

RAINDANCE METROPOLITAN DISTRICT NOS. 1-3

SUPPLEMENTAL MEETING PACKET

1. Pledge Agreement Resolution
2. Pledge Agreement
3. Bond Approval Resolution
4. Preliminary Offering Statement
5. Indenture of Trust
6. Escrow Agreement, No. 2
7. Escrow Agreement, No. 3
8. Bond Purchase Agreement
9. Continuing Disclosure Agreement
10. S&P Rating Letter
11. BAM Insurance Letter

STATE OF COLORADO)
)
 WELD COUNTY) ss
)
 RAINDANCE METROPOLITAN)
 DISTRICT NO. 3)

I, the Secretary or Assistant Secretary of the RainDance Metropolitan District No. 3, in the Town of Windsor, Weld County, Colorado (the “**District**”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “**Resolution**”) adopted by the Board of Directors (the “**Board**”) of the District at a special meeting held at 11:30 a.m. on August 26, 2024, at 1625 Pelican Lakes Point, Suite 200, Windsor, Colorado 80550, and via video/telephone conference at:

Zoom Meeting: [_____]
 Telephone Number: [_____]
 Meeting ID: [_____]
 Passcode: [_____]

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with § 11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a conference telephone, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:
 [CONFIRM]

Board Member	Yes	No	Absent	Abstaining
Martin Lind, President	_____	_____	_____	_____
Justin Donahoo, Secretary/Treasurer	_____	_____	_____	_____
Austin Lind, Assistant Secretary	_____	_____	_____	_____
Nate Kvamme, Member	_____	_____	_____	_____
Garrett Scallon, Member	_____	_____	_____	_____

5. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of the District this 26th day of August, 2024.

[SEAL]

By _____
Secretary or Assistant Secretary

(Attach copy of meeting notice as posted)

RESOLUTION

WHEREAS, RainDance Metropolitan District No. 3, in the Town of Windsor, Weld County, Colorado (the “**District**”) is a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado, including particularly Title 32 of the Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized simultaneously with RainDance Metropolitan District No. 1 (“**District No. 1**”), RainDance Metropolitan District No. 2 (“**District No. 2**”), and RainDance Metropolitan District No. 4 (collectively with the District, the “**RainDance Districts**”), and the RainDance Districts are each authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements in accordance with the Service Plan for the RainDance Districts approved by the Town Board of the Town of Windsor, Colorado, on March 24, 2014 (as amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, at an election of the eligible electors of the District, duly called and held on Tuesday, May 6, 2014 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, the questions relating thereto being as set forth in Exhibit A hereto:

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S. within 45 days after the Election; and

WHEREAS, as contemplated by the Service Plan, the RainDance Districts entered into a Coordinating Services Agreement dated effective January 1, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, the Boards of Directors of the RainDance Districts has previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

WHEREAS, for the purpose of funding certain costs of the Facilities, District No. 1 has previously entered into an Infrastructure Acquisition and Reimbursement Agreement (the “**Reimbursement Agreement**”), dated as of March 1, 2018, with RainDance Development, LLC

(the “**Developer**”), pursuant to which District No. 1 agreed to acquire from the Developer certain Facilities constructed for the benefit of the RainDance Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

WHEREAS, for the purpose of financing or refinancing the costs of Facilities (as defined herein), the District has previously issued, and there presently remain outstanding, the following obligations (collectively, the “**District No. 3 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2018A, originally issued in the aggregate principal amount of \$16,450,000 (the “**District No. 3 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of May 1, 2018 (the “**District No. 3 2018A Senior Indenture**”), by and between the District and UMB Bank, n.a., as trustee; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, originally issued in the aggregate principal amount of \$2,840,000 (the “**District No. 3 2018B Subordinate Bonds**” and together with the District No. 3 2018A Senior Bonds, the “**Refunded Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**District No. 3 2018B Subordinate Indenture**”), by and between the District and UMB Bank, n.a., as trustee; and

WHEREAS, for the purpose of financing or refinancing additional costs of Facilities, District No. 2 has previously issued, and there presently remain outstanding, the following obligations (the “**District No. 2 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2019A, originally issued in the aggregate principal amount of \$19,310,000 (the “**District No. 2 2019A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of December 1, 2019 (the “**District No. 2 2019A Senior Indenture**”), by and between District No. 2 and U.S. Bank National Association, as trustee; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, originally issued in the aggregate principal amount of \$4,575,000 (the “**District No. 2 2019B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**District No. 2 2019B Subordinate Indenture**”), by and between District No. 2 and U.S. Bank National Association, as trustee; and

WHEREAS, the District No. 2 Bonds and the District No. 3 Bonds are collectively referred to herein as the “**Refunded Bonds**”); and

WHEREAS, the Board of Directors of the District (the “**Board**”) hereby finds and determines, that the Facilities financed or refinanced with the proceeds of the Refunded Bonds were generally contemplated by the Service Plan, were needed, and, due to the nature of such Facilities and proximity and interrelatedness of the development within the boundaries of the District and District No. 2, such Facilities (regardless of whether financed or refinanced with proceeds of the District No. 2 Bonds or the District No. 3 Bonds) benefit both the District and District No. 2, and the residents, property owners and taxpayers in both the District and District No. 2 as a whole; and

WHEREAS, the District No. 3 2018A Senior Bonds bear interest at the rate of 5.75% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2023, and ending November 30, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption

premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 3 2018B Subordinate Bonds bear interest at the rate of 8.125% per annum, and are subject to redemption at the option of the District for the period beginning December 15, 2023, and ending December 14, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 15, 2024, and ending December 14, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019A Senior Bonds bear interest at the rate of 5.00% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019B Subordinate Bonds bear interest at the rate of 7.50% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the Board hereby finds and determines, and by the provisions hereof hereby declares, its intent to redeem the District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to the District and, on the date hereof, the Board of Directors of District No. 2 has found and determined and declared its intent to redeem the District No. 2 Bonds on the earliest practicable date that results in the highest net present value savings to District No. 2, in both cases, subject to the availability of funding therefor; and

WHEREAS, the Board hereby finds and determines, based on advice of its financial consultants, and taking into account that the Facilities financed or refinance with proceeds of the District No. 2 Bonds and the District No. 3 Bonds benefit the residents and taxpayers of both the District and District No. 2, that it is in the best interests of the District and District No. 2, and will maximize efficiencies and reductions in interest costs thereby resulting in the most savings to residents of the Districts, if the District No. 2 Bonds and the District No. 3 Bonds are refunded through the issuance of refunding obligations of a single RainDance District, payable from ad valorem property taxes of both the District and District No. 2 (as provided in the Pledge Agreement, defined below), and that is reasonable and appropriate for District No. 2 to be the issuer of such refunding obligations; and

WHEREAS, for the purpose of refunding the Refunded Bonds among other obligations, the Board of Directors of RainDance Metropolitan District No. 2 (“**District No. 2**”) has determined to issue its Limited Tax General Obligation Refunding Bonds, Series 2024 (the

“**Bonds**”), pursuant to an Indenture of Trust (the “**Indenture**”) between District No. 2 and U.S. Bank National Association, as trustee (the “**Trustee**”), in the aggregate principal amount not to exceed \$[_____]; and

WHEREAS, in order to provide for the payment of the Bonds and refundings thereof that may be issued by District No. 2 in the future, the District intends to enter into a Capital Pledge Agreement (the “**Pledge Agreement**”), among the District, District No. 2 and the Trustee, pursuant to which the Taxing Districts (the District and District No. 2) are obligated to impose ad valorem property taxes in an amount equal to the “Required Mill Levy” (as defined therein); and

WHEREAS, the Board hereby determines that by entering into and completing a refunding program with respect to all of the Refunded Bonds, including the execution and delivery of the Pledge Agreement pursuant to which the District will be obligated to impose ad valorem property taxes for the payment of the Bonds, the Board can reduce interest costs and effect other economies and, through such reduction in interest costs, permit the District to lower its annual debt service mill levy; and

WHEREAS, the Bonds will be rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations and, as a result, are permitted pursuant to the provisions of Section 32-1-1101(6)(a)(I), C.R.S., and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, pursuant to Interpretive Order No. 06-IN-001 of the Division of Securities, the Pledge Agreement is not subject to registration and does not require the filing of a claim of exemption because the Pledge Agreement represents the contractual obligation of the District to pay or pledge funds to another political subdivision where such contractual obligation is specifically pledged as security or collateral for an issuance of securities that is either subject to the registration or exemption requirements of the Colorado Municipal Bond Supervision Act; and

WHEREAS, with respect to the use of electoral authorization of the Election, although the Taxing Districts will not collectively pay on the Bonds and under the Pledge Agreement (to the extent relating to the Bonds) more than the total principal amount of the Bonds (plus accrued interest thereon), the actual amount that each Taxing District will contribute to such payment cannot be known today and, accordingly, the District has determined to allocate the indebtedness represented by the Pledge Agreement, in a principal amount equal to the sum of the principal amounts of the Bonds and any other obligations payable from revenues generated thereunder to the electoral authorization of the Election, if and to the extent electoral authorization is required therefor, as set forth in the Pledge Agreement; and

WHEREAS, the Service Plan currently limits the aggregate Debt (as such term is defined in the Service Plan) that may be issued by the RainDance Districts to \$93,000,000, excluding Debt issued to refund outstanding Debt of the RainDance Districts so long as such refunding Debt does not result in net present value expense; the District will determine that the issuance of the Bonds will not result in net present value expense and, accordingly, the issuance

of the Bonds will not reduce the amount of Debt authorization remaining available under the Service Plan; and

WHEREAS, there has been presented to this meeting of the Board a substantially final draft of the Pledge Agreement and the District No. 3 Escrow Agreement; and

WHEREAS, the Board desires to authorize the execution and delivery of the Financing Documents (defined below), and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this Resolution, as such authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the directors were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the execution and delivery of the Financing Documents (defined below) in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RAINDANCE METROPOLITAN DISTRICT NO. 3, WELD COUNTY, COLORADO:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto and the Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“*District No. 3 Escrow Agreement*” means the Refunding Escrow Agreement to be executed in connection with the Bonds, between the District and U.S. Bank National Association or UMB Bank, n.a., in its capacity as escrow agent under the District No. 3 Escrow Agreement.

“*Financing Documents*” means, collectively, this Resolution, the District No. 3 Escrow Agreement and the Pledge Agreement.

“*Pledge Agreement*” means the Capital Pledge Agreement by and among the Taxing Districts and the Trustee, pertaining to payment of, among other obligations, the Bonds.

“*Resolution*” means this Resolution which authorizes and approves the execution of the Financing Documents.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

Section 2. Approvals, Authorizations, and Amendments. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and

perform its obligations under the Financing Documents in the form of such documents presented at this meeting, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith. The President, Treasurer, Secretary or Assistant Secretary of the District, or other authorized officers of the District in the absence of the President, Treasurer, Secretary or Assistant Secretary, are hereby authorized and directed to execute the Financing Documents and to affix the seal of the District thereto, and the President, Treasurer, Secretary or Assistant Secretary to the Board, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to accomplish the purposes of the Pledge Agreement, as stated therein. The Financing Documents and such other documents are to be executed in substantially the form presented at this meeting of the Board, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer of the District executing the same in order to carry out the purposes of this Resolution. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Pledge Agreement and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President, Treasurer, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, or delivery of the Bonds, and execution and delivery of the Pledge Agreement not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Redemption of Refunded Bonds. The Board hereby finds, determines and declares its intent to redeem the District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to the District, subject to the availability of funding therefor, and that, in accordance with Title 32, Article 1, Part 13, C.R.S., the District is entering into the Pledge Agreement (providing for the payment of the Bonds) for the purpose of reducing interest costs or effecting other economies and modifying or eliminating restrictive contractual limitations relating to the incurring of additional indebtedness. The officers of the District are hereby authorized to take such actions as are necessary to effect the redemption and payment in full of the District No. 3 Bonds in accordance with the provisions of the District No. 3 2018A Senior Indenture and the District No. 3 2018B Subordinate Indenture, as applicable, including but not limited to the provision of instructions to the trustee or paying agent therefor to call such District No. 3 Bonds for redemption. Any actions previously taken by officers of the Board in furtherance of refunding the District No. 3 Bonds are hereby ratified and approved.

Section 4. Permitted Amendments to Resolution. Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Indenture.

Section 5. Authorization to Execute Documents. The President, Treasurer, Secretary or Assistant Secretary of the District, or other appropriate officer of the District shall, and they are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution, including, but not limited to, the execution of such certificates and affidavits as may be reasonably required by bond counsel to District No. 2. The execution by the President, Treasurer, Secretary or Assistant Secretary of the District, or other appropriate officer of the District of any document not inconsistent herewith shall be conclusive proof of the approval by the District of the terms thereof.

Section 6. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues as it relates to the Bonds and other obligations of District No. 2, as provided in the Pledge Agreement, shall be governed by Section 11-57-208 of the Supplemental Act, this Resolution and the Pledge Agreement. Such revenues pledged for the payment of the Bonds and other obligations of District No. 2, as received by or otherwise credited to District No. 2, or other designee of District No. 2, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues pledged for payment of the District's Payment Obligation (as defined in the Pledge Agreement) shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 7. Ratification and Approval of Prior Actions. All actions heretofore taken by the officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the execution of the Pledge Agreement are hereby ratified, approved, and confirmed.

Section 8. Resolution Irrepealable. After the execution and delivery of the Pledge Agreement, this Resolution shall be and remain irrepealable until all obligations secured by amounts payable by the District under the Pledge Agreement shall have been fully paid, satisfied, and discharged.

Section 9. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 10. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 11. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 12. Electronic Signatures. Any individual or individuals who are authorized to execute or consent to this Resolution on behalf of the District are hereby authorized to execute this Resolution and any other Financing Document electronically via facsimile or email signature pursuant to Article 71.3 of Title 24, C.R.S., also known as the “Uniform Electronic Transactions Act.” Any electronic signature so affixed to this Resolution shall carry the full legal force and effect of any original, handwritten signature.

Section 13. Confirmation of Seal; Electronic Production and Reproduction. The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document (including this Resolution and any Financing Document) to “affix” the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use for the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

[Remainder of page intentionally left blank.]

ADOPTED AND APPROVED this 26th day of August, 2024.

RAINDANCE METROPOLITAN DISTRICT
NO. 3, IN THE TOWN OF WINDSOR, WELD
COUNTY, COLORADO

[SEAL]

By _____
President

ATTEST:

By _____
Secretary or Assistant Secretary

[Signature page to District No. 3 Resolution]

EXHIBIT A
BALLOT QUESTIONS

CAPITAL PLEDGE AGREEMENT

This **CAPITAL PLEDGE AGREEMENT** (the “**Agreement**”), is made and entered into and dated as of [September] 1, 2024, by and among **RAINDANCE METROPOLITAN DISTRICT NO. 2**, Town of Windsor, Colorado (the “**Issuing District**”), **RAINDANCE METROPOLITAN DISTRICT NO. 3**, Town of Windsor, Colorado (“**District No. 3**” and, together with the Issuing District, the “**Taxing Districts**”), and **U.S. BANK NATIONAL ASSOCIATION**, in its capacity as trustee under that certain Indenture of Trust dated as of [September] 1, 2024, entered into with the Issuing District (the “**Trustee**”). The Taxing Districts are quasi-municipal corporations and political subdivisions of the State of Colorado (the “**State**”).

