve Policy may only be used to make payments on the 2023A Senior Bonds insured by the 2023A Senior Bond Insurer (and for the avoidance of doubt, not any other obligations of the District, whether issues on parity with the 2023A Senior Bonds, or otherwise).

(j) If the District shall fail to pay any 2023A Policy Costs in accordance with the requirements of the 2023A Senior Indenture, the 2023A Senior Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the 2023A Senior Indenture other than (i) acceleration of the maturity of the 2023A Senior Bonds, or (ii) remedies which would adversely affect owners of the 2023A Senior Bonds.

(k) The 2023A Senior Indenture shall not be discharged until all 2023A Policy Costs owing to the 2023A Senior Bond Insurer shall have been paid in full. The District's obligation to pay such amount shall expressly survive payment in full of the 2023A Senior Bonds.

(l) In order to secure the District's payment obligations with respect to the 2023A Policy Costs, there is granted and perfected in the 2023A Senior Indenture in favor of the 2023A Senior Bond Insurer a security interest (subordinate only to that of the owners of the 2023A Senior Bonds) in all revenues and collateral pledged as security for the 2023A Senior Bonds.

(m) The Trustee shall ascertain the necessity for a claim upon the 2023A Reserve Policy in accordance with the provisions of the 2023A Senior Indenture and provide notice to the 2023A Senior Bond Insurer at least two Business Days prior to each date upon which interest or principal is due on the 2023A Senior Bonds.

(n) The 2023A Reserve Policy shall expire on the earlier of the date the 2023A Senior Bonds are no longer outstanding and the final maturity date of the 2023A Senior Bonds.

(o) 2023A Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional obligations test in the 2023A Senior Indenture (described in "SECURITY FOR THE 2023A SENIOR BONDS – 2023A Additional Obligations").

(p) Notwithstanding anything to the contrary in the 2023A Senior Indenture, the obligations of the District with respect to the 2023A Reserve Policy shall be governed by the Debt Service Reserve Agreement between the District and the 2023A Senior Bond Insurer.

(q) Notwithstanding the foregoing, the prior written consent of the 2023A Senior Bond Insurer shall be a condition precedent to the deposit of any 2023A Reserve Fund Guaranty (other than the 2023A Reserve Policy) provided in lieu of a cash deposit into the 2023A Reserve Fund. The Trustee shall provide the 2023A Senior Bond Insurer with notice of any draw upon the 2023A Reserve Fund within two Business Days after knowledge thereof, other than withdrawals of amounts in the 2023A Reserve Fund which are in excess of the Reserve Requirement.

Costs of Issuance Fund. The Costs of Issuance Fund shall be maintained by the Trustee. All moneys on deposit in the Costs of Issuance Fund shall be applied by the Trustee at the direction of the District in accordance with the closing memorandum prepared by the Underwriter, which summarizes the approved costs of issuance, to the payment of costs in connection with the issuance of the 2023A Senior Bonds and the 2023B(3) Subordinate Bonds, including, without limitation, printing costs, CUSIP fees, regulatory fees, the fees and expenses of bond counsel, general counsel, underwriter's counsel and other counsel, the fees and expenses of the District's accountant, manager, special consultants, and other professionals, and the costs of the Trustee, and other costs and expenses of the District relating to the issuance of the 2023A Senior Bonds and the 2023B(3) Subordinate Bonds. The Trustee may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the 2023A Senior Bonds shall be transferred by the Trustee into the Senior Bond Fund.

Application of the Senior Pledged Revenue

In accordance with the 2023A Senior Indenture, the District is to transfer all amounts comprising Senior Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District; provided, however, that in the event that the total amount of Senior Pledged Revenue received by the District in a calendar month is less than $50,000, the Senior Pledged Revenue received in such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the District (i.e., no later than April 15th for Senior Pledged Revenue received in January, February or March, no later than July 15th for Senior Pledged Revenue received in April, May or June, no later than October 15th for Senior Pledged Revenue received in July, August or September, and no later than January 15th for Senior Pledged Revenue received in October, November or December).

IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE SENIOR PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE SENIOR PLEDGED REVENUE.

The Trustee shall credit all Senior Pledged Revenue as received in the following order of priority (excluding the Senior Pledged Revenue described in clause (c) of the definition thereof, which is to be deposited directly to the Senior Bond Fund). The District shall also transfer to the Trustee as soon as practicable, and the Trustee shall credit in the following order of priority, all revenues (including specific ownership taxes) received as a result of the District's imposition of a debt service mill levy in 2022 (collected in 2023). For purposes of the following, (a) when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank pari passu with each other and, in the event that Senior Pledged Revenue is not sufficient to fully fund all amounts required at any single priority level, credits shall be made pro rata, in accordance with the relative amounts required to be deposited to such funds or accounts or, in the case of THIRD below, the relative outstanding principal amounts of the obligations secured by the applicable funds; and (b) when credits are required to go to funds or accounts which are not held by the Trustee under the 2023A Senior Indenture, the Trustee may rely upon the written instructions of the District with respect to the appropriate funds or accounts to which such credits are to be made.

FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable;

SECOND: To the credit of the Senior Bond Fund, the amounts required by the 2023A Senior Indenture (described in " – Funds and Accounts - Senior Bond Fund" above) and to the credit of any other similar fund or account established for the current payment of the principal of, premium if any, and interest on any 2023A Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the 2023A Parity Bonds for the then current 2023A Bond Year;

THIRD: To the credit of the 2023A Reserve Fund and to the 2023A Senior Bond Insurer and any other provider of a 2023A Reserve Fund Guaranty securing the 2023A Senior Bonds for the payment of any 2023A Policy Costs, all in accordance with the 2023A Senior Indenture (described in " – Funds and Accounts – 2023A Reserve Fund; 2023A Reserve Policy Provisions" above), in the amounts necessary to result in the amount then credited to the 2023A Reserve Fund equaling the Reserve Requirement, and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any, and interest on any 2023A Parity Bonds (or to the provider of any other 2023A Reserve Fund Guaranty securing such 2023A Parity Bonds), the amounts required by the resolution or other enactment authorizing issuance of the 2023A Parity Bonds;

FOURTH: To the District, for credit to any other fund or account as may be designated by the District in writing to the Trustee, to be used for any lawful purpose, any Senior Pledged Revenue received for the remainder of the 2023A Bond Year after the payments and accumulations set forth above (which revenues, upon disbursement to or at the direction of the District in accordance with this clause FOURTH, shall be released from the lien of the 2023A Senior Indenture and shall thereafter no longer constitute "Senior Pledged Revenue" thereunder).

In the event that any Senior Pledged Revenue is available to be disbursed in accordance with clause FOURTH above, the District will, in making its determination as to the application of such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue from a debt service mill levy, and any then existing pledge or encumbrance on such revenues. For purposes of determining the nature of the Senior Pledged Revenue available for disbursement pursuant to FOURTH above, the Senior Pledged Revenue applied in FIRST through THIRD above shall be deemed to be funded, first, from Senior Property Tax Revenues resulting from imposition of the Senior Required Mill Levy, and second, from Senior Specific Ownership Tax Revenues resulting from imposition of the Senior Required Mill Levy.

The District covenants in the 2023A Senior Indenture that all property tax revenue collected by the District from a debt service mill levy, or so much thereof as is needed, shall first, be designated as Senior Property Tax Revenues in any 2023A Bond Year to pay annual debt service on the 2023A Senior Bonds and any 2023A Parity Bonds and to fund such funds and accounts as are required in accordance with the terms of the 2023A Senior Indenture and the resolution, indenture or other enactment authorizing such 2023A Parity Bonds (including to replenish the 2023A Reserve Fund to the Reserve Requirement and any similar fund or account securing 2023A Parity Bonds to the 2023A Parity Bonds Reserve Requirement, if needed), and only after the funding of such payments and accumulations required in such 2023A Bond Year can property tax revenue be applied to pay Subordinate Obligations. The debt service property tax levy imposed for the payment of Subordinate Obligations shall be deemed reduced to the number of mills (if any) available for payment of such Subordinate Obligations in any 2023A Bond Year after first providing for the full payment and accumulation of all amounts due on the 2023A Senior Bonds and any 2023A Parity Bonds in such 2023A Bond Year.

Additional Covenants and Agreements of the District in the 2023A Senior Indenture

The District further irrevocably covenants and agrees in the 2023A Senior Indenture with each and every 2023A Owner that so long as any of the 2023A Senior Bonds remain Outstanding:

(a) The District will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the 2023A Senior Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials liability, and such other forms of insurance coverage on insurable District property upon the terms and conditions, and in such amount, as in the judgment of the District will protect the District and its operations.

(d) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) In the event that any amount of the Senior Pledged Revenue is released to the District as provided in the 2023A Senior Indenture (as described in FOURTH of " – Application of Senior Pledged Revenue" above), the District will, in making its determination as to which obligations will be paid with such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue.

Book-Entry Only System

The 2023A Senior Bonds will be available only in book-entry form in the principal amount of $5,000 and integral multiples of $1,000 in excess thereof. DTC will act as the initial securities depository for the 2023A Senior Bonds. The ownership of one fully registered 2023A Senior Bond for each maturity, as set forth on the inside cover page of this Limited Offering Memorandum, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix D – Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE 2023A REGISTERED OWNER OF THE 2023A SENIOR BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE 2023A REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE 2023A BENEFICIAL OWNERS.

Neither the District nor the Trustee will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined in Appendix D), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2023A Senior Bonds as further described in Appendix D to this Limited Offering Memorandum.

SECURITY FOR THE 2023A SENIOR BONDS

The 2023A Senior Indenture secures solely the 2023A Senior Bonds, and the covenants made by the District in the 2023A Senior Indenture are solely for the benefit of the 2023A Owners. For capitalized terms not defined in this section, see Appendix F – Summary of Certain Provisions from the 2023A Senior Indenture.

Senior Pledged Revenue

The 2023A Senior Indenture defines "Senior Pledged Revenue" as the following: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Senior Bond Fund.

The 2023A Senior Bonds are also secured by the 2023A Reserve Fund up to the Reserve Requirement ($2,252,000*), which is being satisfied at the initial issuance of the 2023A Senior Bonds as follows: (i) 50% will be cash funded with proceeds of the 2023A Senior Bonds; and (ii) 50% will be satisfied by the issuance of the 2023A Reserve Policy. See "THE 2023A SENIOR BONDS – Funds and Accounts - 2023A Reserve Fund; 2023A Reserve Policy Provisions."

Concurrently with the issuance of the 2023A Senior Bonds, the 2023A Senior Bond Insurer will issue its 2023A Senior Bond Insurance Policy which guarantees the scheduled payment of principal of and interest on the 2023A Senior Bonds when due as set forth in the Specimen Municipal Bond Insurance Policy – 2023A Senior Bonds attached hereto as Appendix J. See "BOND INSURANCE – 2023A Senior Bonds." *The District provides no assurance that the 2023A Senior Bond Insurer will be able to meet its obligations under the 2023A Senior Bond Insurance Policy*.

Senior Property Tax Revenues

<u>Senior Property Tax Revenues</u>. The 2023A Senior Indenture defines "Senior Property Tax Revenues" as all moneys derived from imposition by the District of the Senior Required Mill Levy. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Senior Property Tax Revenues do not include specific ownership tax revenues.)

<u>Senior Required Mill Levy</u>. The 2023A Senior Indenture defines "Senior Required Mill Levy" as:

> (a) subject to paragraph (c) below, **prior to the Conversion Date**, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount necessary to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2023A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund), and replenishing the 2023A Reserve Fund to the

* Subject to change.

Reserve Requirement or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, as applicable, but not in excess of 45 mills; provided, however, that in the event that the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed on or after January 1, 2007, the maximum mill levy of 45 mills provided in the 2023A Senior Indenture will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation; and further provided that, in accordance with the Service Plan, the maximum mill levy of 45 mills (adjusted) shall be reduced by the number of mills necessary to pay unlimited mill levy debt (the issuance of which is subject to the limitations of the 2023A Senior Indenture);

(b) subject to paragraph (c) below, **on and after the Conversion Date**, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount necessary (without limitation as to rate) to generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the 2023A Senior Bonds as the same become due and payable (less any amount thereof for which amounts are then on deposit in the Senior Bond Fund) and replenishing the 2023A Reserve Fund to the Reserve Requirement or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy , as applicable. On and after the Conversion Date, the definition of "Senior Required Mill Levy" thereafter shall be determined exclusively by this paragraph (b) regardless of any subsequent increase in the Senior Debt to Assessed Ratio; and

(c) notwithstanding anything in the 2023A Senior Indenture to the contrary, in no event may the Senior Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District's electoral authorization, and if the Senior Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District's electoral authorization, the Senior Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

Conversion Date. The 2023A Senior Indenture defines "Conversion Date" as the first date on which all of the following conditions are met: (a) the Senior Debt to Assessed Ratio is 50% or less; (b) no amounts of principal or interest on the 2023A Senior Bonds are due but unpaid; and (c) the amount on deposit in the 2023A Reserve Fund is not less than the Reserve Requirement. "Senior Debt to Assessed Ratio" is generally defined in the 2023A Senior Indenture as the ratio derived by dividing the then-outstanding principal amount of Senior Debt by the most recent Final Assessed Valuation of the District, which ratio calculation shall be set forth in a written certificate of the District Representative provided to the Trustee.

Upon issuance of the Bonds, the District's Senior Debt to Assessed Ratio will be approximately 70.1%*, based on the District's 2023 preliminary assessed value. See "DISTRICT DEBT STRUCTURE – Selected Debt Ratios." No assurance is provided that the Conversion Date will occur.

Senior Required Mill Levy Adjustment. In accordance with the 2023A Senior Indenture, if, on or after January 1, 2007, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the maximum Senior Required Mill Levy of 45 mills is to be increased or decreased so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.

Residential assessment rates were decreased in 2017 and 2019 in accordance with the Gallagher Amendment (defined herein). Additionally, assessment rates and the actual value of various classes of property are to be reduced in 2023 and 2024 in accordance with SB22-238 (defined herein). According to the District, it is anticipated that the maximum Senior Required Mill Levy to be imposed in 2023, for collection in 2024, will be 50.097 mills. In accordance with the Base Case of the Financial Forecast, it is anticipated that the District will impose a Senior Required Mill Levy of 38 in 2023, for collection in 2024, as such mill levy is anticipated to generate sufficient Senior Pledged Revenue for the District to make its required debt service payments on the 2023A Senior Bonds in 2024. For additional information on the Gallagher Amendment, SB 22-238 and the calculation of actual and assessed valuation generally, see "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes."

Covenant to Impose Senior Required Mill Levy.

For the purpose of paying the principal of, premium if any, and interest on the 2023A Senior Bonds and, if necessary, replenishing the 2023A Reserve Fund to the Reserve Requirement (or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, and the provider of any other 2023A Reserve Fund Guaranty for draws thereon, as applicable), the Board shall annually determine and certify to the Board of County Commissioners for the County, in each of the years 2023 through 2052, inclusive (for tax collection in years 2024 through 2053, inclusive), and in any year thereafter in which the 2023A Senior Bonds remain Outstanding, in addition to all other taxes, the Senior Required Mill Levy, subject to the following paragraph. Nothing in the 2023A Senior Indenture shall be construed to require the District to levy an ad valorem property tax for payment of the 2023A Senior Bonds and, if necessary, replenishing the 2023A Reserve Fund to the Reserve Requirement (or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, and the provider of any other 2023A Reserve Fund Guaranty for draws thereon, as applicable), in excess of the Senior Required Mill Levy. When collected, the taxes levied for the foregoing purposes shall be deposited with the Trustee in accordance with the 2023A Senior Indenture (as described in "THE 2023A SENIOR BONDS – Application of Senior Pledged Revenue).

NOTWITHSTANDING ANY OTHER PROVISION IN THE 2023A SENIOR INDENTURE, THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SENIOR

* Subject to change.

REQUIRED MILL LEVY FOR PAYMENT OF THE 2023A SENIOR BONDS AFTER DECEMBER 2062 (FOR COLLECTION IN CALENDAR YEAR 2063).

The foregoing provisions of the 2023A Senior Indenture are declared in the 2023A Senior Indenture to be the certificate of the Board to the Board of County Commissioners for the County, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purpose of paying the principal of, premium if any, and the interest on the 2023A Senior Bonds.

The amounts necessary to pay all costs and expenses incidental to the issuance of the 2023A Senior Bonds and to pay the principal of, premium if any, and interest on the 2023A Senior Bonds when due, and to make up any deficiencies in the 2023A Reserve Fund (or repaying the 2023A Senior Bond Insurer for draws on the 2023A Reserve Policy, and the provider of any other 2023A Reserve Fund Guaranty for draws thereon, as applicable), are appropriated in the 2023A Senior Indenture for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the 2023A Senior Bonds have been fully paid, satisfied, and discharged.

It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the 2023A Senior Indenture with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to the 2023A Senior Indenture.

Senior Specific Ownership Tax Revenues

The 2023A Senior Indenture defines "Senior Specific Ownership Tax Revenues" as the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Senior Required Mill Levy.

The State Constitution requires the Colorado General Assembly to enact laws classifying motor vehicles and requiring payment of a graduated annual specific ownership tax thereon, which tax is to be in lieu of ad valorem property taxes on motor vehicles. Accordingly, the State imposes such a tax (the "S.O. Tax"), which is payable at a graduated rate which varies from 2.1% of taxable value in the first year of ownership to $3 per year in the tenth year of ownership and thereafter. The S.O. Tax is collected by each county clerk and recorder at the time of motor vehicle registration. Most S.O. Tax revenues (including revenues received from owners of passenger cars and trucks, which constitute the majority of S.O. Tax revenues) are paid directly to the county treasurer of the county in which the revenues are collected. S.O. Tax revenues on certain types of vehicles are paid by the counties to the State and are then distributed back to the counties in the proportion that the mileage of the State highway system located within the boundaries of each county bears to the total mileage of the State highway system.

Each county apportions its S.O. Tax revenue to each political subdivision in the county in the proportion that the amount of ad valorem property taxes levied by the political subdivision in the previous year bears to the total amount of ad valorem property taxes levied by all political subdivisions in the county in the previous year. Based upon these percentages, each county then distributes S.O. Tax revenue to each political subdivision on the tenth day of each month. The amount of Senior Specific Ownership Tax Revenues received by the District which are pledged to the 2023A Senior Bonds depends in part upon the amount of the Senior Required Mill Levy. Furthermore, the amount of Senior Specific Ownership Tax Revenues which will be received by the District in the future can be expected to fluctuate as the number of new car and truck registrations fluctuates. Senior Specific Ownership Tax Revenues received by the District as a result of the imposition of any mill levies other than the Senior Required Mill Levy are not pledged to the 2023A Senior Bonds.

2023A Events of Default and Remedies

2023A Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute a "2023A Event of Default" under the 2023A Senior Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or 2023A Event of Default thereunder except as provided below:

(a) Before the Unlimited Tax Receipt Date, the District fails or refuses to impose the Senior Required Mill Levy or to apply the Senior Pledged Revenue as required by the 2023A Senior Indenture;

(b) On and after the Unlimited Tax Receipt Date, the District fails to pay the principal of, premium if any, or interest on the 2023A Senior Bonds when due;

(c) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the 2023A Senior Indenture or the Bond Resolution and fails to remedy the same after notice thereof pursuant to the 2023A Senior Indenture; or

(d) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the 2023A Senior Bonds.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE 2023A SENIOR INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES IN THE 2023A SENIOR INDENTURE THAT THE APPLICATION OF ANY PORTION OF THE SENIOR PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE

PROVISIONS OF THE 2023A SENIOR INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE 2023A SENIOR INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE 2023A OWNERS OF THE 2023A SENIOR BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE 2023A OWNERS OF THE 2023A SENIOR BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE 2023A SENIOR INDENTURE. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES IN THE 2023A SENIOR INDENTURE THAT THE APPLICATION OF SENIOR PLEDGED REVENUE IN VIOLATION OF THE COVENANTS OF THE 2023A SENIOR INDENTURE WILL RESULT IN IRREPARABLE HARM TO THE 2023A OWNERS OF THE 2023A SENIOR BONDS. IN NO EVENT SHALL ANY PROVISION OF THE 2023A SENIOR INDENTURE BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE SENIOR PLEDGED REVENUE.

It is acknowledged in the 2023A Senior Indenture that due to the limited nature of the Senior Pledged Revenue, prior to the Unlimited Tax Receipt Date, the failure to pay the principal of or interest on the 2023A Senior Bonds when due shall not, of itself, constitute a 2023A Event of Default thereunder.

IN ADDITION, IT IS ACKNOWLEDGED IN THE 2023A SENIOR INDENTURE THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SENIOR REQUIRED MILL LEVY FOR PAYMENT OF THE 2023A SENIOR BONDS AFTER DECEMBER 2062 (FOR COLLECTION IN CALENDAR YEAR 2063).

Remedies on Occurrence of 2023A Event of Default.

Upon the occurrence and continuance of a 2023A Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(a) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the 2023A Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the 2023A Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the 2023A Senior Indenture to, the Trustee.

(b) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the 2023A Owners under the Act, the 2023A Senior Bonds, the Bond Resolution, the 2023A Senior Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

(c) *Mandamus or Other Suit*. The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the 2023A Owners.

No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the 2023A Senior Indenture or any rights, powers, or remedies of the Trustee thereunder, or any lien, rights, powers, and remedies of the 2023A Owners of the 2023A Senior Bonds, but such lien, rights, powers, and remedies of the Trustee and of the 2023A Owners shall continue unimpaired as before.

If any Event of Default under paragraphs (a) or (b) of " – 2023A Events of Default" above shall have occurred and if requested by the 2023A Owners of 25% in aggregate principal amount of the 2023A Senior Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the 2023A Senior Indenture as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the 2023A Owners, subject to the 2023A Senior Indenture; provided that the Trustee at its option shall be indemnified as provided in the 2023A Senior Indenture. For purposes of the foregoing, so long as the 2023A Senior Bond Insurer is not in default of its payment obligations under the 2023A Senior Bond Insurance Policy, upon the occurrence and continuation of a 2023A Event of Default, the 2023A Senior Bond Insurer shall be deemed to be the 2023A Owner of the 2023A Senior Bonds insured by the 2023A Senior Bond Insurance Policy.

Notwithstanding anything in the 2023A Senior Indenture to the contrary, acceleration of the 2023A Senior Bonds shall not be an available remedy for a 2023A Event of Default.

<u>2023A Senior Bond Insurer or Majority of 2023A Consent Parties May Control of Proceedings</u>. So long as the 2023A Senior Bond Insurer is not then in default of its payment obligations under the 2023A Senior Bond Insurance Policy, it shall be deemed to be the sole holder of the 2023A Senior Bonds for all purposes and shall have the right to control and direct the enforcement of all rights and remedies granted to the 2023A Owners of the 2023A Senior Bonds or the Trustee for the benefit of such 2023A Owners under the 2023A Senior Indenture upon a 2023A Event of Default. Except as provided in the preceding sentence, the 2023A Consent Parties of a majority in aggregate principal amount of the 2023A Senior Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the 2023A Senior Indenture, or for the appointment of a receiver, and any other proceedings thereunder; provided that such direction shall not be otherwise than in accordance with the provisions of the 2023A Senior Indenture; and provided further that at its option the Trustee shall be indemnified as provided in the 2023A Senior Indenture.

<u>Rights and Remedies of 2023A Owners</u>. No 2023A Owner of any 2023A Senior Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the 2023A Senior Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in the 2023A Senior Indenture, or of which under the 2023A Senior Indenture it is deemed to have notice; (b) such default shall have become a 2023A Event of Default; (c) the 2023A Owners of not less than 25% in aggregate principal amount of 2023A Senior Bonds then Outstanding, and, so long as it is not in default of its payment obligations under the 2023A Senior Bond Insurance Policy, the 2023A Senior Bond Insurer, shall

have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the 2023A Senior Indenture or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in the 2023A Senior Indenture; and (d) the Trustee shall thereafter fail or refuse to exercise the powers granted in the 2023A Senior Indenture, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the 2023A Senior Indenture, or for the appointment of a receiver or for any other remedy under the 2023A Senior Indenture; it being understood and intended that no one or more 2023A Owners of 2023A Senior Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the 2023A Senior Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner therein provided and for the equal benefit of the 2023A Owners of all 2023A Senior Bonds then Outstanding.

2023A Additional Obligations

The District shall not incur any additional debt or other financial obligation having a lien upon the Senior Pledged Revenue superior to the lien thereof of the 2023A Senior Bonds.

Any 2023A Additional Obligations secured by a lien on ad valorem property taxes of the District shall be issued as either 2023A Parity Bonds or Subordinate Obligations. The issuance of the 2023B(3) Subordinate Bonds in accordance with the 2023B(3) Subordinate Indenture is permitted. The District shall not issue or incur any other 2023A Additional Obligations except as provided in the 2023A Senior Indenture (as described below) with respect to 2023A Parity Bonds and Subordinate Obligations, unless such issuance is consented to by the 2023A Consent Parties with respect to a majority in aggregate principal amount of the 2023A Senior Bonds then Outstanding.