RECITALS

WHEREAS, the Taxing Districts are authorized by Title 32, Article 1, Part 1, Colorado Revised Statutes, as amended (“**C.R.S.**”) (the “**Act**”), to provide certain public improvements and services to and for the benefit of the properties within and without the boundaries of the Taxing Districts, and in accordance with and subject to the limitations of the Consolidated Service Plan for the District, District No. 3, Raindance Metropolitan District No. 1 (“**District No. 1**”), and Raindance Metropolitan District No. 4 (“**District No. 4**” and, together with the District, District No. 1 and District No. 3, the “**Raindance Districts**”) approved by the Town Board of the Town of Windsor, Colorado, on March 24, 2014 (as amended and restated from time to time, the “**Service Plan**”) (as amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, under the Service Plan, the Raindance Districts are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of public improvements necessary to serve development within the Raindance Districts, which, in the case of the Taxing Districts, is generally anticipated to consist of residential development; and

WHEREAS, in addition to the approval of the Town, the Taxing Districts were organized with the approval of the Taxing Districts’ respective electors, such approvals fully contemplating cooperation between the Taxing Districts as provided herein and in the Service Plan; and

WHEREAS, pursuant to the Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Taxing Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the Service Plan has been prepared for the Taxing Districts pursuant to Sections 32-1-201, C.R.S. *et seq.*, and all required governmental approvals have been obtained therefor; and

WHEREAS, the purposes for which the Taxing Districts were formed include the provision of, among other things, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control, all in accordance with the Service Plan; and

WHEREAS, as contemplated by the Service Plan, the Raindance Districts entered into a Coordinating Services Agreement dated effective January 1, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, the Boards of Directors of the Raindance Districts have previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

WHEREAS, for the purpose of funding certain costs of the Facilities, District No. 1 has previously entered into an Infrastructure Acquisition and Reimbursement Agreement (the “**Reimbursement Agreement**”), dated as of March 1, 2018, with Raindance Development, LLC (the “**Developer**”), pursuant to which District No. 1 agreed to acquire from the Developer certain Facilities constructed for the benefit of the Raindance Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

WHEREAS, for the purpose of financing or refinancing the costs of Facilities (as defined herein), District No. 3 has previously issued, and there presently remain outstanding, the following obligations (collectively, the “**District No. 3 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$16,450,000 (the “**District No. 3 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of May 1, 2018 (the “**District No. 3 2018A Senior Indenture**”), by and between District No. 3 and U.S. Bank National Association, as trustee, which District No. 3 2018A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the aggregate principal amount of \$2,840,000 (the “**District No. 3 2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**District No. 3 2018B Subordinate Indenture**”), by and between District No. 3 and UMB Bank, n.a., as trustee, which District No. 3 2018B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

WHEREAS, for the purpose of financing or refinancing additional costs of Facilities (as defined herein), the Issuing District has previously issued, and there presently remain outstanding, the following obligations (the “**District No. 2 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2019A, in the aggregate principal amount of \$19,310,000 (the “**District No. 2 2019A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of December 1, 2019 (the “**District No. 2 2019A Senior Indenture**”), by and between the Issuing District and U.S. Bank National Association, as trustee, which District No. 2 2019A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, in the aggregate principal amount of

\$4,575,000 (the “**District No. 2 2019B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**District No. 2 2019B Subordinate Indenture**”), by and between the Issuing District and U.S. Bank National Association, as trustee, which District No. 2 2019B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

WHEREAS, the District No. 2 Bonds and the District No. 3 Bonds are collectively referred to herein as the “**Refunded Bonds**”); and

WHEREAS, in furtherance of the Service Plan and the Master IGA, the Taxing Districts have subsequently determined that it would be in the best interests of the Taxing Districts, the residents, the property owners, and the taxpayers thereof for the Issuing District to issue indebtedness for the purpose of refunding the District No. 2 Bonds and the District No. 3 Bonds, and for such indebtedness to be payable from property taxes of the Issuing District and District No. 3; and

WHEREAS, the Boards of Directors of the Issuing District and District No. 3 have found and determined that the Facilities financed or refinanced with the proceeds of the Refunded Bonds were generally contemplated by the Service Plan, were needed, and, due to the nature of such Facilities and proximity and interrelatedness of the development within the boundaries of the Issuing District and District No. 3, such Facilities (regardless of whether financed or refinanced with proceeds of the District No. 2 Bonds or the District No. 3 Bonds) benefit both the Issuing District and District No. 3, and the residents, property owners and taxpayers in both the Issuing District and District No. 3 as a whole; and

WHEREAS, the Board of Directors of the Issuing District has found and determined and declared its intent to redeem the District No. 2 Bonds on the earliest practicable date that results in the highest net present value savings to the District and the Board of Directors of District No. 3 has found and determined and declared its intent to redeem the District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to District No. 3, in both cases, subject to the availability of funding therefor; and

WHEREAS, the Boards of Directors of the Issuing District and District No. 2 have further found and determined, based on advice of their financial consultants, and taking into account that the Facilities financed or refinance with proceeds of the District No. 2 Bonds and the District No. 3 Bonds benefit the residents and taxpayers of both the Issuing District and District No. 3, that it is in the best interests of the Issuing District and District No. 3, and will maximize efficiencies and reductions in interest costs thereby resulting in the most savings to residents of the Districts, if the District No. 2 Bonds and the District No. 3 Bonds are refunded through the issuance of refunding obligations of a single RainDance District (as provided in the Pledge Agreement, defined below), and that is reasonable and appropriate for the District to be the issuer of such refunding obligations; and

WHEREAS, for the purpose of refunding the Refunded Bonds, the Board of Directors of the Issuing District has previously determined to issue its Limited Tax General Obligation Refunding Bonds, Series 2024, in the aggregate principal amount of [PAR] (the “**2024 Bonds**”) pursuant to an Indenture of Trust dated as of [September] 1, 2024 (the “**2024 Indenture**”)

between the Issuing District and U.S. Bank National Association, as trustee, which 2024 Bonds are to be secured by the Pledged Revenue hereunder, as more particularly described herein and in the 2024 Indenture; and

WHEREAS, for the purpose of facilitating such issuance, the Taxing Districts have determined to enter into this Agreement, as more particularly described herein; and

WHEREAS, in order to provide for the payment of the 2024 Bonds and certain other obligations that may be issued by the Issuing District in the future (as more particularly defined herein, the “**Additional Refunding Obligations**”), each of the Taxing Districts has, by the terms of this Agreement, pledged certain revenues (referred to herein as the “**Pledged Revenue**”) to the Issuing District for the payment of the 2024 Bonds and the Additional Refunding Obligations, and covenanted to take certain actions with respect to generating such revenues, for the benefit of the holders of the 2024 Bonds and any Additional Refunding Obligations (the “**Bondholders**”); and

WHEREAS, the 2024 Bonds are rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations and, as a result, will be exempt from registration under the Colorado Municipal Bond Supervision Act and are permitted pursuant to the provisions of Section 32-1-1101(6)(a)(I), C.R.S.; and

WHEREAS, pursuant to Interpretive Order No. 06-IN-001 of the Division of Securities, this Agreement is not subject to registration and does not require the filing of a claim of exemption because this Agreement represents the contractual obligation of District No. 3 to pay or pledge funds to another political subdivision where such contractual obligation is specifically pledged as security or collateral for an issuance of securities that is either subject to the registration or exemption requirements of the Colorado Municipal Bond Supervision Act; and

WHEREAS, at an election of the eligible electors of each of the Taxing Districts duly called and held on Tuesday, May 6, 2014 (each an “**Election**”), in accordance with law and pursuant to due notice, a majority of those eligible to vote and voting at each Election voted in favor of, among other measures, the issuance of indebtedness by the applicable Taxing District and the imposition of taxes for the payment thereof, for the purpose of providing certain public improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness, including the following, the questions relating thereto being as set forth in Exhibit A hereto:

<u>Purpose</u>	<u>Principal Amount</u>
Street	\$93,000,000
Parks and Recreation	93,000,000
Water	93,000,000
Sanitation/Storm Sewer	93,000,000
Transportation	93,000,000
Mosquito Control	93,000,000
Safety Protection	93,000,000
Fire Protection	93,000,000
TV Relay and Translation	93,000,000
Security	93,000,000
Refundings	93,000,000

WHEREAS, the returns of each Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of each Election were certified by the applicable Taxing District by certified mail to the board of county commissioners of each county in which the Taxing District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S., within forty-five (45) days after the Election; and

WHEREAS, the Issuing District shall allocate the principal amount of the 2024 Bonds to the Issuing District's electoral authorization in accordance with the use of net proceeds of the 2024 Bonds, as more particularly provided in the recitals of the 2024 Indenture, and, furthermore, has determined that the Issuing District's obligations under this Agreement (to the extent relating to the payment of the 2024 Bonds) are the same and not in addition to, the Issuing District's obligations with respect to the 2024 Bonds and, accordingly, no additional electoral authorization of the Issuing District will be allocated to this Agreement in connection with the issuance of the 2024 Bonds; and

WHEREAS, due to the nature of the obligation incurred by the Issuing District under the 2024 Indenture and hereunder, and by District No. 3 hereunder, it is not possible to predict with certainty the amount of principal and interest on the 2024 Bonds and Additional Refunding Obligations (if any) District No. 3 will pay hereunder, and as a result, District No. 3 will initially reserve and subsequently allocate from its Election all of the indebtedness represented by this Agreement, based upon the principal amount of 2024 Bonds payable pursuant to the terms hereof and the manner in which the Issuing District allocates the same based upon the Facilities financed by such 2024 Bonds; and **[REVIEW/CONFIRM DISTRICT NO. 3 ALLOCATION][INSERT ALLOCATION HERE WHEN FINALIZED]**

WHEREAS, District No. 3 will, upon the issuance of Additional Refunding Obligations as permitted by this Agreement, allocate additional electoral authority as applicable; and

WHEREAS, the Service Plan currently limits the aggregate Debt (as such term is defined in the Service Plan) that may be issued by the Raindance Districts to \$93,000,000, excluding Debt issued to refund outstanding Debt of the Raindance Districts so long as such refunding Debt does not result in net present value expense; the Taxing Districts have found and determined that the issuance of the 2024 Bonds does not result in net present value expense and, accordingly, the issuance of the 2024 Bonds and execution and delivery of this Pledge Agreement will not reduce the amount of Debt authorization remaining available under the Service Plan; and

WHEREAS, pursuant to the provisions of the Service Plan, the 2024 Bonds have a scheduled maturity of not more than thirty (30) years; and

WHEREAS, the Taxing Districts have determined and hereby determine that the execution of this Agreement, the issuance of the 2024 Bonds and any Additional Refunding Obligations, and the provision of the Financed Facilities are in the best interests of the Taxing Districts and the residents, property owners, and taxpayers thereof; and

WHEREAS, all amendments to this Agreement made pursuant hereto and not in specific conflict with specific limits of the ballot questions, which authorized the indebtedness comprising the Payment Obligation provided for herein, shall be deemed part of this Agreement and fully authorized by such ballot questions.

COVENANTS

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants and stipulations herein, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Interpretation. In this Agreement, unless the context expressly indicates otherwise, the words defined below shall have the meanings set forth below:

(a) The terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms, refer to this Agreement as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of the Agreement, the term “now” means the date of execution of this Agreement, and the term “hereafter” means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in Section 1.02 hereof.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders, and words importing the singular number include the plural number and vice versa.

(d) The captions or headings of this Agreement are for convenience only, and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Agreement.

(e) All schedules, exhibits, and addenda referred to herein are incorporated herein by this reference.

Section 1.02. Definitions. As used herein, unless the context expressly indicates otherwise, the words defined below and capitalized throughout the text of this Agreement shall have the respective meanings set forth below:

“*Additional District No. 3 Obligations*” means (a) all obligations of District No. 3 for borrowed money and reimbursement obligations, (b) all obligations of District No. 3 payable from or constituting a lien or encumbrance upon ad valorem tax revenues of District No. 3, or any part of the Pledged Revenue, (c) all obligations of District No. 3 evidenced by bonds, debentures, notes, or other similar instruments, (d) all obligations of District No. 3 to pay the deferred purchase price of property or services, (e) all obligations of District No. 3 as lessee under leases, but excluding such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed \$500,000, and (f) all obligations of others guaranteed by District No. 3; provided that notwithstanding the foregoing, the term “Additional District No. 3 Obligations” does not include:

(i) obligations which do not obligate District No. 3 to impose any tax, fee, or other governmental charge and either: (A) are subject to termination by District No. 3 at least annually; or (B) the repayment of which is contingent upon District No. 3’s annual determination to appropriate moneys therefor (other than leases as set forth in (e) above);

(ii) obligations issued solely for the purpose of paying operations and maintenance costs of the Taxing Districts and either: (A) are subject to termination by District No. 3 at least annually; or (B) the repayment of which is contingent upon District No. 3’s annual determination to appropriate moneys therefor (other than leases as set forth in (e) above);

(iii) obligations which are payable solely from the proceeds of Additional District No. 3 Obligations, when and if issued;

(iv) obligations payable solely from periodic, recurring service charges (and not Capital Fees) imposed by District No. 3 for the use of any Taxing District facility or service, which obligations do not constitute a debt or indebtedness of District No. 3 or an obligation required to be approved at an election under State law;

(v) obligations with respect to which District No. 3 has irrevocably committed funds equal to the full amount due or to become due thereunder;

(vi) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements guarantee payment of principal or interest on any obligation permitted to be issued by District No. 3 in accordance with the provisions hereof, and (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the secured obligation has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority as the obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements;

(vii) any payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of District No. 3; and

(viii) any obligation payable solely from Assessments.

“Additional Refunding Obligations” means any bonds, notes, certificates or obligations (including a repayment obligation under a loan agreement or similar agreement) issued or incurred by the Issuing District and designated by the Issuing District (in the applicable Additional Refunding Obligation Document) as secured by a lien on all or any portion of the Pledged Revenues payable hereunder; provided that such obligations are issued for the purpose of refinancing the 2024 Bonds or any Additional Refunding Obligations. In addition, an obligation shall not constitute an Additional Refunding Obligation hereunder unless (i) it will be issued, either: (A) in denominations of not less than \$500,000 each, or (B) to “accredited investors” as defined in Section 11-59-110(1)(g) C.R.S., unless an exemption from the registration requirements of the Colorado Municipal Bond Supervision Act, or any successor statute, is otherwise available; AND (ii) it will initially be issued to financial institutions or institutional investors, or in a manner otherwise satisfying one of the conditions of Section 32-1-1101(6)(a), C.R.S., or will constitute a refunding or restructuring contemplated by Section 32-1-1101(6)(b) C.R.S.; AND (iii) it will have a final maturity of not more than thirty (30) years. *Notwithstanding any other provision hereof, in no event shall Additional Refunding Obligations include any obligation that would result in a Taxing District’s Payment Obligation with respect thereto exceeding available electoral authorization therefor.*

“Additional Refunding Obligation Documents” means, collectively, any resolution, indenture, loan agreement or other instrument or agreement executed by the Issuing District pursuant to which Additional Refunding Obligations are issued or incurred, and any undertaking or agreement with respect to the provision of continuing disclosure relating thereto.

“Agreement” means this Capital Pledge Agreement and any amendment hereto made in accordance herewith.

“*Annual Financing Costs*” means, with respect to any calendar year, an amount equal to the principal of, premium if any, and interest on the 2024 Bonds and any Additional Refunding Obligations as the same become due and payable in the immediately succeeding calendar year, whether at maturity or upon earlier redemption, which may include an estimate of interest to become due if necessary, to be calculated in accordance with any Additional Refunding Obligation Documents, the amount (if any) necessary to replenish the Reserve Fund to the Reserve Requirement or to pay any Policy Costs due to the Bond Insurer as a result of a draw on the Reserve Policy, the amount (if any) necessary to replenish any reserve fund held under any Additional Refunding Obligation Document to the amount required by the applicable Additional Refunding Obligation Document or pay any similar reserve policy costs, if needed, and any other Financing Costs anticipated to be payable in the immediately succeeding calendar year with respect to the 2024 Bonds and any Additional Refunding Obligations, in accordance with the 2024 Indenture or Additional Refunding Obligation Documents, as applicable, *but less* the amount then held under the 2024 Indenture and Additional Refunding Obligation Document available for the payment of such Financing Costs, and any amount of revenues projected to be available for payment of such Financing Costs, to the extent such amounts are permitted under the 2024 Indenture or Additional Refunding Obligation Documents, as applicable, to be taken into account in the calculation of the Required Mill Levy (which, in the case of the 2024 Indenture, includes only the amount on deposit in the Bond Fund held under the 2024 Indenture) as of the applicable Mill Levy Certification Date.

“*Assessments*” means assessments collected by any Taxing District within a special improvement district established by a Taxing District in accordance with the provisions of Section 32-1-1101.7, C.R.S., or any successor statute, including the revenue derived from any action to enforce the collection of such assessments, and the revenue derived from the sale or other disposition of property acquired by a Taxing District from any action to enforce the collection of such assessments.

“*Board*” or “*Boards*” means the lawfully organized Boards of Directors of the Taxing Districts.

“*Board of County Commissioners*” means the Board of County Commissioners for Weld County, Colorado.

“*Bond Insurer*” means [_____].

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, Part 1, C.R.S.

“*District No. 3*” means Raindance Metropolitan District No. 3, Town of Windsor, Colorado.

“*District No. 3 Subordinate Obligations*” means and any bonds, notes, or other obligations payable in whole or in part from, or constituting a lien upon, the general ad valorem taxes of District No. 3 on a basis subordinate to its Payment Obligation hereunder.

“*Facilities*” means public facilities the debt for which was approved at the Election, including, without limitation, necessary or appropriate equipment.

“*Financed Facilities*” means the Facilities authorized by the Election and which each of the Taxing Districts has found and determined is in the nature of community improvements intended for the general direct or indirect benefit of the existing and planned residential and commercial community within the Taxing Districts, and constitutes improvements for which the applicable Taxing District is authorized to issue indebtedness and impose ad valorem property taxes in accordance with the Election and the Service Plan, and the payment of such costs of the Facilities is in furtherance of the purposes for which the applicable Taxing District was formed. **[ATTACH SPECIFIC LIST OF FACILITIES FINANCED WITH REFUNDED BONDS]**

“*Financing Costs*” means the principal and redemption price of, and interest and premium on, the 2024 Bonds and any Additional Refunding Obligations, required deposits to or replenishments of funds or accounts securing the 2024 Bonds and any Additional Refunding Obligations, and customary fees and expenses relating to the 2024 Bonds and any Additional Refunding Obligations, all in accordance with the 2024 Indenture or Additional Refunding Obligation Documents, as applicable, including: (a) with respect to the 2024 Bonds, the principal and interest components of any mandatory redemption payments as provided in the 2024 Indenture, and customary fees related to the issuance of the 2024 Bonds (including, but not limited to, fees of a trustee, paying agent, and rebate agent); and (b) with respect to any Additional Refunding Obligations, any scheduled mandatory or cumulative sinking fund payments and any extraordinary redemption amounts to the extent provided in the Additional Refunding Obligation Documents and replenishment of any reserves and funding of any surplus funds relating to the Additional Refunding Obligations, customary fees related to the issuance of the Additional Refunding Obligations (including, but not limited to, fees of a trustee, paying agent, rebate agent, and provider of liquidity or credit facility), and any reimbursement due to a provider of liquidity or credit facility securing any Additional Refunding Obligations. Where used in describing the permitted uses by the Issuing District of the Pledged Revenue, “Financing Costs” also includes the payment of the principal and redemption price of, and interest on, any obligation issued by any District to fund the Financed Facilities.

“*Fiscal Year*” means the twelve month period ending December 31 of each calendar year.

“*Issuing District*” means Raindance Metropolitan District No. 2, Town of Windsor, Colorado.

“*Mill Levy Certification Date*” means the date each year on which a Taxing District is required to impose the Required Mill Levy in accordance with the provisions hereof.

“*Payment Obligation*” with respect to each Taxing District means, collectively, the obligations of such Taxing District to pay its allocated portion of the Financing Costs with respect to each of the 2024 Bonds and any Additional Refunding Obligations in accordance with the provisions hereof, but solely from its Pledged Revenue, to the extent available, it being recognized that each such obligation shall arise hereunder upon the issuance of the 2024 Bonds or Additional Refunding Obligation with respect to which such obligation relates.

“*Permitted District No. 3 Subordinate Obligations*” means any District No. 3 Subordinate Obligations which satisfy all of the following: (i) the aggregate number of mills which District No. 3 promises to impose for payment of the proposed District No. 3 Subordinate Obligations

and all other District No. 3 Subordinate Obligations then outstanding does not exceed 39 mills (adjusted as provided in the definition of Required Mill Levy) less the Required Mill Levy then required to be imposed hereunder for the payment of the 2024 Bonds and any Additional Refunding Obligations; (ii) the failure to make a payment when due on the District No. 3 Subordinate Obligations does not constitute an event of default thereunder; and (iii) the District No. 3 Subordinate Obligations are payable as to both principal and interest only on an annual basis, on or after December 15 of each calendar year (or, if different, 14 days after the final payment date of any 2024 Bonds and any Additional Refunding Obligations in any particular year).

“*Pledged Revenue*” means the following:

- (a) all Property Tax Revenues; and
- (b) all Specific Ownership Tax Revenues;

“*Policy Costs*” has the meaning assigned it under the 2024 Indenture.

“*Property Tax Revenues*” means all moneys derived from imposition by the Taxing Districts of the applicable Required Mill Levy. 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, Property Tax Revenues do not include specific ownership tax revenues.)

“*Required Mill Levy*” means, for each Taxing District:

(a) subject to paragraph (b) below, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Taxing Districts each year in an amount determined by the Issuing District which, if imposed by both Taxing Districts for collection in the succeeding calendar year, would generate Property Tax Revenues equal to the Annual Financing Costs, but not in excess of 39 mills; *provided, however,* that:

(i) in the event that, on or after January 1, 2014, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, the mill levy of 39 mills provided herein 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 (it being acknowledged that such adjustment with respect to each Taxing District may result in different mill levies being imposed by each of the Taxing Districts). For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation; and

(ii) in the event that the mill levies calculated pursuant to clause (i) are different for the Taxing Districts: (A) the actual mill levies imposed by each Taxing District shall be the same if sufficient to generate the amount of Property Tax Revenues required and if not in excess of the adjusted 39 mill maximum levy of any Taxing District, and (B) if the actual mill levies necessary to generate the amount of Property Tax Revenues required would exceed the adjusted 39 mill maximum levy of any Taxing District, then the Taxing District with the lowest adjusted 39 mill maximum levy shall impose such amount, and the remaining Taxing District shall impose a mill levy sufficient to generate the amount of Property Tax Revenues required (but not in excess of such Taxing District's adjusted 39 mill maximum levy);

(b) notwithstanding anything herein to the contrary, in no event may the Required Mill Levy for a Taxing District be established at a mill levy which would cause such Taxing District to derive tax revenue in any year in excess of the maximum tax increases permitted by such Taxing District's electoral authorization, and if the 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 such Taxing District's electoral authorization, the Required Mill Levy shall be reduced to the point that such maximum tax increase is not exceeded.

"Reserve Fund" means the fund so designated under the 2024 Indenture.

"Reserve Policy" has the meaning assigned it under the 2024 Indenture.

"Reserve Requirement" has the meaning assigned it under the 2024 Indenture.

"Service Plan" means the Service Plan for the Raindance Districts approved by Town Board of the Town of Windsor, Colorado on March 24, 2014, as may be amended or restated from time to time.

"Specific Ownership Tax Revenues" means the specific ownership taxes remitted to the Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of their imposition of the Required Mill Levy in accordance with the provisions hereof.

"State" means the State of Colorado.

"Supplemental Act" means the "Supplemental Public Securities Act," being Title 11, Article 57, Part 2, C.R.S., as amended.

"Taxing Districts" means, collectively, the Issuing District and District No. 3, including any duly authorized representative, officer, director, employee, agent, engineer or attorney of any such Taxing District, if applicable.

"Termination Date" means the date on which all amounts due with respect to the 2024 Bonds and any Additional Refunding Obligations have been defeased or paid in full.

“Town” means the Town of Windsor, Colorado.

ARTICLE II

PAYMENT OBLIGATION

Section 2.01. No Additional Electoral Approval Required. The authorization for issuance of debt, fiscal year spending, revenue collections and other constitutional matters requiring voter approval for purposes of this Agreement, was approved at elections held for each of the Taxing Districts on May 6, 2014 in accordance with law and pursuant to due notice. The performance of the terms of this Agreement requires no further electoral approval.

Section 2.02. Funding of Financing Costs Generally.

(a) In exchange for the purchase by the Bondholders of the 2024 Bonds and any Additional Refunding Obligations, the proceeds of which are to be applied to the provision of the Financed Facilities, each Taxing District (including the Issuing District) hereby agrees to pay such portion of the Financing Costs as may be funded with the Pledged Revenue available to it, in accordance with the provisions hereof.

(b) The obligation of each Taxing District to pay its portion of the Financing Costs as provided herein shall constitute a limited tax general obligation of such Taxing District payable solely from and to the extent of the Pledged Revenue available to it. The obligation of each Taxing District to pay the Financing Costs as provided herein (the “**Payment Obligation**”) shall constitute an irrevocable lien upon the Pledged Revenue and the Pledged Revenue of each Taxing District is hereby pledged to the payment thereof. The Payment Obligation of the Issuing District hereunder is the same, and not in addition to, its obligation under the 2024 Indenture and any Additional Refunding Obligation Document to which the Issuing District is a party. The Taxing Districts hereby elect to apply all of the provisions of the Supplemental Act to this Agreement and the Payment Obligation, provided that the provisions of Section 11-57-207(1)(a), C.R.S., as amended, relating to limiting securities to a term of forty years shall apply separately to each Payment Obligation as it arises hereunder upon the issuance of the 2024 Bonds or Additional Refunding Obligation with respect to which such obligation relates.

(c) In no event shall the total or annual obligations of any Taxing District hereunder exceed the maximum amounts permitted under such Taxing District’s electoral authority and any other applicable law. The entire Payment Obligation of each Taxing District will be deemed defeased and no longer outstanding upon the earlier to occur of payment by such Taxing District of such amount or the Termination Date.

(d) Because the actual total Pledged Revenue payable by each Taxing District hereunder cannot be determined with any certainty at this time, the Taxing Districts shall not be permitted to pre-pay any amounts due hereunder.

Section 2.03. Imposition of Required Mill Levy.

(a) In order to fund their respective Payment Obligations, each Taxing District (including the Issuing District) agrees to levy on all of the taxable property in such Taxing District, in addition to all other taxes, direct annual taxes in 2024, and in each year thereafter, so long as the 2024 Bonds or Additional Refunding Obligations remain outstanding, to the extent necessary to provide for payment of the Financing Costs, in the amount of the applicable Required Mill Levy. Nothing herein shall be construed to require a Taxing District to impose an ad valorem property tax levy for the payment of the Payment Obligation in excess of the applicable Required Mill Levy or after the Termination Date.

(b) In order to facilitate the determination of the Required Mill Levy, District No. 3 shall provide to the Issuing District: (i) on or before September 30 of each year, commencing September 30, 2024¹, the preliminary certification of assessed value for District No. 3 provided by the Weld County Assessor; and (ii) no later than one business day after receipt by District No. 3, the final certified assessed value for such District No. 3, provided by the Weld County Assessor (expected to be provided by the Weld County Assessor no later than December 10 of each year). In accordance with the definition of Required Mill Levy set forth herein, the Issuing District shall preliminarily determine, and provide to District No. 3, the Required Mill Levy for each Taxing District no later than October 15 of each year, and shall finally determine, and provide to District No. 3, the Required Mill Levy for each Taxing District no later than December 12 of each year, or such later date as may be necessitated by applicable State law pertaining to the determination of assessed values and certification of mill levies.

(c) Each Taxing District acknowledges that it has actively participated in the development of the calculation for determining the Required Mill Levy for each Taxing District, that such calculation and such provisions are designed to reasonably allocate among the Taxing Districts the Financing Costs based on the mutual benefit to the Taxing Districts of the Financed Facilities and the relative ability of such Taxing Districts, dependent upon the relative stages of development therein, to fund such Financing Costs in any given year and that, so long as made in accordance with the foregoing, the determinations of the Issuing District as to the Required Mill Levy for each Taxing District shall be final and binding upon each Taxing District.

(d) This Section 2.03 is hereby declared to be the certificate of each Taxing District to the Board of County Commissioners indicating the aggregate amount of taxes to be levied (in the amount of the applicable Required Mill Levy) for the purposes of paying the Payment Obligation due hereunder.

(e) It shall be the duty of each Taxing District annually at the time and in the manner provided by law for the levying of its taxes, if such action shall be necessary to effectuate the provisions of this Agreement, to ratify and carry out the provisions hereof with reference to the levy and collection of the ad valorem property taxes herein specified, and to require the officers of such Taxing District to cause the appropriate

¹ [It is acknowledged that the preliminary certification of assessed valuation for District No. 2 for 2024 has been provided to the Issuing District prior to the date hereof.]

officials of Weld County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid hereunder promptly as the same, respectively, become due. Said taxes, when collected, shall be applied only to the payment of the amounts to be paid hereunder.

(f) 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.

(g) The Taxing Districts hereby agree to cooperate in the amendment of this Agreement to modify the definition of Required Mill Levy if necessary, in the determination of the Issuing District, to facilitate the issuance of Additional Refunding Obligations by the Issuing District.

(h) Each Taxing District shall pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries.

(i) The parties hereto acknowledge that the Taxing Districts may be obligated to impose additional property taxes for the payment of operation and maintenance costs, subject to the limitations hereof. This Agreement shall not operate to limit such obligations except as specifically set forth herein.

Section 2.04. Payment and Application of Pledged Revenue.

(a) Each Taxing District hereby agrees to remit to the Trustee, or as otherwise directed by the Issuing District (subject to the limitations and requirements of the 2024 Indenture and any Additional Refunding Obligation Documents) as soon as practicable upon receipt, 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 applicable Taxing District, all revenues comprising Pledged Revenue (if and to the extent received or controlled by such Taxing District), which Pledged Revenue shall be applied by the Trustee or other recipient thereof to Financing Costs, in accordance with the 2024 Indenture or Additional Refunding Obligation Documents, as applicable; provided, however, that in the event that the total amount of Pledged Revenue received by a Taxing District in a calendar month is less than \$50,000, the 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 such Taxing District (i.e., no later than April 15th for Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). IN NO EVENT IS A TAXING DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE. To the extent any portion of such Pledged Revenue is released from the lien of the 2024 Indenture and Additional Refunding Obligation Documents (if any), the Issuing District will continue to ensure that such revenues are applied to

Financing Costs and any other costs of the Facilities, it being acknowledged that in no event would such excess revenue exceed the dollar amount equal to the revenues that would be generated from an annual imposition of an ad valorem property tax levy of 50 mills (without adjustment) on the assessed valuation of each Taxing District. Pledged Revenue shall be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, or such other method as may be mutually agreed to by the Taxing Districts.