2023A Parity Bonds. The District may issue 2023A Additional Obligations constituting 2023A Parity Bonds without the consent of the 2023A Consent Parties and the 2023A Senior Bond Insurer if each of the following conditions is met as of the date of issuance of such 2023A Additional Obligations:

(a) no 2023A Event of Default shall have occurred and be continuing and no amounts of principal or interest on the 2023A Senior Bonds or any other 2023A Parity Bonds are due but unpaid, unless: (A) such 2023A Event of Default or failure to pay principal or interest on the 2023A Senior Bonds will be cured upon issuance of the 2023A Parity Bonds, or (B) the conditions of the 2023A Senior Indenture (described in clause (e)(iii)) below are satisfied;

(b) the amount on deposit in the 2023A Reserve Fund for the 2023A Senior Bonds (including the amount satisfied by the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranty) is not less than the Reserve Requirement, and the amount on deposit in any similar fund established in connection with any other outstanding 2023A Parity Bonds is not less than the 2023A Parity Bonds Reserve Requirement, provided that if such deficiencies will be fully cured upon issuance of the 2023A Parity Bonds, this condition will be deemed to have been met;

(c) the 2023A Parity Bonds shall be secured by a reserve fund funded (with cash, a policy similar to the 2023A Reserve Policy, or any combination of cash and such a policy) on the date of issuance of the 2023A Parity Bonds, which thereafter shall be required to be maintained in the same manner as the 2023A Reserve Fund with respect to the 2023A Senior Bonds, in the amount of (and not greater than) the applicable 2023A Parity Bonds Reserve Requirement;

(d) in the event that the 2023A Parity Bonds are secured by a lien on ad valorem property taxes of the District, then (A) the maximum ad valorem mill levy (if any) pledged to the payment of the 2023A Parity Bonds, together with the Senior Required Mill Levy required to be imposed under the 2023A Senior Indenture, shall be not higher than the maximum mill levy set forth in the definition of Senior Required Mill Levy therein (provided that conversion to an unlimited mill levy pledge shall be permitted under the same circumstances as is permitted in the Senior Required Mill Levy), and (B) the resolution, indenture or other document pursuant to which the 2023A Parity Bonds are issued shall provide that any ad valorem property taxes imposed for the payment of such 2023A Parity Bonds shall be applied in the same manner and priority as provided in the 2023A Senior Indenture with respect to the Senior Pledged Revenue; and

(e) one of the following three conditions shall be satisfied (but subject to second to last paragraph below under this " – 2023A Additional Obligations" section):

(i) the Conversion Date with respect to the 2023A Senior Bonds has occurred and the District has provided a certificate to the 2023A Senior Bond Insurer with respect to such occurrence of the Conversion Date; OR

(ii) the Projected Debt Service Coverage Ratio is 1.35*x* or more; OR

(iii) the proposed 2023A Parity Bonds will constitute Refunding Parity Bonds and, upon issuance of such Refunding Parity Bonds, the total of the District's scheduled debt service on such Refunding Parity Bonds, the 2023A Senior Bonds and any other 2023A Parity Bonds (to the extent to remain outstanding upon the issuance of such Refunding Parity Bonds) will not exceed in any year the total scheduled debt service on the 2023A Senior Bonds and 2023A Parity Bonds outstanding immediately prior to the issuance of such Refunding Parity Bonds (excluding from such calculation of debt service any amount on deposit in a reserve fund anticipated to be available for payment of debt service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, the issuance of Refunding Parity Bonds that have a scheduled payment date in any year that is after the latest maturity date of the 2023A Senior Bonds or 2023A Parity Bonds outstanding immediately prior to the issuance of the Refunding Parity Bonds shall be deemed to increase the District's 2023A Parity Bonds debt service and shall not be permitted by the 2023A Senior Indenture (as described in this paragraph).

"Projected Debt Service Coverage Ratio" is defined in the 2023A Senior Indenture to mean, as of any date of calculation (including, when used in connection with the proposed issuance of 2023A Parity Bonds, the proposed date of issuance of such 2023A Parity Bonds), the ratio derived by dividing: (a) the amount of ad valorem property tax revenue that would be generated by the District's imposition of a mill levy equal to 45 mills, subject to adjustment as provided in clause (a) of the definition of Senior Required Mill Levy, assuming the assessed valuation of the District's taxable property was equal to the most recent Final Assessed Valuation of the District, by (b) the then applicable Maximum Annual Debt Service, which ratio shall be set forth in a certificate of a Certified Public Accountant provided to the Trustee and the 2023A Senior Bond Insurer.

"Maximum Annual Debt Service" is defined in the 2023A Senior Indenture to mean, as of any date of calculation, an amount equal to the maximum amounts required to be paid in any single current or future calendar year as the principal of (including any mandatory sinking fund requirements) and interest on any 2023A Senior Bonds and 2023A Parity Bonds then outstanding. For purposes of calculating Maximum Annual Debt Service in any fiscal year in which any 2023A Senior Bonds or 2023A Parity Bonds finally mature there shall be subtracted from the final principal payment for said 2023A Senior Bonds or 2023A Parity Bonds any cash (or the present value of any investments) then on deposit in the reserve fund and the surplus fund required to be applied to payment of the 2023A Parity Bonds on such final maturity date in accordance with the provisions of any resolution, indenture or other instrument pursuant to which 2023A Parity Bonds are issued (which includes, for purposes of the 2023A Senior Bonds, the portion of the Reserve Requirement on deposit in the 2023A Reserve Fund funded with cash and Permitted Investments, but not the portion thereof funded with the 2023A Reserve Policy and any other 2023A Reserve Fund Guaranty).

Subordinate Bonds. The District may issue 2023A Additional Obligations constituting Subordinate Obligations without the consent of the 2023A Consent Parties and the terms of such Subordinate Obligations shall be as provided in the documents pursuant to which they are issued, provided that each of the following conditions is met as of the date of issuance of the Subordinate Obligations:

(a) the aggregate number of mills which the District promises to impose for payment of all Subordinate Obligations (including the Subordinate Obligations proposed to be issued) does not exceed the maximum mill levy set forth in the definition of Subordinate Required Mill Levy in the 2023B(3) Subordinate Indenture (subject to adjustment as described therein), less the Senior Required Mill Levy required to be imposed under the 2023A Senior Indenture and the mill levy required to be imposed for the payment of any 2023A Parity Bonds;

(b) the failure to make a payment when due on the Subordinate Obligations shall not constitute an event of default thereunder; and

(c) the Subordinate Obligations shall be payable as to both principal and interest only on an annual basis, on or after December 15 of each calendar year.

A written certificate by the President or Treasurer of the District that the conditions set forth in the 2023A Senior Indenture are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver 2023A Additional Obligations in accordance therewith.

Except as provided in the 2023A Senior Indenture (as described in the first paragraph of this " – 2023A Additional Obligations" section), nothing in the 2023A Senior Indenture shall affect or restrict the right of the District to issue or incur additional debt or other financial obligations that are not 2023A Additional Obligations thereunder.

Notwithstanding any other provision contained in the 2023A Senior Indenture, on and after the Conversion Date, under no circumstances shall the District issue 2023A Parity Bonds unless, upon issuance of such 2023A Parity Bonds, the Senior Debt to Assessed Ratio of the District will be 50% or less.

Notwithstanding any other provision contained in the 2023A Senior Indenture, under no circumstances shall the District issue 2023A Additional Obligations in excess of that authorized by eligible electors of the District, if applicable, and the Service Plan, as the same may be amended from time to time. In addition, excluding the 2023B(3) Subordinate Bonds, the District shall not issue any 2023A Additional Obligations requiring any electoral authorization for indebtedness approved at the 2007 Election until such time as the full amount of indebtedness represented by the 2023A Senior Bonds has been allocated to such electoral authorization for indebtedness approved at the 2007 Election.

BOND INSURANCE – 2023A SENIOR BONDS

2023A Senior Bond Insurance Policy

Concurrently with the issuance of the 2023A Senior Bonds, Build America Mutual Assurance Company (previously defined as the "2023A Senior Bond Insurer") will issue its Municipal Bond Insurance Policy for the 2023A Senior Bonds (previously defined as the "2023A Senior Bond Insurance Policy"), which guarantees the scheduled payment of principal of and interest on the 2023A Senior Bonds when due as set forth in the form of the Specimen Municipal Bond Insurance Policy – 2023A Senior Bonds attached hereto as Appendix J.

The 2023A Senior Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

2023A Senior Bond Insurer

The 2023A Senior Bond Insurer is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. The 2023A Senior Bond Insurer provides credit enhancement products solely to issuers in the U.S. public finance markets. The 2023A Senior Bond Insurer will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section

115 of the U.S. Internal Revenue Code of 1986, as amended. No member of the 2023A Senior Bond Insurer is liable for the obligations of the 2023A Senior Bond Insurer.

The address of the principal executive offices of the 2023A Senior Bond Insurer is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

The 2023A Senior Bond Insurer is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

The 2023A Senior Bond Insurer's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of the 2023A Senior Bond Insurer should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of the 2023A Senior Bond Insurer and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2023A Senior Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of the 2023A Senior Bond Insurer in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2023A Senior Bonds. The 2023A Senior Bond Insurer only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2023A Senior Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the 2023A Senior Bond Insurance Policy), and the 2023A Senior Bond Insurer does not guarantee the market price or liquidity of the 2023A Senior Bonds, nor does it guarantee that the rating on the 2023A Senior Bonds will not be revised or withdrawn.

Capitalization of the 2023A Senior Bond Insurer

The 2023A Senior Bond Insurer's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $486.0 million, $204.5 million and $281.5 million, respectively.

The 2023A Senior Bond Insurer is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by the 2023A Senior Bond Insurer, subject to certain limitations and restrictions.

The 2023A Senior Bond Insurer's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on the 2023A Senior Bond Insurer's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to the 2023A Senior Bond Insurer at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

The 2023A Senior Bond Insurer makes no representation regarding the 2023A Senior Bonds or the advisability of investing in the 2023A Senior Bonds. In addition, the 2023A Senior Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Limited Offering Memorandum or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the 2023A Senior Bond Insurer, supplied by the 2023A Senior Bond Insurer and presented under the heading "BOND INSURANCE – 2023A SENIOR BONDS."

Additional Information Available from the 2023A Senior Bond Insurer

Credit Insights Videos. For certain 2023A Senior Bond Insurer-insured issues, the 2023A Senior Bond Insurer produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors the 2023A Senior Bond Insurer's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on the 2023A Senior Bond Insurer's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that the 2023A Senior Bond Insurer has been selected to insure, the 2023A Senior Bond Insurer may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by the 2023A Senior Bond Insurer, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. The 2023A Senior Bond Insurer pre-sale and final Credit Profiles are easily accessible on the 2023A Senior Bond Insurer's website at www.buildamerica.com/credit-profiles. The 2023A Senior Bond Insurer will produce a Credit Profile for all bonds insured by the 2023A Senior Bond Insurer, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and the 2023A Senior Bond Insurer assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by the 2023A Senior Bond Insurer; they have not been reviewed or approved by the issuer of or the underwriter for the 2023A Senior Bonds, and the issuer and underwriter assume no responsibility for their content.

The 2023A Senior Bond Insurer receives compensation (an insurance premium) for the insurance that it is providing with respect to the 202A Senior Bonds. Neither the 2023A Senior Bond Insurer nor any affiliate of the 2023A Senior Bond Insurer has purchased, or committed to purchase, any of the 2023A Senior Bonds, whether at the initial offering or otherwise.

THE 2023B$_{(3)}$ SUBORDINATE BONDS

Although a single Limited Offering Memorandum is being used in connection with the offer and sale of the 2023A Senior Bonds and 2023B$_{(3)}$ Subordinate Bonds, the 2023A Senior Bonds are secured solely by the 2023A Senior Indenture and the 2023B$_{(3)}$ Subordinate Bonds are secured solely by the 2023B$_{(3)}$ Subordinate Indenture. Further, each series of Bonds is secured by separately defined pledged revenues. The 2023A Senior Bonds are secured solely by the Senior Pledged Revenue (in addition to the 2023A Senior Bond Insurance Policy), and the 2023B$_{(3)}$ Subordinate Bonds are secured solely by the Subordinate Pledged Revenue. Accordingly, the use of a single Limited Offering Memorandum does <u>not</u> imply that 2023A Owners and the 2023B$_{(3)}$ Owners are secured by the same revenue sources, insurance policies, funds or covenants. 2023A Owners and 2023B$_{(3)}$ Owners are afforded different rights under the 2023A Senior Indenture and the 2023B$_{(3)}$ Subordinate Indenture, respectively. Potential purchasers of each series of Bonds are cautioned to carefully review the provisions below and throughout this Limited Offering Memorandum describing the Indentures as applicable to the specific series of Bonds to be purchased.

General Description

The 2023B$_{(3)}$ Subordinate Bonds are limited tax general obligations of the District payable from the Subordinate Pledged Revenue as provided in the 2023B$_{(3)}$ Subordinate Indenture. The maturity date and interest rate for the 2023B$_{(3)}$ Subordinate Bonds are set forth on the inside cover page hereof. For a complete statement of the details and conditions of the 2023B$_{(3)}$ Subordinate Bonds, reference is made to the 2023B$_{(3)}$ Subordinate Indenture, a copy of which is available from the Underwriter prior to delivery of the 2023B$_{(3)}$ Subordinate Bonds. See "INTRODUCTION – Additional Information." Portions of the 2023B$_{(3)}$ Subordinate Indenture are described in "THE 2023B$_{(3)}$ SUBORDINATE BONDS," "SECURITY FOR THE 2023B$_{(3)}$ SUBORDINATE BONDS" and Appendix G – Summary of Certain Provisions of the 2023B$_{(3)}$ Subordinate Indenture. Capitalized terms not otherwise defined below are defined in Appendix G.