(b) District No. 3 hereby covenants that all property tax revenue collected by District No. 3 from, or relating to, a debt service mill levy, or so much thereof as is needed, shall first, be designated as Pledged Revenue in any Bond Year (as defined in the 2024 Indenture or other applicable Additional Refunding Obligation Documents) to pay annual debt service on the 2024 Bonds and any Additional Refunding Obligations and to fund such funds and accounts as are required in accordance with the terms of the 2024 Indenture or other applicable Additional Refunding Obligation Documents (including to fill the surplus fund for any Additional Refunding Obligations to the required amount, if any, under the applicable Additional Refunding Obligation Documents, and to replenish any reserve fund or account securing Additional Refunding Obligations to the requisite level, if needed), and only after the funding of such payments and accumulations required in such Bond Year can property tax revenue from, or relating to, a debt service mill levy be applied to pay any District No. 3 Subordinate Obligations. The debt service property tax levy imposed for the payment of any District No. 3 Subordinate Obligations shall be deemed reduced to the number of mills (if any) available for payment of such District No. 3 Subordinate Obligations in any Bond Year after first providing for the full payment and accumulation of all amounts due on the 2024 Bonds and any Additional Refunding Obligations in such Bond Year.

Section 2.05. Effectuation of Pledge of Security, Current Appropriation. The sums herein required to pay the amounts due hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board of each Taxing District each year while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation of each Taxing District to levy ad valorem property taxes, or as limiting or impairing the obligation of each Taxing District to levy, administer, enforce and collect the ad valorem property taxes as provided herein for the payment of the obligations hereunder.

In addition, and without limiting the generality of the foregoing, the obligations of each Taxing District to transfer funds as described herein for each payment described herein shall survive any Court determination of the invalidity of this Agreement as a result of a failure, or alleged failure, of any of the directors of the Taxing Districts to properly disclose, pursuant to State law, any potential conflicts of interest related hereto in any way, provided that such disclosure is made on the record of the Taxing Districts' meetings as set forth in their official minutes.

Section 2.06. Limited Defenses; Specific Performance. It is understood and agreed by each Taxing District that its obligations hereunder are absolute, irrevocable, and unconditional except as specifically stated herein, and so long as any obligation of a Taxing District hereunder remains unfulfilled, such Taxing District agrees that notwithstanding any fact, circumstance, dispute, or any other matter, it will not assert any rights of setoff, counterclaim, estoppel, or other defenses to its Payment Obligation, or take or fail to take any action which would delay a payment to, or on behalf of, the Issuing District, the Trustee, or any Bondholders or impair the ability of the Issuing District, the Trustee, or any Bondholders to receive payments due hereunder. Notwithstanding that this Agreement specifically prohibits and limits defenses and claims of the Taxing Districts, in the event that a Taxing District believes that it has valid defenses, setoffs, counterclaims, or other claims other than specifically permitted by this Section 2.06, it shall, nevertheless, make all payments as described herein and then may attempt or seek to recover such payments by actions at law or in equity for damages or specific performance, respectively.

Section 2.07. Impact of Exclusion of Property. The parties to this Agreement hereby agree that this Agreement constitutes “indebtedness” as contemplated by Section 32-1-503, C.R.S. Any property excluded from a Taxing District after the date hereof is to remain liable for the imposition of the Required Mill Levy and payment of the proceeds thereof in accordance with the provisions hereof, to the same extent as such property otherwise remains liable for the debt of such Taxing District, as provided in Section 32-1-503, C.R.S. In the event that any order providing for the exclusion of property from a Taxing District does not so provide and specifically indicate the liability of such excluded property for the obligations set forth herein, each Taxing District hereby agrees to take all actions necessary to cause the property owners of such proposed excluded property to covenant to assume all responsibilities under this Agreement, which covenants shall run with the land and shall be in a form satisfactory to the Issuing District.

Section 2.08. Additional Covenants.

(a) District No. 3 covenants that it will not issue or incur any Additional District No. 3 Obligations without the prior consent of the Issuing District; provided, however, that Permitted District No. 3 Subordinate Obligations may be issued without the consent of the Issuing District.

(b) The Taxing Districts shall not impose, in any given year, an administrative, operations and maintenance mill levy in excess of the maximum administrative, operations and maintenance mill levy then permitted by the Service Plan, taking into account the Required Mill Levy and any other debt service mill levy then imposed by the Taxing Districts. However, for purposes of clarification, it is acknowledged that the proceeds of any general property tax levy imposed to pay current administrative, operations and maintenance shall not be payable to the Issuing District pursuant to this Agreement, shall not be payable to the Trustee (or other entity designated by the Issuing District) and shall not be subject to the lien of this Agreement.

(c) Each Taxing District will carry general liability, public officials liability, and such other forms of insurance coverage on insurable Taxing District property upon

the terms and conditions, and in such amount, as in the judgment of the Taxing District will protect the Taxing District and its operations.

(d) At least once a year, each Taxing District will cause an audit to be performed of the records relating to its revenues and expenditures, and each Taxing 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 different time requirements for the completion of such audit under State law, and notwithstanding any State law audit exemptions that may exist. In addition, at least once a year in the time and manner provided by law, each Taxing District will cause a budget to be prepared and adopted. Copies of the budget and the audit or audit exemption will be filed and recorded in the places, time, and manner provided by law. With respect to the obligations of the Issuing District under this paragraph, in the event of any conflicts between the provisions hereof or the provisions of the 2024 Indenture or any Additional Refunding Obligations Documents, the provisions of the 2024 Indenture and any Additional Refunding Obligations Documents shall control.

(e) District No. 3 agrees to provide the Issuing District with information promptly upon request by the Issuing District necessary for the Issuing District to comply on an ongoing basis with the requirements of the Continuing Disclosure Agreement entered into by the Issuing District in connection with the issuance of the 2024 Bonds [MODIFY IF DISTRICT 3 PARTY TO CDA], and any similar agreement entered into by the Issuing District in connection with the issuance of Additional Refunding Obligations.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties of the Taxing Districts. Each of the Taxing Districts hereby makes the following representations and warranties with respect to itself:

(a) The Taxing District is a quasi-municipal corporation and political subdivision duly organized and validly existing under the laws of the State.

(b) The Taxing District has all requisite corporate power and authority to execute, deliver, and to perform its obligations under this Agreement. The Taxing District's execution, delivery, and performance of this Agreement have been duly authorized by all necessary action.

(c) The Taxing District is not in violation of any of the applicable provisions of law or any order of any court having jurisdiction in the matter, which violation could reasonably be expected to materially adversely affect the ability of the Taxing District to perform its obligations hereunder. The execution, delivery and performance by the Taxing District of this Agreement (i) will not violate any provision of any applicable law or regulation or of any order, writ, judgment, or decree of any court, arbitrator, or

governmental authority, (ii) will not violate any provision of any document or agreement constituting, regulating, or otherwise affecting the operations or activities of the Taxing District in a manner that could reasonably be expected to result in a material adverse effect on the Taxing District's ability to perform its obligations under this Agreement, and (iii) will not violate any provision of, constitute a default under, or result in the creation or imposition of any lien, mortgage, pledge, charge, security interest, or encumbrance of any kind on any of the revenues or other assets of the Taxing District pursuant to the provisions of any mortgage, indenture, contract, agreement, or other undertaking to which the Taxing District is a party or which purports to be binding upon the Taxing District or upon any of its revenues or other assets which could reasonably be expected to result in a material adverse effect on the Taxing District's ability to perform its obligations under this Agreement.

(d) The Taxing District has obtained all consents and approvals of, and has made all registrations and declarations with any governmental authority or regulatory body required for the execution, delivery, and performance by the Taxing District of this Agreement.

(e) There is no action, suit, inquiry, investigation, or proceeding to which the Taxing District is a party, at law or in equity, before or by any court, arbitrator, governmental or other board, body, or official which is pending or, to the best knowledge of the Taxing District, threatened in connection with any of the transactions contemplated by this Agreement nor, to the best knowledge of the Taxing District is there any basis therefor, wherein an unfavorable decision, ruling, or finding could reasonably be expected to have a material adverse effect on the validity or enforceability of, or the authority or ability of the Taxing District to perform its obligations under, this Agreement.

(f) This Agreement constitutes the legal, valid, and binding obligation of the Taxing District, enforceable against the Taxing District in accordance with its terms (except as such enforceability may be limited by bankruptcy, moratorium, or other similar laws affecting creditors' rights generally and provided that the application of equitable remedies is subject to the application of equitable principles).

ARTICLE IV

NON-COMPLIANCE AND REMEDIES

Section 4.01. Events of Non-Compliance. The occurrence or existence of any one or more of the following events shall be an "Event of Non-Compliance" hereunder, and there shall be no default or Event of Non-Compliance hereunder except as provided in this Section:

(a) Any Taxing District fails or refuses to impose the Required Mill Levy or to remit the Pledged Revenue as required by the terms of this Agreement;

(b) any representation or warranty made by any party in this Agreement proves to have been untrue or incomplete in any material respect when made, and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party hereto fails in the performance of any other of its covenants in this Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to the applicable party; or

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, EACH TAXING DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE OR AS OTHERWISE DIRECTED BY THE ISSUING DISTRICT IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THIS AGREEMENT AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE BONDHOLDERS OF THE 2024 BONDS AND ANY ADDITIONAL REFUNDING OBLIGATIONS, WHICH SHALL ENTITLE THE ISSUING DISTRICT AND THE TRUSTEE TO PURSUE, ON BEHALF OF THE BONDHOLDERS OF THE 2024 Bonds AND ANY ADDITIONAL REFUNDING OBLIGATIONS, ALL AVAILABLE ACTIONS AGAINST SUCH TAXING DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN SECTION 4.02 HEREOF. EACH TAXING DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE BONDHOLDERS OF THE 2024 BONDS AND ANY ADDITIONAL REFUNDING OBLIGATIONS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED

TO PERMIT A TAXING DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

Section 4.02. Remedies For Events of Non-Compliance. Upon the occurrence and continuance of an Event of Non-Compliance, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Non-Compliance by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in such litigation or other proceeding shall obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

ARTICLE V

MISCELLANEOUS

Section 5.01. Pledge of Revenue. The creation, perfection, enforcement, and priority of the pledge of Pledged Revenue by each Taxing District to secure or pay the Payment Obligation shall be governed by Section 11-57-208 of the Supplemental Act and this Agreement. The Pledged Revenue shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against any of the Taxing Districts irrespective of whether such persons have notice of such liens.

Section 5.02. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board of a Taxing District, or any officer or agent of a Taxing District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the Payment Obligation. Such recourse shall not be available either directly or indirectly through the Board of a Taxing District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of this Agreement and as a part of the consideration hereof, each of the Taxing Districts and the Trustee specifically waives any such recourse.

Section 5.03. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, this Agreement contains a recital that it is issued pursuant to certain provisions of the Supplemental Act, and such recital is conclusive evidence of the validity and the regularity of this Agreement after its delivery for value.

Section 5.04. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization, execution, or delivery of this Agreement shall be commenced more than 30 days after the authorization of this Agreement.

Section 5.05. Notices. Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Agreement shall be in writing, shall be given either in person, by electronic mail, or by certified or registered mail, and if mailed, shall be deemed received three days after

having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

If to the Taxing Districts: Raindance Metropolitan District Nos. [2][3]
c/o White Bear Ankele Tanaka & Waldron
2154 E. Commons Ave., Ste. 2000
Centennial, Colorado 80122
Telephone: 303-858-1800
Email: zwhite@wbapc.com
Attention: Zachary White

with a copy to:

If to the Trustee: U.S. Bank National Association
[PLEASE PROVIDE]

The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent. Where this Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice.

Section 5.06. Rights of Trustee. Notwithstanding any other provision herein, at such time as no amounts remain due and owing under the 2024 Indenture or any Additional Refunding Obligation Document to which the Trustee is a party, all rights of the Trustee hereunder (including, but not limited to, the right to consent to any amendment hereto as a party hereof), shall terminate and be of no force or effect without further action by the parties hereto.

Section 5.07. Miscellaneous.

(a) This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior and contemporaneous understandings or agreements of the parties. This Agreement may not be contradicted by evidence of any prior or contemporaneous statements or agreements. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation, understanding, agreement, commitment, or warranty outside those expressly set forth in this Agreement.

(b) If any term or provision of this Agreement is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Agreement, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Agreement. If any provision or part thereof of this Agreement is stricken in accordance with the provisions hereof, then such stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

(c) The Bondholders are third party beneficiaries to this Agreement and it is intended that there be no other third party beneficiaries of this Agreement. Nothing contained herein, expressed or implied, is intended to give to any person other than the Taxing Districts any claim, remedy, or right under or pursuant hereto, and any agreement, condition, covenant, or term contained herein required to be observed or performed by or on behalf of any party hereto shall be for the sole and exclusive benefit of the other party.

(d) This Agreement may not be assigned or transferred by any party without the prior written consent of each of the other parties.

(e) This Agreement shall be governed by and construed under the applicable laws of the State.

(f) This Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties and is subject to the limitations and requirements of the Indenture.

(g) If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Agreement, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement.

(h) Each party has participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.

(i) This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

(j) Each Taxing District hereby consents to the terms of the 2024 Bonds set forth in the 2024 Indenture. Each Taxing District further acknowledges that any Additional Refunding Obligation Documents shall not be subject to the consent of the Taxing District, so long as not purporting to amend the provisions hereof with respect to the obligations of such Taxing District.

(k) By acceptance of the 2024 Bonds and any Additional Refunding Obligations, the Bondholders will be deemed to have agreed and consented to all of the limitations in respect of the payment of the principal of and interest on the Payment Obligation contained herein, in the resolutions of the Taxing Districts authorizing the execution and delivery of this Agreement and in the Service Plan for creation of the Taxing Districts.

Section 5.08. Effective Date and Termination Date. This Agreement shall become effective as of the date first written above and shall remain in effect until the Termination Date.

Section 5.09. Electronic Execution and Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that any individual or individuals who are authorized to execute or consent to this Agreement or any amendment, supplement or consent relating thereto on behalf of each Taxing District or the Trustee are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Agreement or any supplement or consent relating thereto shall carry the full legal force and effect of any original, handwritten signature.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the Issuing District, District No. 3 and the Trustee have executed this Agreement as of the day and year first above written.

**RAINDANCE METROPOLITAN DISTRICT
NO. 2**

President

ATTESTED:

Secretary

**RAINDANCE METROPOLITAN DISTRICT
NO. 3**

President

ATTESTED:

Secretary

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

Authorized Signatory

EXHIBIT A
TO
CAPITAL PLEDGE AGREEMENT
BALLOT QUESTIONS

**(as attached to the Indenture for the Issuing District and the Authorizing Resolution for
District No. 3)**

STATE OF COLORADO)
)
 WELD COUNTY) ss
)
 RAINDANCE)
 METROPOLITAN DISTRICT NO. 2)

I, the Secretary or Assistant Secretary of the RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “**District**”), do hereby certify that:

1. Attached hereto is a true and correct copy of a resolution (the “**Resolution**”) adopted by the Board of Directors (the “**Board**”) of the District at a special meeting held at 11:30 a.m. on August 26, 2024, at 1625 Pelican Lakes Point, Suite 200, Windsor, Colorado 80550, and via video/telephone conference at:

Zoom Meeting: [_____]
 Telephone Number: [_____]
 Meeting ID: [_____]
 Passcode: [_____]

2. Notice of such meeting was posted no less than 24 hours prior to the holding of the meeting on a public website of the District or in a designated public place within the boundaries of the District, in accordance with law.

3. In accordance with § 11-57-211, C.R.S., one or more of the members of the Board participated in this meeting and voted through the use of a telephone conference, and there was at least one person physically present at the designated meeting area to ensure that the public meeting was in fact accessible to the public.