2023B$_{(3)}$ Authorized Denominations

The 2023B$_{(3)}$ Subordinate Bonds are being issued in "2023B$_{(3)}$ Authorized Denominations,"[1] defined in the 2023B$_{(3)}$ Subordinate Indenture to mean the amount of $500,000 or any integral multiple of $1,000 in excess thereof, provided that: (a) no individual 2023B$_{(3)}$ Subordinate Bond may be in an amount which exceeds the principal amount coming due on any maturity date; and (b) in the event a 2023B$_{(3)}$ Subordinate Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such 2023B$_{(3)}$ Subordinate Bond may be issued in the largest possible denomination of less than $500,000, in an integral multiple of $1,000.

[1] Defined in the 2023B$_{(3)}$ Subordinate Indenture as Authorized Denomination, but defined herein as 2023B$_{(3)}$ Authorized Denominations to differentiate such denominations from the 2023A Authorized Denominations.

Payment of Principal and Interest; 2023B$_{(3)}$ Record Date

The 2023B$_{(3)}$ Subordinate Indenture provides that the principal of and premium, if any, on the 2023B$_{(3)}$ Subordinate Bonds are payable in lawful money of the United States of America to the 2023B$_{(3)}$ Owner of each 2023B$_{(3)}$ Subordinate Bond upon maturity or prior redemption and presentation at the designated office of the Trustee. The interest on any 2023B$_{(3)}$ Subordinate Bond is payable to the person in whose name such 2023B$_{(3)}$ Subordinate Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the District by the Trustee, at the close of business on the 2023B$_{(3)}$ Record Date, irrespective of any transfer or exchange of such 2023B$_{(3)}$ Subordinate Bond subsequent to such 2023B$_{(3)}$ Record Date and prior to such 2023B$_{(3)}$ Interest Payment Date; provided that any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the 2023B$_{(3)}$ Owner thereof at the close of business on the 2023B$_{(3)}$ Record Date and shall be payable to the person who is the 2023B$_{(3)}$ Owner thereof at the close of business on a 2023B$_{(3)}$ Special Record Date for the payment of any such unpaid interest. Such 2023B$_{(3)}$ Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the 2023B$_{(3)}$ Special Record Date shall be given to the 2023B$_{(3)}$ Owners of the 2023B$_{(3)}$ Subordinate Bonds not less than 10 days prior to the 2023B$_{(3)}$ Special Record Date by first-class mail to each such 2023B$_{(3)}$ Owner as shown on the registration books kept by the Trustee on a date selected by the Trustee. Such notice shall state the date of the 2023B$_{(3)}$ Special Record Date and the date fixed for the payment of such unpaid interest.

Interest payments shall be paid by check or draft of the Trustee mailed on or before the 2023B$_{(3)}$ Interest Payment Date to the 2023B$_{(3)}$ Owners. The Trustee may make payments of interest on any 2023B$_{(3)}$ Subordinate Bond by such alternative means as may be mutually agreed to between the 2023B$_{(3)}$ Owner of such 2023B$_{(3)}$ Subordinate Bond and the Trustee; provided that the District shall not be required to incur any expenses in connection with such alternative means of payment.

To the extent principal of any 2023B$_{(3)}$ Subordinate Bond is not paid when due, such principal shall remain Outstanding until paid, subject to the provision of the 2023B$_{(3)}$ Subordinate Indenture described in " – Discharge on December 15, 2063" below. To the extent interest on any 2023B$_{(3)}$ Subordinate Bond is not paid when due, such interest shall compound annually on each 2023B$_{(3)}$ Interest Payment Date, at the rate then borne by the 2023B$_{(3)}$ Subordinate Bond; provided however, that notwithstanding anything in the 2023B$_{(3)}$ Subordinate Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the 2007 Election in repayment of the 2023B$_{(3)}$ Subordinate Bonds, including all payments of principal, premium if any, and interest, and all 2023B$_{(3)}$ Subordinate Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount, subject to the provision of the 2023B$_{(3)}$ Subordinate Indenture described in " – Discharge on December 15, 2063" below.

Discharge on December 15, 2063

Notwithstanding any other provision of the 2023B$_{(3)}$ Subordinate Indenture, in the event that any amount of principal of or interest on the 2023B$_{(3)}$ Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available therefor on December 15, 2063, the 2023B(3) Subordinate Bonds and the lien of the 2023B(3) Subordinate Indenture securing payment thereof shall be deemed discharged, the estate and rights thereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of the 2023B(3) Subordinate Indenture, and execute and deliver to the District such instruments in writing as shall be required to evidence the same. Upon such discharge, the 2023B(3) Owners will have no recourse to the District or any property of the District for the payment of any amount of principal of or interest on the 2023B(3) Subordinate Bonds remaining unpaid.

Prior Redemption

Optional Redemption. The optional redemption provisions of the 2023B(3) Subordinate Indenture will be provided in the final Limited Offering Memorandum.

Mandatory Redemption. The 2023B(3) Subordinate Bonds are subject to mandatory redemption in part by lot on December 15 of each year (each a "Mandatory Redemption Date"), commencing December 15, 2023, to the extent of moneys on deposit, if any, in the Subordinate Mandatory Redemption Account of the Subordinate Bond Fund 45 days prior to the applicable Mandatory Redemption Date, and subject to any minimum requirements with respect to the principal amount of 2023B(3) Subordinate Bonds to be redeemed as set forth in the 2023B(3) Subordinate Indenture and described below in " – Redemption Procedure and Notice", at a redemption price (the "Mandatory Redemption Price") equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. The District acknowledges and agrees in the 2023B(3) Subordinate Indenture that, notwithstanding anything therein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the 2023B(3) Subordinate Bonds pursuant to this paragraph.

Redemption Procedure and Notice. If less than all of the 2023B(3) Subordinate Bonds within a maturity are to be redeemed on any prior redemption date, the 2023B(3) Subordinate Bonds to be redeemed shall be selected by lot prior to the date fixed for redemption, in such manner as the Trustee shall determine. The 2023B(3) Subordinate Bonds shall be redeemed only in integral multiples of $1,000. In the event a 2023B(3) Subordinate Bond is of a denomination larger than $1,000, a portion of such 2023B(3) Subordinate Bond may be redeemed, but only in the principal amount of $1,000 or any integral multiple thereof. Such 2023B(3) Subordinate Bond shall be treated for the purpose of redemption as that number of 2023B(3) Subordinate Bonds which results from dividing the principal amount of such 2023B(3) Subordinate Bond by $1,000. In the event a portion of any 2023B(3) Subordinate Bond is redeemed, the Trustee shall, without charge to the 2023B(3) Owner of such 2023B(3) Subordinate Bond, authenticate and deliver a replacement 2023B(3) Subordinate Bond or 2023B(3) Subordinate Bonds for the unredeemed portion thereof.

In the event any of the 2023B(3) Subordinate Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the 2023B(3) Subordinate Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the 2023B(3) Owner of each 2023B(3) Subordinate Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any 2023B(3) Owner or by electronic means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other $2023B_{(3)}$ Subordinate Bonds as to which no such failure or defect exists. The redemption of the $2023B_{(3)}$ Subordinate Bonds may be contingent or subject to such conditions as may be specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All $2023B_{(3)}$ Subordinate Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

Funds and Accounts

The $2023B_{(3)}$ Subordinate Indenture creates and establishes the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of the $2023B_{(3)}$ Subordinate Indenture: (a) the Refunded Bonds Fund; and (b) the Subordinate Bond Fund and, therein, the Subordinate Interest Account and the Subordinate Mandatory Redemption Account.

Refunded Bonds Fund. The Refunded Bonds Fund shall be maintained by the Trustee. All moneys on deposit in the Refunded Bonds Fund shall be disbursed by the Trustee on the date of issuance of the $2023B_{(3)}$ Subordinate Bonds to the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) for application, together with a portion of the proceeds of the 2023A Senior Bonds and other legally available monies of the District, to the redemption of the 2017C Junior Lien Bonds, in accordance with the Refunded Bonds Escrow Agreement. For additional information on the Refunded Bonds Escrow Agreement, see "USES OF PROCEEDS – Refunding Project."

Subordinate Bond Fund. Moneys in the Subordinate Bond Fund shall be used by the Trustee solely to pay the principal of, premium if any, and interest on the $2023B_{(3)}$ Subordinate Bonds.

(a) Subordinate Pledged Revenue required to be credited to the Subordinate Bond Fund in accordance with the $2023B_{(3)}$ Subordinate Indenture (as described in " – Application of Subordinate Pledged Revenue" below) shall be credited each $2023B_{(3)}$ Bond Year as received as follows:

FIRST: to the credit of the Subordinate Interest Account, the amount required for amounts on deposit therein to equal the interest payable on the $2023B_{(3)}$ Subordinate Bonds in such $2023B_{(3)}$ Bond Year; and

SECOND: to the credit of the Subordinate Mandatory Redemption Account, all remaining Subordinate Pledged Revenue credited to the Subordinate Bond Fund for such $2023B_{(3)}$ Bond Year.

(b) On each $2023B_{(3)}$ Interest Payment Date, the Trustee is to apply amounts on deposit in the Subordinate Interest Account to the payment of interest on the $2023B_{(3)}$ Subordinate Bonds (including current interest, accrued but unpaid interest and unpaid compound interest, and including the accrued interest portion of any Mandatory Redemption Price) then due.

(c) On the 45th day prior to each Mandatory Redemption Date, the Trustee shall determine the amounts on deposit in the Subordinate Mandatory Redemption Account available for application to redemption of the 2023B(3) Subordinate Bonds in accordance with the 2023B(3) Subordinate Indenture (as described in " – Prior Redemption – Mandatory Redemption" above), taking into account any requirements of the 2023B(3) Subordinate Indenture (as described in " – Prior Redemption – Redemption Procedure and Notice" above) with respect to the amount to be redeemed. The Trustee shall provide notice of the mandatory redemption to occur on each Mandatory Redemption Date as a result of amounts credited to the Subordinate Mandatory Redemption Account, as provided in the 2023B(3) Subordinate Indenture (as described in " – Prior Redemption – Redemption Procedure and Notice" above).

(d) On each Mandatory Redemption Date, the Trustee is to apply amounts on deposit in the Subordinate Mandatory Redemption Account to the payment of the principal portion of any Mandatory Redemption Price.

(e) Moneys credited to the Subordinate Bond Fund may be invested or deposited as provided in the 2023B(3) Subordinate Indenture.

(f) The District acknowledges and agrees in the 2023B(3) Subordinate Indenture that, notwithstanding anything therein to the contrary, borrowed moneys shall not be used for the purpose of redeeming principal of the 2023B(3) Subordinate Indenture Bonds pursuant to the 2023B(3) Subordinate Indenture (as described in " – Prior Redemption – Mandatory Redemption" above) and paragraph (d) above.

Application of the Subordinate Pledged Revenue

In accordance with the 2023B(3) Subordinate Indenture, the District is to transfer all amounts comprising Subordinate Pledged Revenue to the Trustee as soon as may be practicable after the receipt thereof, and in no event later than the 15th day of the calendar month immediately succeeding the calendar month in which such revenue is received by the District, subject to the last paragraph below; provided, however, that in the event that the total amount of Subordinate Pledged Revenue received by the District in a calendar month is less than $50,000, the Subordinate Pledged Revenue received in such calendar month may instead be remitted to the Trustee no later than the 15th day of the calendar month immediately succeeding the calendar quarter in which such revenue is received by the District (i.e., no later than April 15th for Subordinate Pledged Revenue received in January, February or March, no later than July 15th for Subordinate Pledged Revenue received in April, May or June, no later than October 15th for Subordinate Pledged Revenue received in July, August or September, and no later than January 15th for Subordinate Pledged Revenue received in October, November or December).

IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE.

The Trustee shall credit all Subordinate Pledged Revenue as received in the following order of priority (excluding the Subordinate Pledged Revenue described in clause (c) of the definition thereof, which is to be deposited directly to the Subordinate Bond Fund). For purposes of the following, when credits to more than one fund, account, or purpose are required at any single priority level, such credits shall rank pari passu with each other.

FIRST: To the Trustee, in an amount sufficient to pay the Trustee Fees then due and payable;

SECOND: To the credit of the Subordinate Bond Fund and any other fund or account created for the payment of the principal of, premium if any, and interest on 2023B$_{(3)}$ Parity Bonds, including any sinking fund, reserve fund, surplus fund or similar fund or account established therefor, pro rata in accordance with the then outstanding principal amounts of the 2023B$_{(3)}$ Subordinate Bonds and any 2023B$_{(3)}$ Parity Bonds, all Subordinate Pledged Revenue received until the funding of all amounts to become due and payable on the 2023B$_{(3)}$ Subordinate Bonds and the 2023B$_{(3)}$ Parity Bonds through maturity; and

THIRD: To the District, for credit to any other fund or account as may be designated by the District in writing to the Trustee, to be used for any lawful purpose, any Subordinate Pledged Revenue received for the remainder of the 2023B$_{(3)}$ Bond Year after the payments and accumulations set forth above (which revenues, upon disbursement to or at the direction of the District in accordance with this clause THIRD, shall be released from the lien of the 2023B$_{(3)}$ Subordinate Indenture and shall thereafter no longer constitute "Subordinate Pledged Revenue" thereunder).