4. Upon roll call, the members of the Board not marked absent below, were present, constituting a quorum, and the Resolution was duly introduced, moved, seconded and adopted at such meeting by the affirmative vote of a majority of the members of the Board as follows:

Board Member	Yes	No	Absent	Abstaining
Martin Lind, President	_____	_____	_____	_____
Justin Donahoo, Secretary/Treasurer	_____	_____	_____	_____
Austin Lind, Assistant Secretary	_____	_____	_____	_____
Nate Kvamme, Member	_____	_____	_____	_____
Garrett Scallon, Member	_____	_____	_____	_____

5. The Resolution was duly approved by the Board, signed by the President of the District, sealed with the District’s seal, attested by the Secretary or Assistant Secretary of the District and recorded in the minutes of the Board.

6. The meeting at which the Resolution was adopted was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with all applicable bylaws, rules, regulations and resolutions of the District, in accordance with the normal procedures of the District relating to such matters, and in accordance with applicable constitutional provisions and statutes of the State of Colorado.

WITNESS my hand and the seal of RainDance Metropolitan District No. 2 this 26th day of August, 2024.

[SEAL]

By _____
Secretary or Assistant Secretary

(Attach copy of meeting notice as posted)

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RESOLUTION

A RESOLUTION AUTHORIZING THE ISSUANCE BY RAINDANCE METROPOLITAN DISTRICT NO. 2, IN THE TOWN OF WINDSOR, WELD COUNTY, COLORADO, OF ITS LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024, FOR THE PURPOSE OF REFUNDING OUTSTANDING OBLIGATIONS OF THE DISTRICT AND RAINDANCE METROPOLITAN DISTRICT NO. 3, IN THE TOWN OF WINDSOR, WELD COUNTY, COLORADO, FUNDING ANY REQUIRED RESERVE FUNDS FOR REPAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS, PAYING THE COST OF A BOND INSURANCE POLICY AND/OR RESERVE FUND POLICY WITH RESPECT TO THE BONDS AND PAYING THE COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION OF AN INDENTURE OF TRUST; AND APPROVING OTHER DOCUMENTS RELATING TO THE BONDS.

WHEREAS, RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized by Order and Decree of the District Court for Weld County, Colorado issued on June 6, 2014, and recorded in the real property records of Weld County, Colorado (the “**County**”) on June 12, 2014; and

WHEREAS, the District was organized simultaneously with RainDance Metropolitan District No. 1 (“**District No. 1**”), RainDance Metropolitan District No. 3 (“**District No. 3**”), and RainDance Metropolitan District No. 4 (collectively with the District, the “**RainDance Districts**”), and the RainDance Districts are each authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements in accordance with the Service Plan for the RainDance Districts approved by the Town Board of the Town of Windsor, Colorado, on March 24, 2014 (as amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, May 6, 2014 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain water improvements and facilities, and for the refunding of such indebtedness, the questions relating thereto being as set forth on Exhibit C to the Indenture (each as defined herein); and

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S. within 45 days after the Election; and

WHEREAS, as contemplated by the Service Plan, the RainDance Districts entered into a Coordinating Services Agreement dated effective January 1, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, the Boards of Directors of the RainDance Districts have previously determined that it was necessary to acquire, construct, and install a portion of the Facilities; and

WHEREAS, for the purpose of funding certain costs of the Facilities, District No. 1 has previously entered into an Infrastructure Acquisition and Reimbursement Agreement (the “**Reimbursement Agreement**”), dated as of March 1, 2018, with RainDance Development, LLC (the “**Developer**”), pursuant to which District No. 1 agreed to acquire from the Developer certain Facilities constructed for the benefit of the RainDance Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

WHEREAS, for the purpose of financing or refinancing the costs of Facilities (as defined herein), District No. 3 has previously issued, and there presently remain outstanding, the following obligations (collectively, the “**District No. 3 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2018A, originally issued in the aggregate principal amount of \$16,450,000 (the “**District No. 3 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of May 1, 2018 (the “**District No. 3 2018A Senior Indenture**”), by and between District No. 3 and UMB Bank, n.a., as trustee; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, originally issued in the aggregate principal amount of \$2,840,000 (the “**District No. 3 2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**District No. 3 2018B Subordinate Indenture**”), by and between District No. 3 and UMB Bank, n.a., as trustee; and

WHEREAS, for the purpose of financing or refinancing additional costs of Facilities, the District has previously issued, and there presently remain outstanding, the following obligations (the “**District No. 2 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2019A, originally issued in the aggregate principal amount of \$19,310,000 (the “**District No. 2 2019A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of December 1, 2019 (the “**District No. 2 2019A Senior Indenture**”), by and between the District and U.S. Bank National Association, as trustee; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, originally issued in the aggregate principal amount of \$4,575,000 (the “**District No. 2 2019B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**District No. 2 2019B Subordinate Indenture**”), by and between the District and U.S. Bank National Association, as trustee; and

WHEREAS, the District No. 2 Bonds and the District No. 3 Bonds are collectively referred to herein as the “**Refunded Bonds**”); and

WHEREAS, the Board of Directors of the District (the “**Board**”) hereby finds and determines, that the Facilities financed or refinanced with the proceeds of the Refunded Bonds were generally contemplated by the Service Plan, were needed, and, due to the nature of such Facilities and proximity and interrelatedness of the development within the boundaries of the District and District No. 3, such Facilities (regardless of whether financed or refinanced with proceeds of the District No. 2 Bonds or the District No. 3 Bonds) benefit both the District and District No. 3, and the residents, property owners and taxpayers in both the District and District No. 3 as a whole; and

WHEREAS, the District No. 3 2018A Senior Bonds bear interest at the rate of 5.75% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2023, and ending November 30, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 3 2018B Subordinate Bonds bear interest at the rate of 8.125% per annum, and are subject to redemption at the option of the District for the period beginning December 15, 2023, and ending December 14, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 15, 2024, and ending December 14, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019A Senior Bonds bear interest at the rate of 5.00% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019B Subordinate Bonds bear interest at the rate of 7.50% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the Board hereby finds and determines, and by the provisions hereof hereby declares, its intent to redeem the District No. 2 Bonds on the earliest practicable date that results in the highest net present value savings to the District and, on the date hereof, the Board of Directors of District No. 3 has found and determined and declared its intent to redeem the

District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to District No. 3, in both cases, subject to the availability of funding therefor; and

WHEREAS, the Board hereby finds and determines, based on advice of its financial consultants, and taking into account that the Facilities financed or refinance with proceeds of the District No. 2 Bonds and the District No. 3 Bonds benefit the residents and taxpayers of both the District and District No. 3, that it is in the best interests of the District and District No. 3, and will maximize efficiencies and reductions in interest costs thereby resulting in the most savings to residents of the Districts, if the District No. 2 Bonds and the District No. 3 Bonds are refunded through the issuance of refunding obligations of a single RainDance District, payable from ad valorem property taxes of both the District and District No. 3 (as provided in the Pledge Agreement, defined below), and that is reasonable and appropriate for the District to be the issuer of such refunding obligations; and

WHEREAS, the Board hereby determines that by entering into and completing a refunding program with respect to all of the Refunded Bonds, the Board can reduce interest costs and effect other economies and, through such reduction in interest costs, permit the District to lower its annual debt service mill levy; and

WHEREAS, for the purpose of refunding the Refunded Bonds, the Board hereby determines to issue its Limited Tax General Obligation Refunding Bonds, Series 2024 (the “**Bonds**”), in an aggregate principal amount not to exceed \$[_____]; and

WHEREAS, in order to provide for the payment of the Bonds and refundings thereof that may be issued by the District in the future, the District intends to enter into a Capital Pledge Agreement (the “**Pledge Agreement**”) with District No. 3 and the Trustee (defined below), pursuant to which the Taxing Districts (the District and District No. 3) are obligated to impose ad valorem property taxes in an amount equal to the applicable “Required Mill Levy” (as defined therein) and pay the proceeds thereof to the Trustee, or as otherwise directed by the District; and

WHEREAS, the Bonds shall be equally and ratably secured by certain revenues to be received by the District and pledged under an Indenture of Trust (the “**Indenture**”) by and between the District and U.S. Bank National Association, as trustee (the “**Trustee**”), and shall be payable solely from the sources set forth in the Indenture, including the Pledged Revenue (as defined therein); and

WHEREAS, the Service Plan currently limits the aggregate Debt (as such term is defined in the Service Plan) that may be issued by the RainDance Districts to \$93,000,000, excluding Debt issued to refund outstanding Debt of the RainDance Districts so long as such refunding Debt does not result in net present value expense; the District will determine that the issuance of the Bonds will not result in net present value expense and, accordingly, the issuance of the Bonds will not reduce the amount of Debt authorization remaining available under the Service Plan; and

WHEREAS, the principal amount of the Bonds shall be allocated to the District’s electoral authorization in accordance with the use of net proceeds of the Bonds, as more particularly provided in the recitals of the Indenture; and

WHEREAS, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., the Service Plan, and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Pledged Revenue (as defined in the Indenture), including amounts derived under the Pledge Agreement; and

WHEREAS, at the direction of the Board, RBC Capital Markets LLC, Denver, Colorado (the “**Underwriter**”) may, on behalf of the District, discuss with bond insurance companies the terms of a Bond Insurance Policy (as defined herein) with respect to all or a portion of the Bonds and a Reserve Policy (as defined herein), and the Board desires to delegate the authority to the Sale Delegate to determine whether the Bonds will be secured by the Bond Insurance Policy and whether the Reserve Fund will be established and funded with a Reserve Policy, to designate the Bond Insurer (as defined herein) and to determine the terms of the Commitment (as defined herein); and

WHEREAS, the Bonds will be rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations and, as a result, are permitted pursuant to the provisions of Section 32-1-1101(6)(a)(I), C.R.S., and will be exempt from registration under the Colorado Municipal Bond Supervision Act; and

WHEREAS, there has been presented at or prior to this meeting of the Board a proposal from the Underwriter, to purchase the Bonds in accordance with the terms and conditions set forth in a Bond Purchase Agreement (the “**Bond Purchase Agreement**”), a form of which has been presented to the Board at or prior to this meeting; and

WHEREAS, after consideration, the Board has determined that the refunding of the Refunded Bonds and the sale of the Bonds to the Underwriter upon the terms and conditions presented to the Board and set forth in the Bond Purchase Agreement (a final form of which will be approved by the Sale Delegate (defined herein) subject to the limitations of the authority delegated to the Sale Delegate set forth herein) is in the best interests of the District and the taxpayers thereof; and

WHEREAS, there has been presented at or prior to this meeting of the Board substantially final forms of the following (all as defined herein): the Indenture, the Pledge Agreement, the District No. 2 Escrow Agreement, the District No. 3 Escrow Agreement, the Continuing Disclosure Agreement, the Post-Issuance Tax Compliance Policy and the Bond Purchase Agreement; and

WHEREAS, the Board desires to authorize the issuance and sale of the Bonds and the execution of the foregoing documents; delegate the authority to the Sale Delegate pursuant to Section 11-57-205(1), C.R.S., to execute and deliver the Bond Purchase Agreement and make other determinations regarding the Bonds; and authorize the execution, completion, and delivery of such certificates and other documents as may be necessary to effect the intent of this

Resolution, the Indenture and the Pledge Agreement, as such delegation authority is more specifically delineated by, and subject to the limitations set forth in, this Resolution; and

WHEREAS, the Board desires, as provided in the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11, C.R.S., to delegate the authority to the Sale Delegate to determine certain provisions of the Bonds to be set forth in the Bond Purchase Agreement, in accordance with the provisions of this Resolution; and

WHEREAS, pursuant to Section 32-1-902(3), C.R.S., and Section 18-8-308, C.R.S., all known potential conflicting interests of the Directors of the Board were disclosed to the Colorado Secretary of State and to the Board in writing at least 72 hours in advance of this meeting; additionally, in accordance with Section 24-18-110, C.R.S., the appropriate Board members have made disclosure of their personal and private interests relating to the issuance of the Bonds in writing to the Secretary of State and the Board; finally, the Board members have stated for the record immediately prior to the adoption of this Resolution the fact that they have such interests and the summary nature of such interests and the participation of those Board members is necessary to obtain a quorum or otherwise enable the Board to act.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF RAINDANCE METROPOLITAN DISTRICT NO. 2, IN THE TOWN OF WINDSOR, WELD COUNTY, COLORADO:

Section 1. Definitions. Unless the context indicates otherwise, as used herein, capitalized terms shall have the meanings ascribed by the preambles hereto, the Indenture, and the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the “Special District Act,” being Title 32, Article 1, C.R.S.

“*Bond Insurance Policy*” means the municipal bond insurance policy, if any, issued by the Bond Insurer insuring the payment when due of the principal of and interest on all or a portion of the Bonds, as provided therein.

“*Bond Insurer*” means the entity, if any, identified in the Indenture as the issuer of the Bond Insurance Policy and/or the Reserve Policy, or any successor thereto.

“*Bonds*” means the District’s Limited Tax General Obligation Refunding Bonds, Series 2024, dated their date of delivery

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Commitment*” means, collectively, those certain offers, if any, to issue the Bond Insurance Policy and/or the Reserve Policy, designated as the Commitment, issued by the Bond Insurer.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement to be dated as of the date of issuance of the Bonds, by and among the District and the Trustee.

“*District*” means RainDance Metropolitan District No. 2, Town of Windsor, Colorado.

“*District No. 2 Escrow Agreement*” means the Refunding Escrow Agreement to be executed in connection with the Bonds, between the District and U.S. Bank National Association, in its capacity as escrow agent under the District No. 2 Escrow Agreement.

“*District No. 3*” means RainDance Metropolitan District No. 3, Town of Windsor, Colorado.

“*District No. 3 Escrow Agreement*” means the Refunding Escrow Agreement to be executed in connection with the Bonds, between the District and either U.S. Bank National Association or UMB Bank, n.a., in its capacity as escrow agent under the District No. 3 Escrow Agreement.

“*Facilities*” means public facilities the debt for which was approved at an election of eligible electors of the District and District No. 3, including without limitation necessary or appropriate equipment.

“*Financing Documents*” means, collectively, this Resolution, the Indenture, the Pledge Agreement, the Commitment (if any), the Tax Certificate, the District No. 2 Escrow Agreement, the District No. 3 Escrow Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

“*Insured Bonds*” means a portion of, or all of, the Bonds insured by the Bond Insurance Policy (if any).

“*Official Statement*” means the final Official Statement relating to the offer and sale of the Bonds.

“*Pledge Agreement*” means the Capital Pledge Agreement to be executed in connection with the Bonds, by and among the District, District No. 3 and the Trustee, as the same may be amended or supplemented from time to time.

“*Post-Issuance Tax Compliance Policy*” means the Post-Issuance Tax Compliance Policy to be set forth as an exhibit to the Tax Certificate.

“*Reserve Policy*” means the debt service reserve insurance policy, if any, issued by the Bond Insurer and purchased by the District in satisfaction of, and in the amount of, all or a portion of the Reserve Requirement for the Bonds, as provided in the Indenture if so issued.

“*Resolution*” means this Resolution, which authorizes the issuance of the Bonds.

“*Sale Delegate*” means the [President] of the District.

“*Service Plan*” means the Service Plan for the RainDance Districts approved by Town Board of the Town of Windsor, Colorado on March 24, 2014, as may be amended or restated from time to time.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S.

“*Tax Certificate*” means the Tax Compliance Certificate of the District in a form approved by bond counsel to the District governing issues relating to the Bonds under the Code.