In the event that any Subordinate Pledged Revenue is available to be disbursed in accordance with clause THIRD above, the District will, in making its determination as to the application of such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue from a debt service mill levy, and any then existing pledge or encumbrance on such revenues. For purposes of determining the nature of the Subordinate Pledged Revenue available for disbursement pursuant to THIRD above, the Subordinate Pledged Revenue applied in FIRST and SECOND above shall be deemed to be funded, first, from Subordinate Property Tax Revenues resulting from imposition of the Subordinate Required Mill Levy; and second, from Subordinate Specific Ownership Tax Revenues resulting from imposition of the Subordinate Required Mill Levy.

The District covenants in the 2023B$_{(3)}$ Subordinate Indenture that all property tax revenue collected by the District from a debt service mill levy, or so much thereof as is needed, shall first, be designated as property taxes resulting from imposition of the Senior Obligation Mill Levy in any 2023B$_{(3)}$ Bond Year to pay annual debt service on Senior Obligations and to fund such funds and accounts as are required in accordance with the terms of the 2023A Senior Indenture and any other resolution, indenture or other enactment authorizing such Senior Obligations, and after the funding of such payments and accumulations required in such 2023B$_{(3)}$ Bond Year, all property tax revenue collected by the District from a debt service mill levy for the remainder of such 2023B$_{(3)}$ Bond Year shall, second, be designated as property taxes resulting from imposition of the Subordinate Required Mill Levy unless and until the District has funded the full amount outstanding with respect to the 2023B(3) Subordinate Bonds and any 2023B(3) Parity Bonds (to the extent required by the applicable resolutions, indentures, or other enactments authorizing such 2023B(3) Parity Bonds). The debt service property tax levy imposed for the payment of any Junior Lien Obligations shall be deemed reduced to the number of mills available for payment of such Junior Lien Obligations in any 2023B(3) Bond Year after first providing for the funding of payments and accumulations required with respect to all Senior Obligations in such 2023B(3) Bond Year (including the amounts required to accomplish the full repayment or defeasance of any such Senior Obligations, to the extent required by the applicable resolutions, indentures, or other enactments authorizing Senior Obligations), and the full amount outstanding with respect to the 2023B(3) Subordinate Bonds and any 2023B(3) Parity Bonds (to the extent required by the applicable resolutions, indentures, or other enactments authorizing such 2023B(3) Parity Bonds).

Additional Covenants and Agreements of the District in the 2023B(3) Subordinate Indenture

The District further irrevocably covenants and agrees in the 2023B(3) Subordinate Indenture with each and every 2023B(3) Owner that so long as any of the 2023B(3) Subordinate Bonds remain Outstanding:

(a) The District will maintain its existence and shall not merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the 2023B(3) Subordinate Bonds, and will continue to operate and manage the District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) At least once a year the District will cause an audit to be performed of the records relating to its revenues and expenditures, and the District shall use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant shall apply notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, the District will cause a budget to be prepared and adopted. Copies of the budget and the audit will be filed and recorded in the places, time, and manner provided by law.

(c) The District will carry general liability, public officials liability, and such other forms of insurance coverage on insurable District property upon the terms and conditions, and in such amount, as in the judgment of the District will protect the District and its operations.

(d) Each District official or other person having custody of any District funds or responsible for the handling of such funds, shall be bonded or insured against theft or defalcation at all times.

(e) In the event any ad valorem taxes are not paid when due, the District shall diligently cooperate with the appropriate county treasurer to enforce the lien of such unpaid taxes against the property for which the taxes are owed.

(f) In the event that any amount of the Subordinate Pledged Revenue is released to the District as provided in the 2023B(3) Subordinate Indenture (as described in THIRD of " – Application of Subordinate Pledged Revenue" above), the District will, in making its determination as to which obligations will be paid with such amounts, take into account that State law places certain restrictions upon the use of any moneys representing ad valorem property tax revenue.

(g) The District will not amend or supplement any of the documents pertaining to the Senior Obligations issued in accordance with the 2023B(3) Subordinate Indenture in any way which (i) alters the amortization of the principal of such Senior Obligations, or (ii) increases the rate or rates of interest borne by the Senior Obligations, except upon the prior written consent of the 2023B(3) Consent Parties with respect to 100% in aggregate principal amount of the 2023B(3) Subordinate Bonds.

Book-Entry Only System

The 2023B(3) Subordinate Bonds will be available only in book-entry form in the principal amount of $500,000 and integral multiples of $1,000 in excess thereof. DTC will act as the initial securities depository for the 2023B(3) Subordinate Bonds. The ownership of one fully registered 2023B(3) Subordinate Bond for each maturity, as set forth on the inside cover page of this Limited Offering Memorandum, in the aggregate principal amount of such maturity coming due thereon, will be registered in the name of Cede & Co., as nominee for DTC. See Appendix D – Book-Entry Only System.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2023B(3) SUBORDINATE BONDS, REFERENCES IN THIS LIMITED OFFERING MEMORANDUM TO THE 2023B(3) REGISTERED OWNERS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE 2023B(3) BENEFICIAL OWNERS.

Neither the District nor the Trustee will have any responsibility or obligation to DTC's Direct Participants or Indirect Participants (defined in Appendix D), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, the Indirect Participants or the beneficial owners of the 2023B(3) Subordinate Bonds as further described in Appendix D to this Limited Offering Memorandum.

SECURITY FOR THE 2023B(3) SUBORDINATE BONDS

The 2023B(3) Subordinate Indenture secures solely the 2023B(3) Subordinate Bonds, and the covenants made by the District in the 2023B(3) Subordinate Indenture are solely for the benefit of the 2023B(3) Owners. For capitalized terms not defined in this section, see Appendix G – Summary of Certain Provisions from the 2023B(3) Subordinate Indenture.

Subordinate Pledged Revenue

The 2023B(3) Subordinate Indenture defines “Subordinate Pledged Revenue” as the following: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Subordinate Bond Fund.

Subordinate Property Tax Revenues

Subordinate Property Tax Revenues. The 2023B(3) Subordinate Indenture defines “Subordinate Property Tax Revenues” as all moneys derived from imposition by the District of the Subordinate Required Mill Levy. Subordinate Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County. (For the avoidance of doubt, Subordinate Property Tax Revenues do not include specific ownership tax revenues.)

Subordinate Required Mill Levy. The 2023B(3) Subordinate Indenture defines “Subordinate Required Mill Levy” as an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the District each year in an amount equal to (i) 38 mills **less the Senior Obligation Mill Levy**, or (ii) such lesser amount that will generate Subordinate Property Tax Revenues which, when combined with moneys then on deposit in the Subordinate Bond Fund, will pay the 2023B(3) Subordinate Bonds in full in the year such levy is collected; provided however, that:

(a) in the event that the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed on or after November 1, 2023, the mill levy of 38 mills provided in the 2023B(3) Subordinate Indenture (less the Senior Obligation Mill Levy) shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation; and

(b) notwithstanding anything in the 2023B(3) Subordinate Indenture to the contrary, in no event may the Subordinate Required Mill Levy be established at a mill levy which would cause the District to derive tax revenue in any year in excess of the maximum tax increases permitted by the District’s electoral authorization, and if the Subordinate Required Mill Levy as calculated pursuant to the foregoing would cause the amount of taxes collected in any year to exceed the maximum tax increase permitted by the District’s electoral authorization, the Subordinate Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"Senior Obligation Mill Levy" is defined in the 2023B(3) Subordinate Indenture as the sum of the Senior Required Mill Levy and any other ad valorem property tax levy required to be imposed by the District for the payment of Senior Obligations.

"Senior Required Mill Levy" is defined in the 2023B(3) Subordinate Indenture as the Senior Required Mill Levy required to be imposed by the District in accordance with the 2023A Senior Indenture. See "SECURITY FOR THE 2023A SENIOR BONDS – Senior Property Tax Revenues."

Subordinate Required Mill Levy Adjustment. In accordance with the 2023B(3) Subordinate Indenture, if, on or after November 1, 2023, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the Subordinate Required Mill Levy of 38 mills **less the Senior Obligation Mill Levy** is to be increased or decreased so that to the extent possible, the actual tax revenues generated by the mill levy are neither diminished nor enhanced as a result of such changes.

Residential assessment rates were decreased in 2017 and 2019 in accordance with the Gallagher Amendment (defined herein). Additionally, assessment rates and the actual value of various classes of property are to be reduced in 2023 and 2024 in accordance with SB22-238 (as defined herein). According to the District, it is anticipated that the Subordinate Required Mill Levy to be imposed in 2023, for collection in 2024, will be 38 mills less the Senior Obligation Mill Levy (which is also anticipated to be 38 mills), resulting in a Subordinate Required Mill Levy of 0.000 mills. For additional information on the Gallagher Amendment, SB 22-238 and the calculation of actual and assessed valuation generally, see "PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT – Ad Valorem Property Taxes."

Covenant to Impose Subordinate Required Mill Levy. For the purpose of paying the principal of, premium if any, and interest on the 2023B(3) Subordinate Bonds, the Board shall annually determine and certify to the Board of County Commissioners for the County, in each of the years 2023 through 2052, inclusive (for tax collection in years 2024 through 2053, inclusive), and in any year thereafter in which the 2023B(3) Subordinate Bonds remain Outstanding, in addition to all other taxes, the Subordinate Required Mill Levy, subject to the following paragraph. Nothing in the 2023B(3) Subordinate Indenture shall be construed to require the District to levy an ad valorem property tax for payment of the 2023B(3) Subordinate Bonds in excess of the Subordinate Required Mill Levy. When collected, the taxes levied for the foregoing purposes shall be deposited with the Trustee in accordance with the 2023B(3) Subordinate Indenture (as described in "THE 2023B(3) SUBORDINATE BONDS – Application of Subordinate Pledged Revenue).

NOTWITHSTANDING ANY OTHER PROVISION IN THE 2023B(3) SUBORDINATE INDENTURE, THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SUBORDINATE REQUIRED MILL LEVY FOR PAYMENT OF THE 2023B(3) SUBORDINATE BONDS AFTER DECEMBER 2062 (FOR COLLECTION IN CALENDAR YEAR 2063).

The foregoing provisions of the 2023B$_{(3)}$ Subordinate Indenture are declared in the 2023B$_{(3)}$ Subordinate Indenture to be the certificate of the Board to the Board of County Commissioners for the County, showing the aggregate amount of taxes to be levied from time to time, as required by law, for the purpose of paying the principal of, premium if any, and the interest on the 2023B$_{(3)}$ Subordinate Bonds.

The amounts necessary to pay all costs and expenses incidental to the issuance of the 2023B$_{(3)}$ Subordinate Bonds and to pay the principal of, premium if any, and interest on the 2023B$_{(3)}$ Subordinate Bonds when due are appropriated in the 2023B$_{(3)}$ Subordinate Indenture for said purposes, and such amounts as appropriate for each year shall also be included in the annual budget and the appropriation bills to be adopted and passed by the Board in each year, respectively, until the 2023B$_{(3)}$ Subordinate Bonds have been fully paid, satisfied, and discharged.

It shall be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the 2023B$_{(3)}$ Subordinate Indenture with reference to the levying and collection of taxes; and the Board shall levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

Said taxes shall be levied, assessed, collected, and enforced at the time and in the form and manner and with like interest and penalties as other general taxes in the State, and when collected said taxes shall be paid to the District as provided by law. The Board shall take all necessary and proper steps to enforce promptly the payment of taxes levied pursuant to the 2023B$_{(3)}$ Subordinate Indenture.

Subordinate Specific Ownership Tax Revenues

The 2023B$_{(3)}$ Subordinate Indenture defines "Subordinate Specific Ownership Tax Revenues" as the specific ownership taxes remitted to the District pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Subordinate Required Mill Levy.

For additional information regarding the Specific Ownership Tax and the specific ownership tax system in Colorado, see "SECURITY FOR THE 2023A SENIOR BONDS – Specific Ownership Tax."

2023B$_{(3)}$ Events of Default and Remedies

2023B$_{(3)}$ Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute a "2023B$_{(3)}$ Event of Default under the 2023B$_{(3)}$ Subordinate Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or 2023B$_{(3)}$ Event of Default thereunder except as provided below:

(a) The District fails or refuses to impose the Subordinate Required Mill Levy or to apply the Subordinate Pledged Revenue as required by the 2023B$_{(3)}$ Subordinate Indenture;

(b) The District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the District in the 2023B(3) Subordinate Indenture or the Bond Resolution, and fails to remedy the same after notice thereof pursuant to the 2023B(3) Subordinate Indenture; or

(c) The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the 2023B(3) Subordinate Bonds.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE 2023B(3) SUBORDINATE INDENTURE, THE DISTRICT ACKNOWLEDGES AND AGREES IN THE 2023B(3) SUBORDINATE INDENTURE THAT THE APPLICATION OF ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS OF THE 2023B(3) SUBORDINATE INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE 2023B(3) SUBORDINATE INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE 2023B(3) OWNERS OF THE 2023B(3) SUBORDINATE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE 2023B(3) OWNERS OF THE 2023B(3) SUBORDINATE BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE 2023B(3) SUBORDINATE INDENTURE. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES IN THE 2023B(3) SUBORDINATE INDENTURE THAT THE APPLICATION OF SUBORDINATE PLEDGED REVENUE IN VIOLATION OF THE COVENANTS THEREOF WILL RESULT IN IRREPARABLE HARM TO THE 2023B(3) OWNERS OF THE 2023B(3) SUBORDINATE BONDS. IN NO EVENT SHALL ANY PROVISION OF THE 2023B(3) SUBORDINATE INDENTURE BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE SUBORDINATE PLEDGED REVENUE.

It is acknowledged that due to the limited nature of the Subordinate Pledged Revenue, the failure to pay the principal of or interest on the 2023B(3) Subordinate Bonds when due shall not, of itself, constitute an Event of Default under the 2023B(3) Subordinate Indenture.

IN ADDITION, IT IS ACKNOWLEDGED IN THE 2023B(3) SUBORDINATE INDENTURE THAT THE DISTRICT SHALL NOT BE REQUIRED TO IMPOSE THE SUBORDINATE REQUIRED MILL LEVY FOR PAYMENT OF THE 2023B(3) SUBORDINATE BONDS AFTER DECEMBER 2062 (FOR COLLECTION IN CALENDAR YEAR 2063).

<u>Remedies on Occurrence of 2023B(3) Event of Default</u>.

The 2023B(3) Subordinate Indenture provides that upon the occurrence and continuance of an Event of Default, the Trustee shall have the following rights and remedies which may be pursued:

(i) *Receivership*. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the 2023B(3) Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the 2023B(3) Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the District; but notwithstanding the appointment of any receiver or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities, or other instruments at the time held by, or payable or deliverable under the provisions of the 2023B(3) Subordinate Indenture to, the Trustee.

(ii) *Suit for Judgment*. The Trustee may proceed to protect and enforce its rights and the rights of the 2023B(3) Owners under the Act, the 2023B(3) Subordinate Bonds, the Bond Resolution, the 2023B(3) Subordinate Indenture, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, shall deem appropriate.

(iii) *Mandamus or Other Suit*. The Trustee may proceed by mandamus or any other suit, action, or proceeding at law or in equity, to enforce all rights of the 2023B(3) Owners.

No recovery of any judgment by the Trustee shall in any manner or to any extent affect the lien of the 2023B(3) Subordinate Indenture or any rights, powers, or remedies of the Trustee thereunder, or any lien, rights, powers, and remedies of the 2023B(3) Owners of the 2023B(3) Subordinate Bonds, but such lien, rights, powers, and remedies of the Trustee and of the 2023B(3) Owners shall continue unimpaired as before.

If any 2023B(3) Event of Default under paragraph (a) in " - 2023B(3) Events of Default" above shall have occurred and if requested by the 2023B(3) Owners of 25% in aggregate principal amount of the 2023B(3) Subordinate Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the 2023B(3) Subordinate Indenture as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the 2023B(3) Owners, subject to the 2023B(3) Subordinate Indenture; provided that the Trustee at its option shall be indemnified as provided in the 2023B(3) Subordinate Indenture.

Notwithstanding anything in the 2023B(3) Subordinate Indenture to the contrary, acceleration of the 2023B(3) Subordinate Bonds shall not be an available remedy for an Event of Default.

<u>Majority of 2023B(3) Consent Parties May Control of Proceedings</u>. The 2023B(3) Consent Parties of a majority in aggregate principal amount of the 2023B(3) Subordinate Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the 2023B(3) Subordinate Indenture, or for the appointment of a receiver, and any other proceedings thereunder; provided that such direction shall not be otherwise than in accordance with the provisions thereof; and provided further that at its option the Trustee shall be indemnified as provided in the 2023B(3) Subordinate Indenture.

Rights and Remedies of 2023B(3) Owners. No 2023B(3) Owner of any 2023B(3) Subordinate Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of the 2023B(3) Subordinate Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in the 2023B(3) Subordinate Indenture, or of which under the 2023B(3) Subordinate Indenture it is deemed to have notice; (b) such default shall have become a 2023B(3) Event of Default; (c) the 2023B(3) Owners of not less than 25% in aggregate principal amount of 2023B(3) Subordinate Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the 2023B(3) Subordinate Indenture or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in the 2023B(3) Subordinate Indenture; and (d) the Trustee shall thereafter fail or refuse to exercise the powers granted in the 2023B(3) Subordinate Indenture, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of the 2023B(3) Subordinate Indenture, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more 2023B(3) Owners of 2023B(3) Subordinate Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of the 2023B(3) Subordinate Indenture by his, her, its, or their action, or to enforce any right thereunder except in the manner therein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner therein provided and for the equal benefit of the 2023B(3) Owners of all 2023B(3) Subordinate Bonds then Outstanding.

Limitations on Remedies and Application of Moneys. It is acknowledged in the 2023B(3) Subordinate Indenture that a portion of the Subordinate Pledged Revenue securing payment of the 2023B(3) Subordinate Bonds is subject to the prior lien thereon in favor of the 2023A Senior Bonds and any Senior Obligations issued after the 2023B(3) Subordinate Bonds. Except as to any of the duties the Trustee is required to perform prior to a default, as set forth in the 2023B(3) Subordinate Indenture, the Trustee or any 2023B(3) Owner of the 2023B(3) Subordinate Bonds may not take any action thereunder which would unduly prejudice the rights of owners of the Senior Obligations with respect to such Subordinate Pledged Revenue. Furthermore, it is acknowledged in the 2023B(3) Subordinate Indenture that, notwithstanding the occurrence of a 2023B(3) Event of Default, no portion of the Subordinate Pledged Revenue that is pledged on a senior basis to the Senior Obligations shall be applied to the payment of any amounts relating to the 2023B(3) Subordinate Bonds until the full satisfaction of all amounts then due with respect to any Senior Obligations (acknowledging that the Senior Obligations shall not be subject to acceleration upon the occurrence of an event of default under the applicable resolution, indenture, or other document pursuant to which any such Senior Obligation is issued).

2023B(3) Additional Obligations

Any 2023B(3) Additional Obligations secured by a lien on ad valorem property taxes of the District shall be issued as 2023B(3) Parity Bonds, Senior Obligations or Junior Lien Obligations. The issuance of the 2023A Senior Bonds in accordance with the 2023A Senior Indenture is permitted, notwithstanding any provision of the 2023B(3) Subordinate Indenture. The District shall not issue or incur any other 2023B(3) Additional Obligations except as provided in the 2023B(3) Subordinate Indenture.

The District may issue 2023B(3) Additional Obligations constituting 2023B(3) Parity Bonds, Senior Obligations or Junior Lien Obligations if such issuance is consented to by the 2023B(3) Consent Parties with respect to 100% in aggregate principal amount of the 2023B(3) Subordinate Bonds then Outstanding.

Senior Obligations. The District may issue 2023B(3) Additional Obligations constituting Senior Obligations without the consent of the 2023B(3) Consent Parties provided that the following conditions are satisfied:

(a) the proposed Senior Obligations will constitute Refunding Senior Obligations and, upon issuance of such Refunding Senior Obligations, the total of the District's scheduled debt service on such Refunding Senior Obligations and any other Senior Obligations (to the extent to remain outstanding upon the issuance of such Refunding Senior Obligations) will not exceed in any year the total scheduled debt service on the Senior Obligations outstanding immediately prior to the issuance of such Refunding Senior Obligations (excluding from such calculation of debt service any amount on deposit in a reserve fund anticipated to be available for payment of debt service at final maturity, as reasonably determined by the Board in good faith, such determination to be binding and final). For purposes of the foregoing, the issuance of Refunding Senior Obligations that have a scheduled payment date in any year that is after the latest maturity date of the Senior Obligations outstanding immediately prior to the issuance of the Refunding Senior Obligations shall be deemed to increase the District's Senior Obligations debt service and shall not be permitted by this clause (a); and

(b) the Senior Obligation Surplus Fund, if any, and the Senior Obligation Reserve Fund, if any, securing such Senior Obligations shall not be required or permitted to be funded in excess of an amount in the aggregate equal to 20% of the original par amount of such Senior Obligations;

(c) the ad valorem property tax levy pledged to the payment of the Senior Obligations shall be not higher than, and subject to the same adjustments and deductions as, the maximum ad valorem property tax levy set forth in the definition of Senior Required Mill Levy in the 2023A Senior Indenture; and

(d) the remedies for defaults under such Senior Obligations are substantially the same as the remedies applicable to the Senior Obligations being refunded.

Junior Lien Obligations. The District may issue 2023B(3) Additional Obligations constituting Junior Lien Obligations without the consent of the 2023B(3) Consent Parties and the terms of such Junior Lien Obligations shall be as provided in the documents pursuant to which they are issued, provided that each of the following conditions shall apply to the Junior Lien Obligations:

(a) the aggregate number of mills which the District may promise to impose for payment of all Junior Lien Obligations (including the Junior Lien Obligations proposed to be issued) shall not exceed the Subordinate Required Mill Levy;

(b) the failure to make a payment when due on the Junior Lien Obligations shall not constitute an event of default thereunder; and

(c) the Junior Lien Obligations shall be payable as to both principal and interest only on an annual basis, on or after December 15 of each calendar year, and only after the payment or defeasance of the full amount of the 2023B$_{(3)}$ Subordinate Bonds.

A written certificate by the President or Treasurer of the District that the conditions set forth in the 2023B$_{(3)}$ Subordinate Indenture are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver 2023B$_{(3)}$ Additional Obligations in accordance therewith.

Nothing in the 2023B$_{(3)}$ Subordinate Indenture shall affect or restrict the right of the District to issue or incur additional debt or other financial obligations that are not 2023B$_{(3)}$ Additional Obligations thereunder.

Notwithstanding any other provision contained in the 2023B$_{(3)}$ Subordinate Indenture, under no circumstances shall the District issue 2023B$_{(3)}$ Additional Obligations in excess of that authorized by eligible electors of the District, if applicable, and the District's Service Plan, as the same may be amended from time to time. In addition, excluding the 2023A Senior Bonds, the District shall not issue any 2023B$_{(3)}$ Additional Obligations requiring any electoral authorization for indebtedness approved at the 2007 Election until such time as the full amount of indebtedness represented by the 2023B$_{(3)}$ Subordinate Bonds has been allocated to such electoral authorization for indebtedness approved at the 2007 Election.

DEBT SERVICE REQUIREMENTS AND ESTIMATED PAYMENTS ON THE 2023A SENIOR BONDS AND 2023B(3) SUBORDINATE BONDS

Set forth in the following chart are the: (i) debt service requirements for the 2023A Senior Bonds (as set forth in the 2023A Senior Indenture); and (ii) the forecasted payments of the 2023B(3) Subordinate Bonds (based on the Base Case of the Financial Forecast). ***There is no assurance that the principal of and interest on the 2023A Senior Bonds or the 2023B(3) Subordinate Bonds will be paid as shown on this chart.***

2023A Senior Bonds Debt Service Requirements and 2023B(3) Subordinate Bonds Estimated Payments*

	2023A Senior Bonds[1]			2023B(3) Subordinate Bonds[2]			
Year	Principal[3]	Interest	Total	Estimated Principal	Estimated Interest	Estimated Total	ESTIMATED TOTAL
2024	$ --						
2025	25,000						
2026	180,000						
2027	305,000						
2028	470,000						
2029	500,000						
2030	530,000						
2031	670,000						
2032	705,000						
2033	740,000						
2034	780,000						
2035	825,000						
2036	870,000						
2037	915,000						
2038	965,000						
2039	1,020,000						
2040	1,075,000						
2041	1,135,000						
2042	1,195,000						
2043	1,265,000						
2044	1,330,000						
2045	1,405,000						
2046	1,480,000						
2047	1,560,000						
2048	1,645,000						
2049	1,730,000						
2050	1,825,000						
2051	1,920,000						
2052	2,025,000						
2053	2,135,000						
TOTAL[4]	$31,225,000			$1,650,000			

(notes appear on the following page)

* Subject to change.

(1) Includes the payment of interest on June 1, 2024, and on June 1 and December 1 of each year thereafter, and the payment of principal on December 1 of each year indicated.

(2) Includes the forecasted payment of principal and interest on December 15 of each year indicated and assumes that no optional redemptions will be made. ***The 2023B(3) Subordinate Bonds are cash flow bonds and have no fixed principal or interest payment schedule. The payments with respect to the 2023B(3) Subordinate Bonds shown above reflect the forecasted principal and interest payments shown in the Base Case of the Financial Forecast attached as Appendix C. These payments, however, are only forecasted amounts and no assurance is given that principal and interest on the 2023B(3) Subordinate Bonds will be paid as set forth in this table. See "RISK FACTORS – Risks Related to the Projections," "RISK FACTORS – 'Cash Flow' Nature of the 2023B(3) Subordinate Bonds and the Financial Forecast," and Appendix C.*** **Payments on the 2023B(3) Subordinate Bonds are to be made annually after all payments required to be paid with respect to the 2023A Senior Bonds and any 2023A Parity Bonds in such calendar year have been made. See "RISK FACTORS – Subordinate Lien of the 2023B(3) Subordinate Bonds."**

(3) Assumes that mandatory sinking fund redemption payments are made but assumes no optional redemptions occur.