“*Taxing Districts*” means, collectively, the District and District No. 3.

“*Trustee*” means U.S. Bank National Association, Denver, Colorado, in its capacity as trustee under the Indenture, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of the Indenture.

“*Underwriter*” means RBC Capital Markets LLC, of Denver, Colorado, the original purchaser of the Bonds.

Section 2. Approval and Authorization of Financing Documents. The Financing Documents are incorporated herein by reference and are hereby approved. The District shall enter into and perform its obligations under the Financing Documents in the form of such documents presented at or prior to this meeting or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, with such changes as are made pursuant to this Section 2 and are not inconsistent herewith (including specifically the provisions of Section 5 hereof). The President, Treasurer, Secretary or Assistant Secretary of the District are hereby authorized and directed to execute and attest the Financing Documents and the certificated Bond forms and to affix the seal of the District thereto, and the President, Treasurer, Secretary or Assistant Secretary of the District, and other appropriate officers of the District are further authorized to execute and authenticate such other documents, instruments, or certificates as are deemed necessary or desirable in order to issue, secure, sell, deliver and administer the Bonds, and to accomplish the refunding of the Refunded Bonds, including to authorize the payment of net proceeds of the Bonds after payment of the Underwriter’s discount in accordance with the Bond Purchase Agreement, for costs of issuance of the Bonds (including the premiums for the Bond Insurance Policy, if any, and the Reserve Policy, if any) and, to fund any required Reserve Fund, in addition to any other uses that may be contemplated by the Indenture, and including any agreement required by the Bond Insurer to be entered into with respect to the Reserve Policy (if any). The Financing Documents and such other documents are to be executed in substantially the form presented at or prior to this meeting of the Board or, with respect to the Tax Certificate, in the form approved by bond counsel to the District, provided that such documents may be completed, corrected, or revised as deemed necessary and approved by the officer(s) of the District executing the same in order to carry out the purposes of this Resolution, including to incorporate provisions required by the Bond Insurer in connection with the Bond Insurance Policy, if any, and the Reserve Policy, if any, with respect to the Insured Bonds, subject in all cases to the limitations of Section 5 hereof, such approval to be evidenced by their execution thereof. To the extent any Financing Document has been executed prior to the date hereof, said execution is hereby ratified and affirmed. Copies of all of the Financing Documents shall be delivered, filed, and recorded as provided therein.

Upon execution of the Financing Documents, the covenants, agreements, recitals, and representations of the District therein shall be effective with the same force and effect as if

specifically set forth herein, and such covenants, agreements, recitals, and representations are hereby adopted and incorporated herein by reference.

The appropriate officers of the District are hereby authorized and directed to prepare and furnish to any interested person certified copies of all proceedings and records of the District relating to the Bonds and such other affidavits and certificates as may be required to show the facts relating to the authorization and issuance thereof.

The execution of any instrument by the President, Treasurer, Secretary or Assistant Secretary of the District or other appropriate officer of the District in connection with the issuance, sale, delivery or administration of the Bonds not inconsistent herewith shall be conclusive evidence of the approval by the District of such instrument in accordance with the terms thereof and hereof.

Section 3. Authorization of Bonds. In accordance with the Constitution of the State; the Act; the Supplemental Act; the Election; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes of refunding the Refunded Bonds, paying costs of issuance of the Bonds (including the premiums for the Bond Insurance Policy, if any, and the Reserve Policy, if any) and providing for, if necessary, from the proceeds of the Bonds, the funding of any required Reserve Fund (if not funded by a deposit of the Reserve Policy), all as further provided in the Indenture. The Bonds shall constitute limited tax general obligations of the District secured by the Trust Estate as defined and more particularly provided therein.

Section 4. Bond Details. The Bonds shall be issued only as fully registered bonds in the aggregate principal amount as set forth in the Bond Purchase Agreement and dated the date of delivery of the Bonds. The Bonds shall mature and shall be subject to optional and mandatory redemption prior to maturity, and shall bear interest, as provided in the Bond Purchase Agreement and the Indenture. The Bonds shall be issued in Authorized Denominations (as defined in the Indenture), and be payable, shall be registered, numbered and subject to transfer and exchange, and shall otherwise be subject to the terms and conditions as provided in the Indenture.

Section 5. Delegation and Parameters.

(a) Pursuant to Section 11-57-205, C.R.S., the Board hereby delegates to the Sale Delegate the authority to determine and set forth in the Bond Purchase Agreement and/or the Indenture: (i) the matters set forth in subsection (b) of this Section, subject to the applicable parameters set forth in subsection (c) of this Section; and (ii) any other matters that, in the judgment of the Sale Delegate, are necessary or convenient to be set forth in the Bond Purchase Agreement and/or the Indenture, and are not inconsistent with the Act, the Supplemental Act or the parameters set forth in subsection (c) of this Section. The Board hereby authorizes and directs the Sale Delegate to execute the Bond Purchase Agreement in accordance with such determinations. Upon the execution of the Bond Purchase Agreement and the Indenture, the matters described in (i) and (ii) above and set forth in the Bond Purchase Agreement and/or the Indenture, shall be incorporated into this Resolution with the same force and effect as if they had been set forth herein when this Resolution was adopted.

(b) The Bond Purchase Agreement and/or the Indenture, shall set forth the following matters and other matters permitted to be set forth therein pursuant to subsection (a) of this Section, but each such matter must fall within the applicable parameters set forth in subsection (c) of this Section:

(i) the rates of interest on the Bonds;

(ii) the terms on which and the prices at which the Bonds may be redeemed prior to maturity, including, without limitation, the principal amounts of the Bonds subject to mandatory sinking fund redemption (if any) and the years in which such Bonds will be subject to such redemption;

(iii) the prices at which the Bonds will be sold;

(iv) the principal amounts of the Bonds;

(v) the dates on which principal and interest shall be paid;

(vi) the amount of principal maturing in any particular year;

(vii) the identity of the Bond Insurer (if any), identification of the Insured Bonds (if any) and any terms and provisions in the Financing Documents required by the Bond Insurer (if any) in order to provide the Bond Insurance Policy (if any) and/or the Reserve Policy (if any); and

(viii) the existence and amount of any capitalized interest or reserve funds.

(c) The authority delegated to the Sale Delegate by this Section shall be subject to the following parameters:

(i) in no event shall the Sale Delegate be authorized to execute the Bond Purchase Agreement after the date that is 180 days after the date of adoption of this Resolution and in no event may the Bonds be issued after such date, absent further authorization by the Board;

(ii) the final maturity date of the Bonds shall not be later than December 1, 20[___];

(iii) the aggregate principal amount of the Bonds shall not exceed \$[_____];

(iv) the net effective interest rate borne by the Bonds shall not exceed [___]%;

(v) any redemption premium shall not be in excess of 3.00% of the principal amount so redeemed; and

(vi) the total repayment cost of the Bonds and the maximum annual repayment costs thereof shall not exceed, respectively, the total repayment cost and maximum annual tax increase limitations of the Election.

Section 6. Redemption of Refunded Bonds. The Board hereby finds, determines and declares its intent to redeem the District No. 2 Bonds on the earliest practicable date that results in the highest net present value savings to the District, subject to the availability of funding therefor, and that, in accordance with Title 32, Article 1, Part 13, C.R.S., the Bonds are incurred for the purpose of reducing interest costs or effecting other economies and modifying or eliminating restrictive contractual limitations relating to the incurring of additional indebtedness. The officers of the District are hereby authorized to take such actions as are necessary to effect the redemption and payment in full of the District No. 2 Bonds in accordance with the provisions of the District No. 2 2019A Senior Indenture and the District No. 2 2019B Subordinate Indenture, as applicable, including but not limited to the provision of instructions to the trustee or paying agent therefor to call such District No. 2 Bonds for redemption. Any actions previously taken by officers of the Board in furtherance of refunding the District No. 2 Bonds are hereby ratified and approved.

Section 7. Permitted Amendments to Bond Resolution. Except as otherwise provided herein, the District may amend this Resolution in the same manner, and subject to the same terms and conditions, as apply to an amendment or supplement to the Indenture, respectively, as provided in the Indenture.

Section 8. Appointment of District Representatives. The [President] of the District is hereby appointed as a District Representative, as defined in the Indenture. A different or additional District Representative may be appointed by resolution adopted by the Board and a certificate filed with the Trustee.

Section 9. Disposition and Investment of Proceeds; Tax Covenants. The Bonds shall be issued and sold for the purposes aforesaid. Neither the Underwriter nor any subsequent Owners of the Bonds shall be responsible for the application or disposal by the District or any of its officers of the funds derived from the sale thereof.

All or any portion of the Bond proceeds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments (as defined in the Indenture). It is hereby covenanted and agreed by the District that it will not make, or permit to be made, any use of the original proceeds of the Bonds, or of any moneys treated as proceeds of the Bonds within the meaning of the Code and applicable regulations, rulings, and decisions, or take, permit to be taken, or fail to take any action, which would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and applicable regulations, rulings, and decisions.

Section 10. Authorization of Bond Insurance. The Underwriter may request, on behalf of the District, the submittal of bids to issue the Bond Insurance Policy and/or the Reserve Policy. In the event that the Sale Delegate determines, based in part upon information provided by the Underwriter, that the premium bid for issuance of the Bond Insurance Policy and/or the Reserve Policy is less than the interest cost savings to be realized by the District as a result of the

issuance of the Bond Insurance Policy and/or the Reserve Policy, the Board hereby delegates to the Sale Delegate the authority to determine whether the Bonds will be secured by the Bond Insurance Policy and/or the Reserve Policy, to designate the Bond Insurer (provided that the Bond Insurer shall be listed in *The Bond Buyer's Municipal Marketplace Directory—Fall 2023*, published by Accuity, or shall be a successor to any entity listed in such directory) and to determine the terms of the Commitment. Provided that the Sale Delegate determines that the District shall enter into the Commitment, the officers of the District are also hereby authorized and directed to take all actions necessary to cause the Bond Insurer to issue the Bond Insurance Policy and/or the Reserve Policy in accordance with the Commitment, including without limitation, payment of the premium due in connection therewith and entering into any authorizing agreement and undertaking any obligations not inconsistent herewith necessary to cause the issuance of the Bond Insurance Policy and/or the Reserve Policy. Provided that if the Sale Delegate determines that the District shall enter into the Commitment, the execution of the Commitment by the Sale Delegate or appropriate officer of the District is hereby authorized.

Section 11. Post-Issuance Tax Compliance Policy. The Board hereby reaffirms the Post-Issuance Tax Compliance Policy previously adopted and dated as of December 5, 2019, and the designated person so identified therein as the “Responsible Person.”

Section 12. Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Bonds shall be paid either from the proceeds of the Bonds or from legally available moneys of the District, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Section 13. Official Statement. The Preliminary Official Statement (a preliminary form of the Official Statement, which has been presented to the Board) and its use and distribution in connection with the sale of the Bonds is hereby authorized, approved and ratified. The Board hereby authorizes the preparation and distribution of a supplement to the Preliminary Official Statement if deemed necessary by the Underwriter in connection with its marketing of the Bonds. The Board also hereby authorizes the preparation and distribution of a final Official Statement. During the underwriting period, both the Preliminary Official Statement and the Official Statement shall be corrected, supplemented and updated, to the extent required, so that, as of their respective dates, they will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The President of the District is hereby authorized to execute copies of the Official Statement on behalf of the District.

Section 14. Pledge of Revenues. The creation, perfection, enforcement, and priority of the revenues pledged to secure or pay the Bonds as provided herein, in the Indenture and in the Pledge Agreement, respectively, shall be governed by Section 11-57-208 C.R.S., this Resolution, the Indenture and the Pledge Agreement. The revenues pledged for the payment of the Bonds (and the District's Payment Obligation (as defined in the Pledge Agreement)), as received by or otherwise credited to the District or the Trustee, shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge on the revenues of the District and the obligation to perform the contractual provisions made herein, in the Indenture and in the Pledge Agreement shall have priority over any or all other obligations and liabilities of the District. The lien of such pledge shall be valid, binding, and enforceable as

against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 15. No Recourse Against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 16. Conclusive Recital. Pursuant to Section 11-57-210, C.R.S., the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 17. Limitation of Actions. Pursuant to Section 11-57-212, C.R.S., no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than thirty (30) days after the authorization of such securities.

Section 18. Ratification and Approval of Prior Actions. All actions heretofore taken by the consultants to or officers of the District and the members of the Board, not inconsistent with the provisions of this Resolution, relating to the authorization, sale, issuance, and delivery of the Bonds and the refunding of the Refunded Bonds, or the execution of any documents in connection with the Bonds and the refunding of the Refunded Bonds, are hereby ratified, approved, and confirmed.

Section 19. Resolution Irrepealable. After any of the Bonds have been issued, this Resolution shall constitute a contract between the Owners of the Bonds and the District and shall be and remain irrepealable until the Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged, as herein provided and as provided in the Indenture.

Section 20. Repealer. All orders, bylaws, and resolutions of the District, or parts thereof, inconsistent or in conflict with this Resolution, are hereby repealed to the extent only of such inconsistency or conflict.

Section 21. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution, the intent being that the same are severable.

Section 22. Effective Date. This Resolution shall take effect immediately upon its adoption and approval.

Section 23. Electronic Signatures. Any individual or individuals who are authorized to execute or consent to this Resolution on behalf of the District are hereby authorized to execute

this Resolution and any other Financing Document electronically pursuant to Article 71.3 of Title 24, C.R.S., also known as the “Uniform Electronic Transactions Act.” Any electronic signature so affixed to this Resolution shall carry the full legal force and effect of any original, handwritten signature.

Section 24. Confirmation of Seal; Electronic Production and Reproduction. The Board hereby affirms the adoption of the seal appearing on the signature page of this Resolution in accordance with Section 32-1-902, C.R.S., regardless of whether initially produced electronically or manually. The requirement of any District resolution, proceeding or other document (including this Resolution, the Bonds and any Financing Document) to “affix” the District seal thereto, including for the purpose of satisfying any applicable State law, shall be satisfied by manual impression or print, facsimile reproduction or electronic reproduction or inclusion of the image of such seal. Without limiting the foregoing, any electronic production or reproduction of the image of the seal shall constitute an electronic record of information, as defined in the Uniform Electronic Transactions Act, and the Board hereby authorizes its use for the purposes provided herein in accordance with the authority provided by Section 24-71.3-118, C.R.S.

ADOPTED AND APPROVED this 26th day of August, 2024.

(S E A L)

RAINDANCE METROPOLITAN DISTRICT NO.
2, IN THE TOWN OF WINDSOR, WELD
COUNTY, COLORADO

President

ATTESTED:

Secretary or Assistant Secretary

This Preliminary Official Statement 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 Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [SEPTEMBER __], 2024

NEW ISSUE
BOOK-ENTRY ONLY

INSURED RATING: [[_____] “[_]”
INSURANCE: [_____]
UNDERLYING RATING: [[_____] “[_]”
See “RATINGS” herein

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, under existing laws as of the date of delivery of the Bonds and 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. Bond Counsel is also of the opinion that, under existing State statutes, interest on the Bonds is exempt from taxation under the laws of the State of Colorado, except inheritance, estate and transfer taxes. See “TAX MATTERS” herein.