(4) Due to rounding, amounts may not total.

Sources: The Underwriter for the 2023A Senior Bonds, and the Base Case of the Financial Forecast attached as Appendix C for the estimated payments on the 2023B(3) Subordinate Bonds.

PROPERTY TAXATION, ASSESSED VALUATION AND OVERLAPPING DEBT

Ad Valorem Property Taxes

Property Subject to Taxation. Subject to the limitations imposed by Article X, Section 20 of the State constitution (the Taxpayers Bill of Rights or "TABOR," described in "LEGAL MATTERS – Certain Constitutional Limitations"), the Board has the power to certify to Board of County Commissioners of Adams County (the "County Commissioners") a levy for collection of ad valorem taxes against all taxable property within the District.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the District. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County's assessor (the "County Assessor") to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the County based upon its condition on January 1. Most property is valued using a market approach, a cost approach or an income approach.

Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a "level of value" ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. Real property is reappraised by the County Assessor's office every odd numbered year. The statutory actual value is based on the "level of value" for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period). For example, values for levy year 2023 (collection year 2024) are based on an analysis of sales and other information for the period January 1, 2021 to June 30, 2022. The following table sets forth the State Property Appraisal System for property tax levy years 2019 through 2023:

Collection Year	Levy Year	Value Calculated As Of	Based on the Market Period
2020	2019	July 1, 2018	Jan. 1, 2017 to June 30, 2018
2021	2020	July 1, 2018	Jan. 1, 2017 to June 30, 2018
2022	2021	July 1, 2020	Jan. 1, 2019 to June 30, 2020
2023	2022	July 1, 2020	Jan. 1, 2019 to June 30, 2020
2024	2023	July 1, 2022	Jan. 1, 2021 to June 30, 2022

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

The statutory actual value of certain classes of property is anticipated to be temporarily reduced in accordance with SB 22-238 (defined below).

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

The assessed valuation for all residential real property is 7.15% of the actual value thereof, subject to certain temporary reductions as further described below. The assessed valuation for all non-residential property, with certain specified exceptions, is 29% of the actual value thereof, subject to temporary reductions as further described below. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas. Residential and non-residential assessment rates may be changed by the Colorado General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR.

Set forth below is a description of: (i) the Gallagher Amendment (defined below) which led to the reduction in residential assessment rates from 1982-2019 and which was repealed in November 2020 and (ii) SB 22-238 (defined below) which became law in 2022 and reduces the actual value and assessment rates on certain classes of real property in 2023 and 2024. In accordance with the Indentures, it is anticipated that the District will be required to increase or decrease its Senior Required Mill Levy and Subordinate Required Mill Levy due to: (i) legislative changes in actual value; and (ii) changes in the method of calculating assessed value.

Gallagher Amendment. From 1982 to 2020, the State constitution (in a provision referred to as the "Gallagher Amendment") required the Colorado General Assembly to calculate and potentially adjust the residential assessment rate every two years. The most recent adjustments occurred in 2017 and in 2019. On June 5, 2017, the residential assessment rate was changed from 7.96% of statutory "actual" value to 7.20% of statutory "actual" value. Effective January 1, 2019, the residential assessment rate was changed from 7.20% of statutory "actual" value to 7.15% of statutory "actual" value. On November 3, 2020, however, Colorado voters approved an amendment to the Colorado Constitution which repealed the Gallagher Amendment. Accordingly, the Colorado General Assembly is no longer required to recalculate the residential assessment rate every two years.

SB 22-238. On May 16, 2022, Senate Bill 22-238 ("SB 22-238") became law. SB 22-238: (i) temporarily reduces the assessment rate for all residential real property to 6.765% in levy year 2023, and temporarily reduces the calculation of the actual value of such property (as described above in " – Determination of Statutory Actual Value") by up to $15,000 in levy year 2023; (ii) temporarily reduces the assessment rate for multi-family residential property from 7.15% to 6.80% in levy year 2024; (iii) temporarily adjusts the ratio of valuation for assessment for all residential real property other than multi-family residential real property for levy year 2024, so that the aggregate decrease in local government property tax revenue during the 2023 and 2024 property tax collection years, as a result of SB 22-238, equals $700,000,000; (iv) reduces the assessment rate for lodging property and all property listed by the County Assessor under any Improved Commercial Subclass Codes from 29% to 27.9% in levy year 2023, and reduces the calculation of the actual value of such property by the lesser of: (a) $30,000 or (b) the amount that reduces the actual value for assessment to $1,000; (v) reduces the assessment rate for all non-residential property other than lodging property, agricultural property, renewable energy production property or property listed by the County Assessor under any Improved Commercial Subclass Codes, from 29% to 27.9% in levy year 2023; and (vi) reduces the assessment rate for agricultural property and renewable energy production property from 29% to 26.4% for levy year 2024.

Adjustments to Senior Required Mill Levy and Subordinate Required Mill Levy.

In accordance with the 2023A Senior Indenture, in the event that the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed on or after January 1, 2007, the maximum mill levy of 45 mills provided therein will be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation; and further provided that, in accordance with the Service Plan, the maximum mill levy of 45 mills (adjusted) shall be reduced by the number of mills necessary to pay unlimited mill levy debt (the issuance of which is subject to the limitations of the 2023A Senior Indenture).

In accordance with the 2023B(3) Subordinate Indenture, in the event that the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement is or was changed on or after November 1, 2023, the mill levy of 38 mills provided therein (less the Senior Obligation Mill Levy) shall be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

Therefore, the District will be required to increase its Senior Required Mill Levy and Subordinate Required Mill Levy to account for changes to the residential assessment rates resulting from the Gallagher Amendment, SB 22-238 and future changes to the method of calculating assessed valuation. It is anticipated that the District will determine that the maximum Senior Required Mill Levy will be 50.097, and that the Subordinate Required Mill Levy will be 38 mills less the Senior Obligation Mill Levy, in levy year 2023, due to the reductions in the residential and non-residential assessment rates resulting from the Gallagher Amendment and SB 22-238, and the District will be required to further adjust the Senior Required Mill Levy and Subordinate Required Mill Levy to account for future changes to the method of calculating assessed valuation. In accordance with the Base Case of the Financial Forecast, it is anticipated that the District will impose a Senior Required Mill Levy of 38 mills in 2023, for collection in 2024, as such mill levy is anticipated to generate sufficient Senior Pledged Revenue for the District to make its required debt service payments on the 2023A Senior Bonds in 2024. According to the District, it is anticipated that the Subordinate Required Mill Levy to be imposed in 2023, for collection in 2024, will be 38 mills less the Senior Obligation Mill Levy (which is also anticipated to be 38 mills), resulting in a Subordinate Required Mill Levy of 0.000 mills. See "SECURITY FOR THE 2023A SENIOR BONDS – Senior Property Tax Revenues" and "SECURITY FOR THE 2023B(3) SUBORDINATE BONDS – Subordinate Property Tax Revenues."

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the County Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the County Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the District's assessed valuation may be subject to modification following any such annual assessment study.

Taxation Procedure. The County Assessor is required to certify to the District the preliminary assessed valuation of property subject to the District's mill levy no later than August 25 of each year. Preliminary assessed valuations are subject to change on or before December 10 of each year. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Board computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the District's property tax, and together with other legally available revenues of the District, will raise the amount required by the District in its upcoming fiscal years. The District subsequently certifies to the County Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a $250 tax on a parcel of property with an assessed valuation of $10,000.

The County Commissioners levy the tax on all property subject to taxation by the District. By December 22nd of each year, the County Commissioners must certify to the County Assessor the levy for all taxing entities within the County. If the County Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County's treasurer (the "County Treasurer").

Adjustment of Taxes to Comply with Certain Limitations. Section 29-1-301, C.R.S., contains a statutory restriction limiting the property tax revenues which may be levied for operational purposes to an amount not to exceed the amount of such revenue levied in the prior year plus 5.5% (subject to certain statutorily authorized adjustments). At the 2007 Election, however, the electors of District Nos 1-3 approved a question which exempts the District from this restriction.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes required to be certified in December 2023 will be collected in 2024. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15th) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the District on a monthly basis. The payments to the District must be made by the tenth of each month, and shall include all taxes collected through the end of the preceding month.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on parity with the tax liens of other general taxes. It is the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the District and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the County and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the County Commissioners after that time.

Potential for Creation of Tax Increment Entity. Various Colorado statutes allow the formation of tax increment entities, such as urban renewal authorities, downtown development authorities and transportation authorities. In particular, the Colorado Urban Renewal Law (the "URA Law") allows the formation of urban renewal authorities in certain areas which have been designated by the governing bodies of municipalities as blighted areas. The District is not currently located in a municipality or any other area in which tax increment could be used. If the property in the District ever becomes located within a municipality or such an area, however, the provisions of the URA Law or other applicable tax increment will become applicable to such property. In that event, the assessed valuation of the property in the District would not increase beyond the amount existing in the year prior to the commencement of the tax increment plan (other than by means of the general reassessment).

Ad Valorem Property Tax Data

A history of the District's certified assessed valuations and mill levies is set forth in the following table.

History of Assessed Valuations and Mill Levies for the District

	Assessed Valuation		Mill Levies		
Levy/ Collection Year	Valuation	Percent Change	General Fund	Bond Redemption	Total
2018/2019	$21,235,190	--	5.474	49.273	54.747
2019/2020	29,674,430	39.7%	5.505	49.558	55.063
2020/2021	32,607,370	9.9	5.505	49.558	55.063
2021/2022	36,316,000	11.4	5.505	49.588	55.063
2022/2023	35,634,980	(1.9)	5.651	50.879	56.530
2023/2024(1)	44,882,020	25.9	n/a(2)	n/a(2)	n/a(2)

(1) Valuations are preliminary and subject to change on or before December 10, 2023.
(2) Mill levies for collection of taxes in 2023 are not certified until December 2023.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, *Annual Reports* (2018-2022); and Adams County Assessor's Office (2023).

The following table sets forth a history of the District's ad valorem property tax collections.

Property Tax Collections for the District

Levy/Collection Year	Taxes Levied(1)	Current Tax Collections(2)	Collection Rate
2017/2018(3)	$1,035,237	$1,035,237	100.00%
2018/2019	1,162,536	1,161,100	99.88
2019/2020	1,633,963	1,633,907	100.00
2020/2021	1,795,460	1,793,276	99.88
2021/2022	1,999,668	1,999,668	100.00
2022/2023(4)	2,014,445	2,004,466	99.50

(1) Levied amounts do not reflect abatements or other adjustments.
(2) The County Treasurer's collection fees have not been deducted from these amounts. Figures do not include interest, fees and penalties.
(3) Combined collections for Clear Creek Station Metro Districts 2 and 3.
(4) Collections as of July 31, 2023.

Sources: State of Colorado, Department of Local Affairs, Division of Property Taxation, *Annual Reports* (2017 - 2022); and Adams County Treasurer's Office.

The following table sets forth the current assessed valuation of specific classes of real and personal property within the District.

2023 Preliminary Assessed Valuation of Classes of Property in the District

Property Class	Assessed Valuation(1)	Percent of Total Assessed Valuation
Residential	$42,293,850	94.23%
Vacant	1,322,930	2.95
Commercial	641,540	1.43
State Assessed	623,700	1.39
TOTAL	$44,882,020	100.00%

(1) Preliminary valuations are subject to change on or before December 10, 2023.

Source: Adams County Assessor's Office.

Based upon information available from Adams County, the following table represents the owners of taxable property within the District. No independent investigation has been made of and consequently there can be no representation as to the financial conditions of the owners of taxable property listed below or that such owners will continue to maintain their status as owners of taxable property in the District.

Ten Largest Owners of Taxable Property in the District

Taxpayer Name	2023 Preliminary Assessed Valuation	Percentage of Total Assessed Valuation[1]
Midtown Facility LLC[2]	$972,190	2.17%
Midtown LLC[3]	777,840	1.73
Public Service Company of Co (Xcel)	623,700	1.39
Midtown Dwellings LLC[4]	183,490	0.41
Homeowner #1	110,810	0.25
Homeowner #2	102,560	0.23
Homeowner #3	87,330	0.19
Homeowner #4	79,020	0.18
Homeowner #5	78,270	0.17
Homeowner #6	78,000	0.17
TOTAL	$3,093,210	6.89%

(1) Based on a 2023 preliminary assessed valuation of $44,882,020 which is subject to change on or before December 10, 2023.
(2) Defined herein as Midtown Facility.
(3) Defined herein as the Developer.
(4) According to the Developer, Midtown Dwellings LLC is an affiliate of the Developer primarily associated with the construction of townhomes.

Source: Adams County Assessor's Office.

Mill Levies Affecting Property Owners Within the District

In addition to the District's ad valorem property tax levy, owners of property within the District are obligated to pay taxes to other taxing entities in which their property is located. As a result, property owners within the District's boundaries may be subject to different mill levies depending upon the location of their property. The following table reflects sample mill levies that may be imposed on certain properties within the District and is not intended to portray the mills levied against all properties within the areas shown. Property owners within the areas indicated may be subject to larger or smaller total mill levy than the samples given in the following table.

2022 Mill Levies Affecting District Property Owners

Taxing Entity[1]	Mill Levy Sample #1[2]	Mill Levy Sample #2[2][3]
Adams County School District 50 (Westminster)	--	64.777
Adams County School District No. 1 (Mapleton)	57.889	--
Adams County	26.967	26.967
Adams County Fire Protection District	17.554	17.554
Hyland Hills Park & Recreation District	5.124	5.124
Rangeview Library District	3.615	3.615
Crestview Water & Sanitation District	3.434	3.434
Urban Drainage & Flood Control District	0.900	0.900
Urban Drainage & Flood Control District - S. Platte	0.100	0.100
Total Overlapping Mill Levy	115.583	122.471
District	56.530	56.530
Total Sample Mill Levy	172.113	179.001

(1) Regional Transportation District also overlaps the District but does not assess a mill levy.
(2) One mill equals 1/10 of one cent. Mill levies certified in 2022 are for the collection of ad valorem property taxes in 2023.
(3) The property overlapping Westminster Public Schools is owned by Xcel Energy and is de minimis in assessed value.

Source: Adams County Assessor's Office.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the District, other taxing entities are authorized to incur general obligation debt within boundaries which overlap or partially overlap the boundaries of the District. The following table sets forth the estimated overlapping general obligation debt chargeable to property owners within the District as of the date of this Limited Offering Memorandum. Additional taxing entities may overlap the District in the future.

Estimated Overlapping General Obligation Debt

Entity[1]	2023 Preliminary Assessed Valuation[2]	Outstanding General Obligation Debt	Outstanding General Obligation Debt Attributable to the District[3]	
			Percent	Debt
Adams County School District No. 1 (Mapleton)	$1,235,220,600	$144,959,997	3.63%	$5,262,048
TOTAL				$5,262,048

(1) The following entities also overlap the District, but have no reported general obligation debt outstanding: Adams County, Adams County Fire Protection District, Crestview Water and Sanitation District, Hyland Hills Park & Recreation District, Rangeview Library District, Regional Transportation District, Urban Drainage & Flood Control District, and Urban Drainage & Flood Control District – South Platte. Adams County School District No. 50 (Westminster) also overlaps the District and has general obligation debt currently at $32,830,000; however, the assessed value of the District property overlapping is de minimis resulting in no debt attributable to the District.
(2) The 2023 preliminary assessed valuation is subject to change on or before December 10, 2023.
(3) The percentage of each entity's outstanding debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

Sources: Adams County Assessor's Office; and information obtained from individual taxing entities.

DISTRICT DEBT STRUCTURE

Required Elections

Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the District. Among such provisions, Article X, Section 20 of the Colorado Constitution (the Taxpayers Bill of Rights, or "TABOR") requires that, except for refinancing bonded debt at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. For a discussion of TABOR, see "LEGAL MATTERS – Certain Constitutional Limitations." For a discussion of the District's debt election, see " - General Obligation Debt – Authorized but Unissued Debt" below.

The debt authorization allowing for the issuance of the Bonds was approved by the electors of District Nos. 1-3 at the 2007 Election.

General Obligation Debt

Statutory Debt Limit. The District is subject to a statutory debt limitation established pursuant to Section 32-1-1101(6), C.R.S. (the "Debt Limitation Statute"). This limitation provides that, with certain exceptions, the total principal amount of general obligation debt issued by a special district shall not at the time of issuance exceed the greater of $2,000,000 or 50% of the special district's assessed valuation. The 2022 certified assessed value for the District is $35,634,980, resulting in a debt limit of $17,817,490. The 2023A Senior Bonds and

2023B(3) Subordinate Bonds, in the aggregate, will exceed this amount. The 2023A Senior Bonds are nevertheless permitted to be issued under an exception to the Debt Limitation Statute because the 2023A Senior Bonds are rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations which regularly rate such obligations. See "RATINGS FOR 2023A SENIOR BONDS." The 2023B(3) Subordinate Bonds are also permitted to be issued under an exception in the Debt Limitation Statute because the 2023B(3) Subordinate Bonds are being issued only to financial institutions or institutional investors. Other exceptions from the Debt Limitation Statute include obligations which are: determined by the board of the special district to be necessary to construct improvements ordered by a federal or state regulatory agency for public health or environmental reasons; or secured by a letter of credit issued by certain qualified financial institutions. Special districts are also permitted to issue general obligation debt payable from a limited mill levy not exceeding fifty mills, which is inapplicable to the Bonds.

Refunded Bonds. On September 7, 2017, District No. 2 issued its: (i) Limited Tax General Obligation Refunding and Improvement Bonds, Series 2017A, in the aggregate principal amount of $21,735,000 (previously defined as the "2017A Senior Bonds"); (ii) Subordinate Limited Tax General Obligation Bonds, Series 2017B, in the aggregate principal amount of $3,265,000 (previously defined as the "2017B Subordinate Bonds"); and (iii) Junior Lien Limited Tax General Obligation Bonds, Series 2017C, in the aggregate principal amount of $4,775,000 (previously defined as the "2017C Junior Lien Bonds", and together with the 2017A Senior Bonds and 2017B Subordinate Bonds, the "Refunded Bonds"). In accordance with the Consolidation Elections, the District assumed responsibility for the Refunded Bonds.

As of the respective dates of redemption of the Refunded Bonds, the 2017A Senior Bonds are anticipated to be outstanding in the aggregate principal amount of $20,930,000, the 2017B Subordinate Bonds are anticipated to be outstanding in the aggregate principal amount of $3,265,000 and the 2017C Junior Lien Bonds are anticipated to be outstanding in the aggregate principal amount of $4,775,000.

In accordance with the 2023A Senior Indenture, the net proceeds of the 2023A Senior Bonds are to be transferred to the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bond Escrow Agreement) for application, together with other legally available moneys of the District, to the redemption of the Refunded Bonds in accordance with the Refunded Bonds Escrow Agreement. See "THE 2023A SENIOR BONDS – Escrow Agreement" and "USES OF PROCEEDS." In accordance with the 2023B(3) Subordinate Indenture, the net proceeds of the 2023B(3) Subordinate Bonds are to be transferred to the Refunded Bonds Fund to be disbursed to the Trustee (in its capacity as Refunded Bonds Escrow Agent under the Refunded Bonds Escrow Agreement) for application, together with a portion of the proceeds of the 2023A Senior Bonds and other legally available monies of the District, to the redemption of the 2017C Junior Lien Bonds in accordance with the Refunded Bonds Escrow Agreement. See "THE 2023B(3) SUBORDINATE BONDS – Funds and Accounts – Refunded Bonds Fund" and "USES OF PROCEEDS."

Outstanding (Limited or Unlimited Tax) General Obligation Debt. Upon issuance of the 2023A Senior Bonds and the 2023B(3) Subordinate Bonds, and satisfaction of the terms of the Refunded Bonds Escrow Agreement as described herein, the 2023A Senior Bonds and the 2023B(3) Subordinate Bonds will be the only outstanding limited or unlimited tax general obligation indebtedness of the District. The debt service schedule for the 2023A Senior Bonds and the estimated payments of principal and interest on the 2023B(3) Subordinate Bonds are set forth in "DEBT SERVICE REQUIREMENTS AND ESTIMATED PAYMENTS ON THE 2023A SENIOR BONDS AND 2023B(3) SUBORDINATE BONDS."

Authorized but Unissued Debt. The District's authority to issue additional debt is restrained by the 2007 Election, the Service Plan, the 2023A Senior Indenture and the 2023B(3) Subordinate Indenture. These limitations are described below.

2007 Election. District Nos. 1-3 held elections on November 6, 2007, at which District Nos. 1-3 authorized the issuance of debt (previously defined as the "2007 Election"). In accordance with the Consolidation Elections and Consolidation Act, District No. 1 and District No. 3 were included into and consolidated with District No. 2, without expanding the powers previously delegated to District Nos. 1-3 individually, and without aggregating the mill levy, revenue, expense and debt authorization or limitations previously authorized by the voters of each of District Nos. 1-3 pursuant to Article X, Section 20 of the Colorado Constitution. Accordingly, the District's debt and other voter authorizations are derived from the 2007 Election. In accordance with the Consolidation Elections, the District assumed responsibility for the outstanding general obligation indebtedness of District Nos. 1-3 (which then included the Refunded Bonds). Following is a summary of the District's voted debt authorization:

Voted Authorization Summary for the District

Purpose	Amount Authorized	Amount Used for the 2017A Senior Bonds	Amount Used for the 2017B Subordinate Bonds	Amount Used for the 2017C Junior Lien Bonds	Amount Used for the 2023A Senior Bonds*(1)	Amount Used for the 2023B(3) Subordinate Bonds*(2)	Amount Remaining*
Public Improvements(3)	$300,000,000	$21,735,000	$3,265,000	$4,775,000	$ --	$ --	$270,225,000
Operations & Maintenance	30,000,000	--	--	--	--	--	30,000,000
Intergovernmental Agreements	30,000,000	--	--	--	--	--	30,000,000
Refunding(4)	30,000,000	--	--	--	27,960,000	1,650,000	390,000
TOTAL:	$390,000,000	$21,735,000	$3,265,000	$4,775,000	$27,960,000	$1,650,000	$332,018,500

(1) Approximately $3,265,000* of the 2023A Senior Bonds are anticipated to be utilized to refund the 2017B Subordinate Bonds at a lower interest rate, and therefore do not require voted authorization. See " – Required Elections" above. The remaining $27,960,000* of the 2023A Senior Bonds are anticipated to be applied to the District's refunding authority.
(2) The 2023B(3) Subordinate Bonds are anticipated to be applied to the District's refunding authority.
(3) Includes $30,000,000 of authorization for each of the following categories of public improvements: (i) streets, (ii) water, (iii) safety protection, (iv) television relay and translator, (v) parks and recreation, (vi) sanitation/storm water, (vii) mosquito and pest control, (viii) transportation, (ix) fire protection, and (x) security. Each election question for the various categories of public improvements includes refunding authorization for such specified purpose. After the Bonds are priced and sold, if the refunding authorization described in Note 4 below is insufficient, the District anticipates utilizing the refunding authorization provided for in the various public improvement categories.
(4) Authorizes the District to refund its outstanding debt or other obligations at an interest rate that is equal to, or higher than the interest rate on the refunded bonds, but not in excess of the maximum net effective interest rate of 18% per annum.

*Subject to change.

Service Plan. In accordance with the Service Plan, the District's debt limitation shall be $35 million. The obligations of the District in IGAs (defined therein) concerning the funding and/or operations of the Public Improvements and services, for which voter approval will be obtained to the extent required by law, will not count against the debt limitation. Increases necessary to accomplish a refunding, reissuance or restructuring of debt (which includes the Refunded Bonds, 2023A Senior Bonds and 2023B$_{(3)}$ Subordinate Bonds) shall also not count against the debt limitation if a present value savings can be shown. After issuance of the Refunded Bonds, 2023A Senior Bonds and 2023B$_{(3)}$ Subordinate Bonds, $5,225,000[*] of this authorization will remain unissued.

By acceptance of the Bonds, the owner of the Bonds agrees and consents to all of the limitations in respect of the payment of the principal of and interest on the Bonds contained in the Bonds, in the Bond Resolution and in the Service Plan.

2023A Senior Indenture. The 2023A Senior Indenture limits the District's ability to issue additional debt as described in "SECURITY FOR THE 2023A SENIOR BONDS – 2023A Additional Obligations."

2023B$_{(3)}$ Subordinate Indenture. The 2023B$_{(3)}$ Subordinate Indenture limits the District's ability to issue additional debt as described in "SECURITY FOR THE 2023B$_{(3)}$ SUBORDINATE BONDS – 2023B$_{(3)}$ Additional Obligations."

Revenue and Other Financial Obligations

Subject to the limitations provided in the Service Plan, the District also has the authority to issue revenue obligations payable from the net revenue of the District's facilities, to enter into obligations which do not extend beyond the current fiscal year, and to incur certain other obligations. Other than the obligations of the District described in "THE DISTRICT – Agreements," the District presently has no such obligations outstanding.

Selected Debt Ratios

The following table sets forth ratios of direct limited tax general obligation debt of the District (after giving effect to the issuance of the 2023A Senior Bonds and 2023B$_{(3)}$ Subordinate Bonds) and overlapping debt within the District (only for those entities which currently pay their general obligation debt through a mill levy assessed against property within the District) to the 2023 preliminary assessed valuation of the District.