\$[PAR]*
RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024

Date: Date of Delivery

Due: December 1, as shown on inside front cover

RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “Issuing District”) is issuing its Limited Tax General Obligation Refunding Bonds, Series 2024 (the “Bonds”), pursuant to an Indenture of Trust to be dated as of September 1, 2024 (the “Indenture”) between the Issuing District and U.S. Bank National Association, Denver, Colorado, as trustee (the “Trustee”). The Trustee will also act as Registrar and Paying Agent for the Bonds, and DTC will act as securities depository for the Bonds. The Bonds will be issued in book-entry-only form, and purchasers of the Bonds will not receive certificates evidencing their ownership interests in the Bonds. Capitalized terms used on the cover page of this Official Statement are defined in the Introduction herein or in “APPENDIX C—SELECTED DEFINITIONS” hereto.

The Bonds are limited tax general obligations of the Issuing District secured by and payable from Pledged Revenue consisting of moneys derived by the Issuing District and RainDance Metropolitan District No. 3 (“District No. 3” and together with the Issuing District, the “Taxing Districts”) from the following sources: (a) all Property Tax Revenues (net of any costs of collection); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Issuing District determines, in its absolute discretion, to credit to the Bond Fund created pursuant to the Indenture. For the purpose of generating the Pledged Revenue, the Taxing Districts have entered into a Capital Pledge Agreement with the Trustee (the “Pledge Agreement”), pursuant to which the Taxing Districts have covenanted to levy the Required Mill Levy (generally meaning an ad valorem mill levy in an amount not in excess of 39 mills, subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2014). The Bonds will also be secured by amounts on deposit in the Reserve Fund in the amount of the Reserve Requirement (\$[_____]*), which is to be fully funded upon issuance of the Bonds by a debt service reserve insurance policy (the “Reserve Policy”) to be issued by [_____] (the “Bond Insurer”).

The Bonds are being issued in denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof as fully registered bonds. Interest on the Bonds is payable semiannually on June 1 and December 1 each year, commencing December 1, 2024*. So long as the Bonds are held by DTC, the principal of and interest on the Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds, as more fully described herein. See “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

Maturity Schedule on Inside Front Cover

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity at the prices and upon the terms set forth in this Official Statement.

Proceeds from the sale of the Bonds will be used for the purposes of (i) refunding all of the outstanding District No. 3’s Limited Tax General Obligation Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B and the Issuing District’s Limited Tax General Obligation Bonds, Series 2019A and Subordinate Limited Tax General Obligation Bonds, Series 2019B (collectively, the “Refunded Bonds”); and (ii) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds (including the premium for the Bond Insurance Policy (defined below) and the Reserve Policy). See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.”

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SUBJECT TO INVESTMENT RISK. EACH PROSPECTIVE INVESTOR IS ADVISED TO READ “RISK FACTORS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Bonds by the Bond Insurer. See “BOND INSURANCE.”

[BOND INSURER LOGO]

This cover page contains certain information for quick reference only. It is not a summary of this issue. Prospective purchasers of the Bonds must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Each prospective investor should read this entire Official Statement and should give particular attention to the section entitled “RISK FACTORS.”

The Bonds are offered when, as and if issued by the Issuing District and accepted by the Underwriter subject to the approval of legality of the Bonds by Ballard Spahr LLP, Denver, Colorado, as Bond Counsel, and the satisfaction of certain other conditions. Ballard Spahr LLP has also assisted in the preparation of this Official Statement in its capacity as Disclosure Counsel to the Issuing District. Certain matters will be passed upon by White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, as General Counsel to the Taxing Districts. [Sherman & Howard L.L.C., Denver, Colorado] has acted as special counsel to District No. 3. Butler Snow LLP, Denver, Colorado, has acted as counsel to the Underwriter. Piper Sandler & Co., Denver, Colorado, serves as the Issuing District’s municipal advisor. The Bonds are expected to be available for delivery through the facilities of DTC on or about September [__], 2024*.

[RBC LOGO]

THIS OFFICIAL STATEMENT IS DATED _____, 2024.

* Preliminary; subject to change.

MATURITY SCHEDULE*

\$ _____
RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP^{©,1}
---------------------------------------	-----------------------------	--------------------------	--------------	--------------	----------------------------

\$ _____ % Term Bond due December 1, 20__ Price _____ % CUSIP _____^{©, 1}
\$ _____ % Term Bond due December 1, 20__ Price _____ % CUSIP _____^{©, 1}
\$ _____ % Term Bond due December 1, 20__ Price _____ % CUSIP _____^{©, 1}

* Preliminary; subject to change.

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¹ None of the Issuing District, the Trustee or the Underwriter assumes any responsibility for the accuracy of CUSIP numbers, which are included solely for the convenience of owners of the Bonds.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO**

Board of Directors

Martin Lind, President
Justin Donahoo, Secretary/Treasurer
Austin Lind, Assistant Secretary
Barry McGuinness, Assistant Secretary
Garrett Scallon, Assistant Secretary

Issuing District Municipal Advisor

Piper Sandler & Co.
Denver, Colorado

General Counsel to the Taxing Districts

White Bear Ankele Tanaka & Waldron Professional Corporation
Centennial, Colorado

Special Counsel to District No. 3

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

Trustee

U.S. Bank National Association
Denver, Colorado

Underwriter

RBC Capital Markets, LLC
Denver, Colorado

Bond and Disclosure Counsel

Ballard Spahr LLP
Denver, Colorado

Underwriter's Counsel

Butler Snow LLP
Denver, Colorado

Taxing Districts Accountant

CliftonLarsonAllen LLP
Greenwood Village, Colorado

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement 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 Taxing Districts or the Underwriter.

The information set forth in this Official Statement has been obtained from the Taxing Districts, the Bond Insurer, and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. In accordance with its responsibilities under federal securities laws, the Underwriter has reviewed the information in this Official Statement but does not guarantee its accuracy or completeness. This Official Statement 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 Bond Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the headings “BOND INSURANCE” and “APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

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

This Official Statement has been prepared only in connection with the original offering of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. In making an investment decision, investors must rely on their own examination of the Taxing Districts, 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. Any representation to the contrary may be a criminal offense.

The Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon the exemption contained therein.

The Underwriter may offer and sell the Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover page hereof and such public offering prices may be changed from time to time by the Underwriter.

CAUTIONARY STATEMENTS REGARDING
PROJECTIONS, ESTIMATES AND OTHER FORWARD
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding the Issuing District's expectations, hopes, intentions or strategies regarding the future. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast," "will likely result," "are expected to," "will continue," "is anticipated," "intend" or other similar words. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Issuing District on the date hereof, and the Issuing District assumes no obligation to update any such forward-looking statements. It is important to note that the Issuing District's actual financial and operating results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Issuing District. Any such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

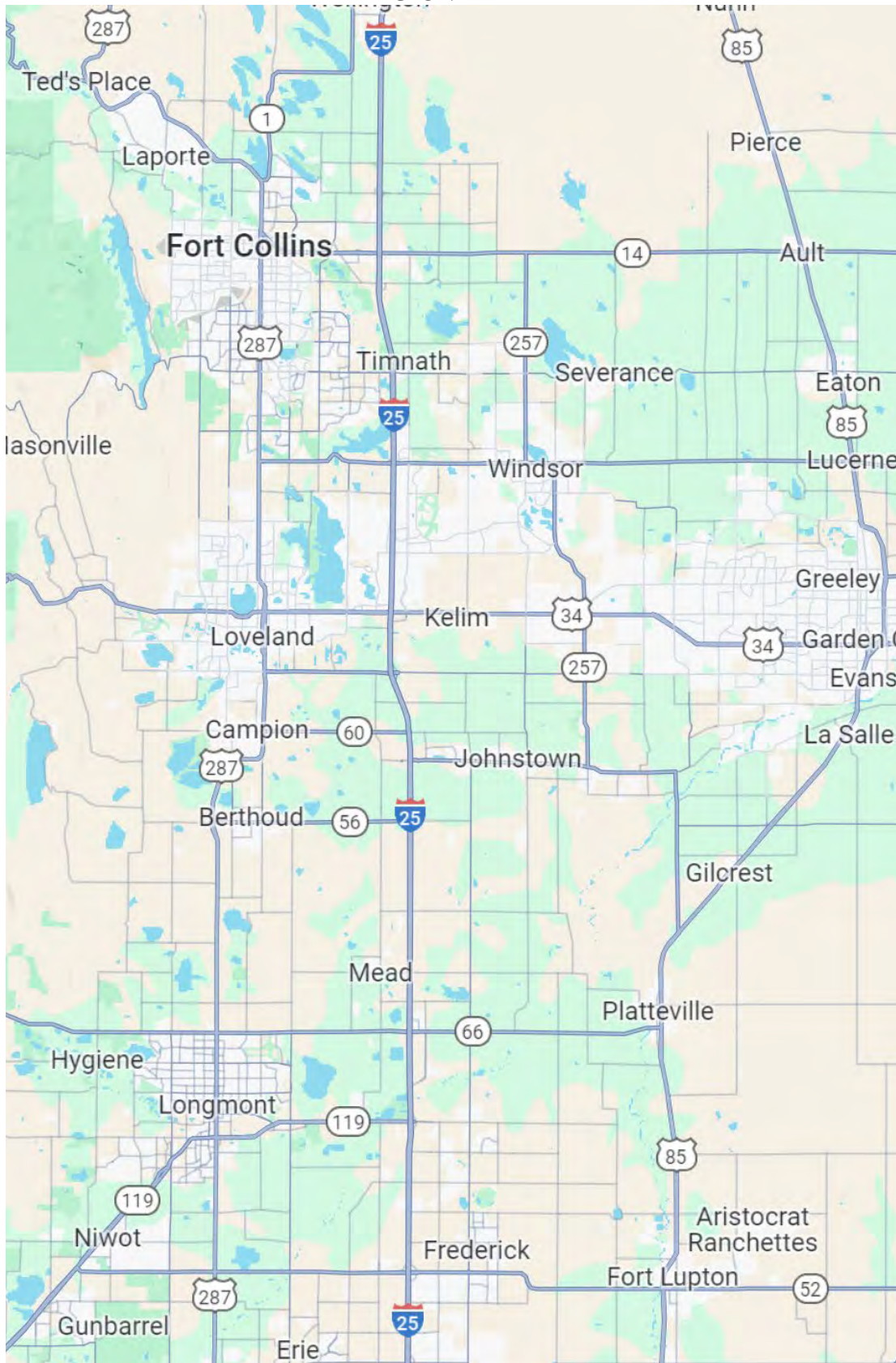
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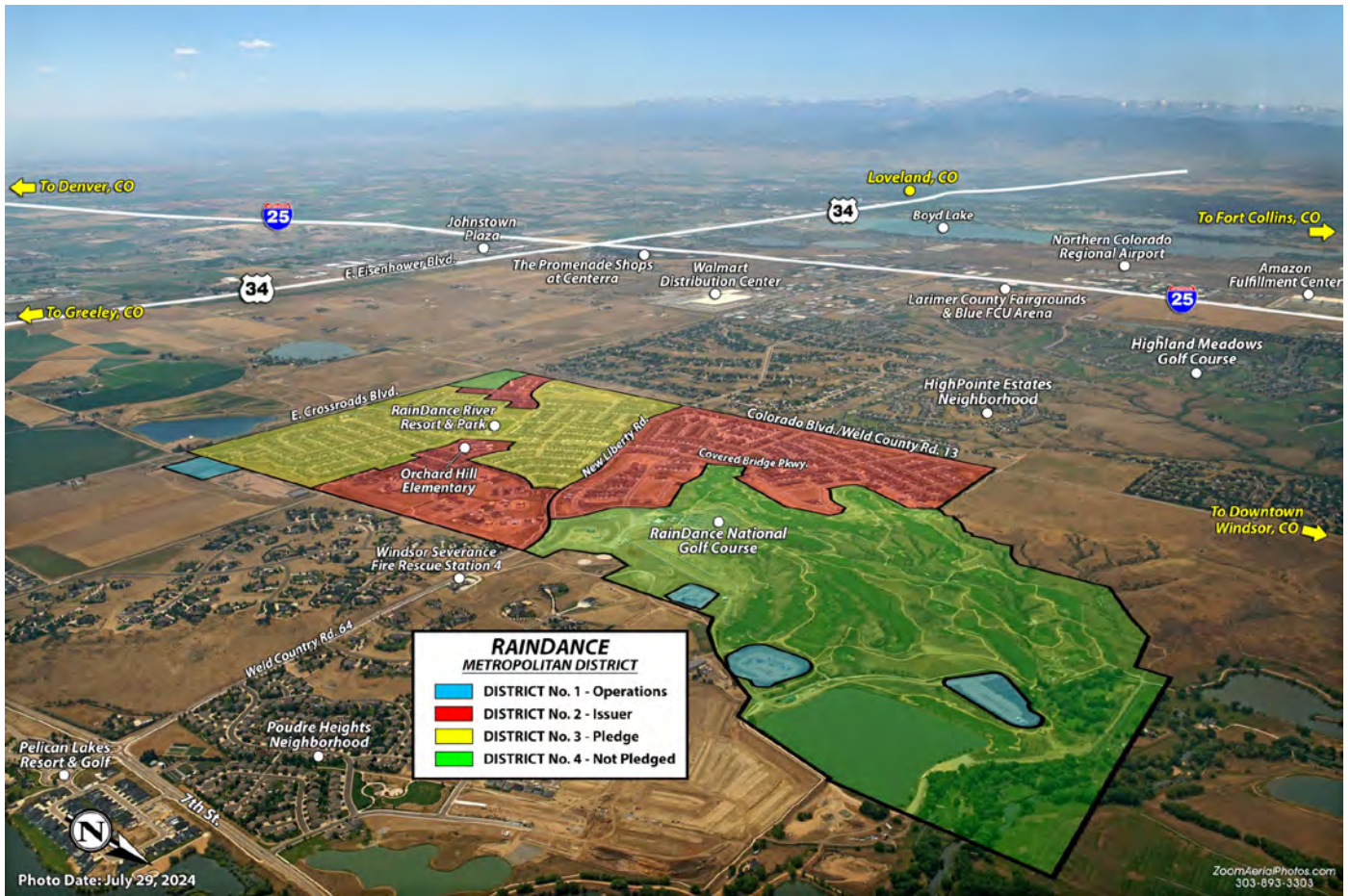
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REGIONAL MAP

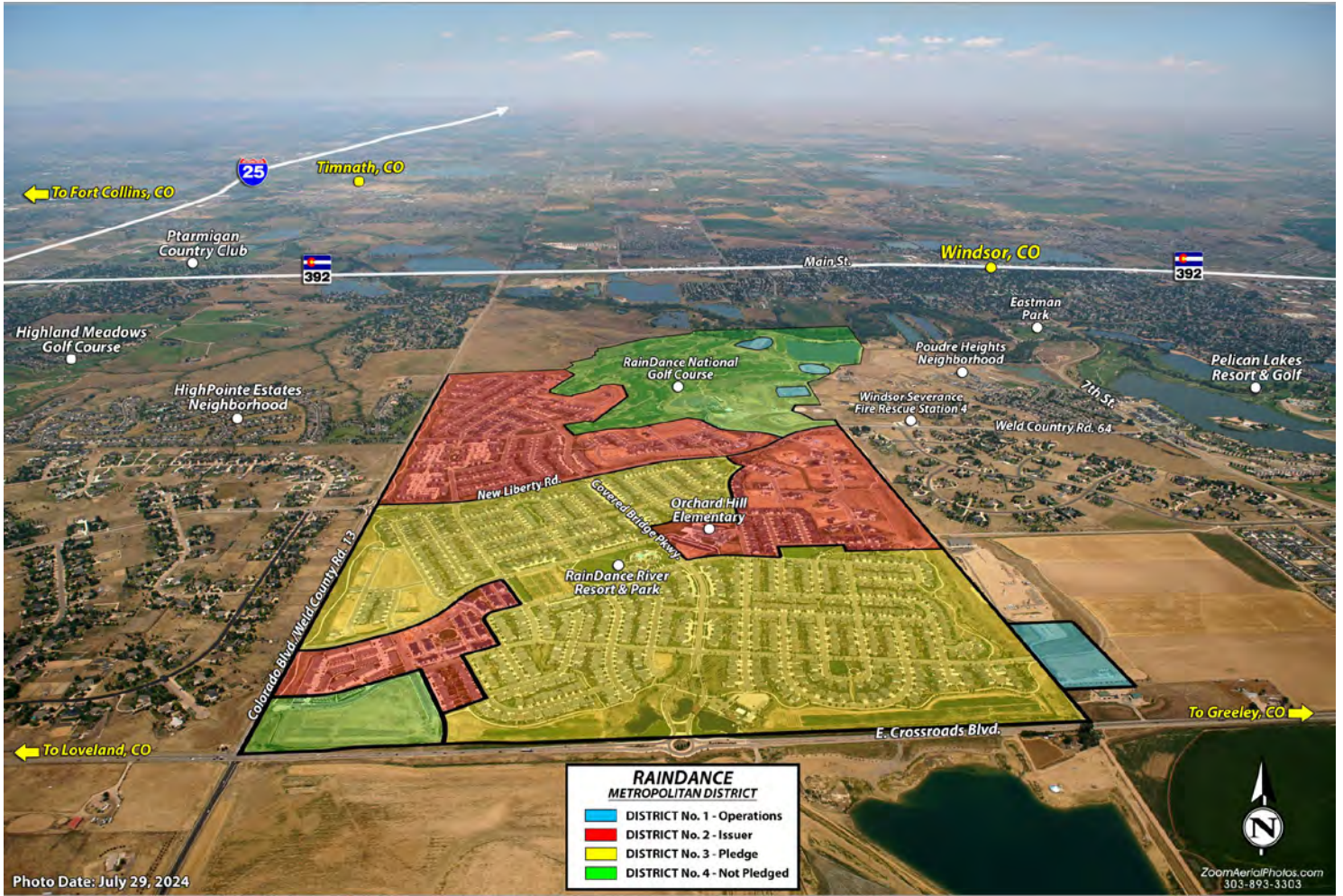


AERIAL MAPS

Southwest View



North View

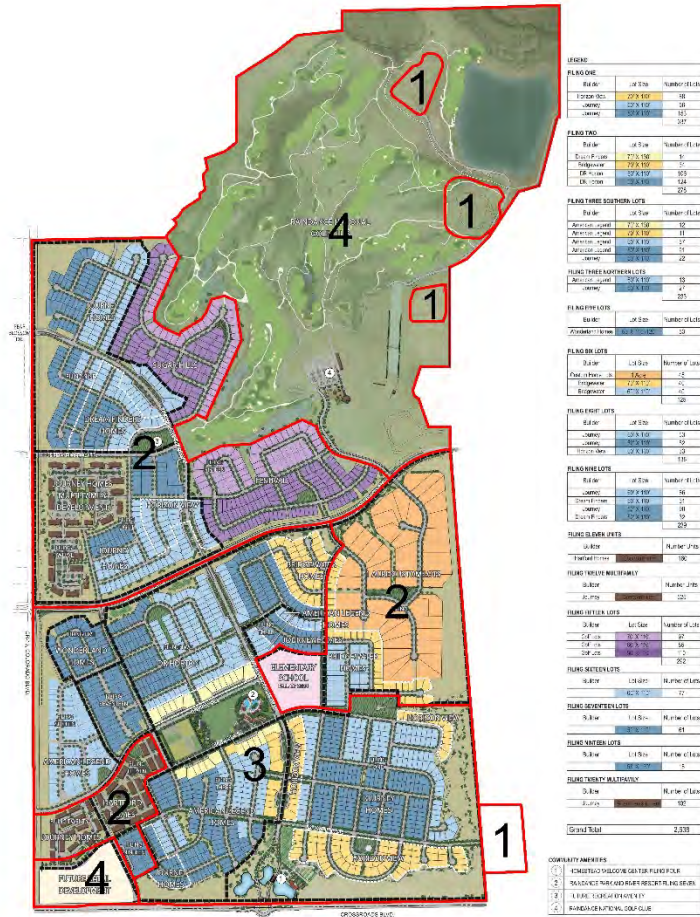


MAP OF DISTRICT BOUNDARIES AND DEVELOPMENT IN THE TAXING DISTRICTS

The following map depicts the current boundaries of RainDance Metropolitan District No. 1, RainDance Metropolitan District No. 2 (the “Issuer”), RainDance Metropolitan District No. 3 (“District No. 3”), and National Resort Metropolitan District (f/k/a RainDance Metropolitan District No. 4)

and the development within these districts. Only the property located within the boundaries of the Issuer and District No. 3 is expected to generate Pledged Revenue (as defined herein). See "THE BONDS—Security for the Bonds."

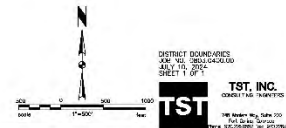
RAINANCE METROPOLITAN DISTRICT NOS. 1-4 OVERALL DISTRICT BOUNDARY MAP



RAINANCE | OVERALL BUILDER PLAN
10.3.2018

RAINANCE NORRIS DESIGN

- 1 CHERRYWOOD GOLF COURSE
- 2 RAINANCE METROPOLITAN DISTRICT
- 3 RAINANCE METROPOLITAN DISTRICT
- 4 RAINANCE METROPOLITAN DISTRICT



RAINDANCE NATIONAL GOLF COURSE



RAINDANCE RESORT



OFFICIAL STATEMENT

§[PAR]*
RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024

INTRODUCTION

General

This Official Statement, including the cover page and appendices hereto, is furnished in connection with the issuance and sale of §[PAR]* Limited Tax General Obligation Refunding Bonds, Series 2024 (the “**Bonds**”) by RainDance Metropolitan District No. 2 (the “**Issuing District**”), located in the Town of Windsor (the “**Town**”), Weld County (the “**County**”), Colorado (the “**State**”). The offering of the Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Official Statement has been obtained from the Issuing District and RainDance Metropolitan District No. 3 (“**District No. 3**” and together with the Issuing District, the “**Taxing Districts**”), the Bond Insurer (hereinafter defined) and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Official Statement, including the appendices hereto, contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. See “FORWARD-LOOKING STATEMENTS” in the front of this Official Statement and “RISK FACTORS.”

Capitalized terms not defined within the body of this Official Statement have the respective meanings set forth in APPENDIX C hereto, unless the context clearly indicates a contrary meaning.

The following introductory material is only a brief description of, and is qualified by, the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein.

The Taxing Districts

The Issuing District is located in the Town of Windsor, Colorado and was organized as a special district in conjunction with RainDance Metropolitan District No. 1 (“**District No. 1**”), District No. 3, and National Resort Metropolitan District (f/k/a RainDance Metropolitan District No. 4) (“**National Resort MD**” and, together with the Issuing District, District No. 1, and District No. 3, the “**Districts**”) pursuant to a Service Plan for the Districts approved by the Windsor Town Board (the “**Town Board**”) on March 24, 2014 (the “**Service Plan**”). The Taxing Districts were formed for the purpose of financing the construction of part or all of certain public infrastructure, including street improvements, water and sanitary sewer improvements, parks, recreation facilities, and landscaping, as well as other improvements authorized by the Special District Act (defined below) to serve the future taxpayers and inhabitants of the Taxing Districts (the “**Public Improvements**”). The creation of each Taxing District was approved by the eligible electors

* Preliminary; subject to change.

of such Taxing District voting at the election held on May 6, 2014 (the “**Election**”). An order with respect to each Taxing District, creating such Taxing District was entered by Weld County District Court on June 6, 2014 and recorded on June 12, 2014.

The Issuing District contains approximately 370 acres, and District No. 3 contains approximately 356 acres. The Taxing Districts are located within commuting distance of the cities of Fort Collins, Greeley, and Loveland. See “REGIONAL MAP,” “AERIAL MAPS.”

As of March 31, 2024, the Taxing Districts had an estimated population of 6,311 based on a total of 2,238 of homes constructed and sold to homeowners and apartment units completed in the Taxing Districts and assuming 2.82 residents per each single family and apartment unit.

According to the County Assessor, the 2023 certified assessed valuation (for collection of taxes in 2024) of property within the Issuing District is \$32,417,930 and the preliminary non-certified assessed valuation as of April 25, 2024 is \$36,700,270. According to the County Assessor, the 2023 certified assessed valuation (for collection of taxes in 2024) of property within District No. 3 is \$37,836,580 and the preliminary non-certified assessed valuation as of April 25, 2024 is \$38,984,290. Such preliminary non-certified values are subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date. See “FINANCIAL INFORMATION—Ad Valorem Property Taxes” and “—Ad Valorem Property Tax Data.”

Development Within the Taxing Districts

The property within the Taxing Districts (as previously defined, the “**Development**”) is being developed to include approximately 2,638 residential units (comprised of approximately 2,011 single-family and 627 for-rent apartments), approximately 52 acres of neighborhood parks, a recreation center, and an aquatics center with a 10,000 square-foot pool and lazy river, all of which are fully operational. Additionally, a 10-acre school site is being developed on which an elementary school is being constructed with an expected opening date in the Fall of 2024.

As of March 31, 2024, all 627 apartments have been completed, approximately 1,611 single family homes have been built and sold to homeowners, approximately 346 lots at various stages of vertical development are owned by homebuilders or individual owners, and 54 lots are owned by the Developers (as defined below) and/or their affiliates. Residential construction in the Development (except with respect to 54 lots owned by the Developers and/or their affiliates) is expected to be completed in 2026.

The Development comprises a portion of the approximately 1,133.5-acre residential and mixed-use master-planned community in the Town known as RainDance (“**RainDance**”). RainDance is being developed by Raindance Communities LLC (formerly known as Raindance Land Company LLC) and Raindance Development Company LLC (collectively, the “**Developers**”). Upon full build-out, in addition to the Development described above, RainDance is expected to include a 300-acre Fred Funk/Harrison Minchew designed 18-hole golf course (fully operational), a clubhouse (not yet constructed), an approximately 15-acre retail site within National Resort MD (not yet developed), a restaurant (fully operational), community farm areas around the RainDance perimeter (fully operational), and trails which connect to existing trail networks in the local area (fully operational). *Only the property located within the boundaries of the Taxing Districts (i.e., the Development is expected to generate Pledged Revenue.*

The table below summarizes the status of residential development in the Development.

TABLE I
Status of Development¹

Total Platted Units	Total Owned by Developers	Total Owed by Homebuilders	Total Owned by Homeowners, Retail Lot Purchasers
2,638	54 ²	346	2,238

¹ As of March 31, 2024.

² The Developers and/or their affiliates currently own 54 lots in the Issuing District along the RainDance National Golf Course.

Source: The Taxing Districts.

Purpose of the Bonds

The proceeds of the Bonds will be used for the purposes of (i) refunding the Refunded Bonds (as defined in the section titled “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds”) and (ii) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds (including the premium for the Bond Insurance Policy and the Reserve Policy). See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.”

Authority for Issuance

The Bonds are issued in full conformity with the constitution and laws of the State, including Part 2 of Article 57 of Title 11, Colorado Revised Statutes, as amended (“C.R.S.”) (the “**Supplemental Public Securities Act**”), and Article 1, Parts 11 and 13 of Title 32, C.R.S. (the “**Special District Act**”), pursuant to the Election, the Indenture and an authorizing resolution adopted by the Issuing District’s Board of Directors (the “**Issuing District Board**”) prior to the issuance of the Bonds (the “**Bond Resolution**”).

The obligations of the Taxing Districts regarding the imposition of taxes and other covenants related to the Bonds will be authorized, with respect to the Issuing District, by the Bond Resolution, and with respect to District No. 3, by a Resolution (the “**District No. 3 Resolution**”) adopted by District No. 3’s Board of Directors (the “**District No. 3’s Board**” and collectively with the Issuing District’s Board, the “**Boards**”) prior to the issuance of the Bonds, and will be undertaken pursuant to a Capital Pledge Agreement to be dated as of September 1, 2024 (the “**Pledge Agreement**”), among the Taxing Districts and the Trustee.

At the Election, each of the Taxing District’s qualified electors voting at such election approved indebtedness of \$930,000,000 to finance the costs of the Public Improvements by each Taxing District, as well as an additional \$93,000,000 to refund certain existing debt of each Taxing District. However, the Service Plan limits the issuance by all of the Districts of general obligation and certain other revenue debt to an aggregate principal amount of \$93,000,000, provided that intergovernmental agreements pledging the collection and payment of property taxes in connection with the multiple district structure are excluded from the definition of “Debt” under the Service Plan and, therefore, obligations to impose property taxes pursuant to such agreements are excluded from the debt limit imposed by the Service Plan. The Taxing Districts have found and determined that the obligations incurred pursuant to the Pledge Agreements are excluded from the debt limit established by the Service Plan because it constitutes an intergovernmental agreement pledging the collection and payment of property taxes. The Districts have previously issued debt subject to such Service Plan debt limitation in the principal amount of \$ _____, thereby reducing the Service Plan debt authorization by that amount. See “THE TAXING DISTRICTS—Service Plan Authorizations and Limitations.” The issuance of the Bonds will further reduce the available Service Plan

debt authorization and electoral authorization of the Taxing Districts as described in “DEBT STRUCTURE—General Obligation Debt—*Outstanding and Authorized but Unissued Debt.*”

Security and Sources of Payment for the Bonds

The Bonds are limited tax general obligations of the Issuing District secured by and payable from Pledged Revenue, consisting of money derived by the Taxing Districts from the following sources: (a) all Property Tax Revenues (net of any costs of collection); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Issuing District determines, in its absolute discretion, to credit to the Bond Fund created pursuant to the Indenture. See “THE BONDS—Security for the Bonds” and “FINANCIAL INFORMATION.”

“**Property Tax Revenues**” means all moneys derived from imposition of the Required Mill Levy by the Taxing Districts. 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, Property Tax Revenues do not include specific ownership tax revenues.

“**Specific Ownership Tax Revenues**” means the specific ownership taxes remitted to the Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Required Mill Levy (defined below). The specific ownership tax is a State-imposed tax shared with local governments like the Taxing Districts, which is collected at the time of motor vehicle licensing. See “THE BONDS—Security for the Bonds—*Specific Ownership Tax Revenues*” for more information on how such revenues are collected and allocated to the Taxing Districts.

To provide for the payment of the Bonds, the Taxing Districts will enter into a Capital Pledge Agreement with the Trustee, to be dated as of September 1, 2024 (as previously defined, the “**Pledge Agreement**”), in full conformity with the constitution and laws of the State of Colorado, including the Supplemental Public Securities Act and the Special District Act, and pursuant to the Election, and the authorizing resolutions adopted by each of the Taxing Districts.

Pursuant to the Pledge Agreement, each Taxing District has covenanted to levy each year upon all taxable property in such Taxing District, in addition to other taxes, direct annual taxes in 2024, and in each year thereafter, so long as the Bonds remain outstanding the “**Required Mill Levy**,” generally meaning an ad valorem mill levy imposed upon all taxable property of the Taxing Districts each year in an amount determined by the Issuing District which, if imposed by both Taxing Districts for collecting in the succeeding calendar year, would generate Property Tax Revenues equal to the Annual Financing Costs, but not in excess of 39 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2014). “**Annual Financing Costs**” with respect to the Bonds is generally defined in the Pledge Agreement as an amount equal to the principal of, premium if any, and interest on the Bonds as the same become due and payable in the immediately succeeding calendar year, whether at maturity or upon earlier redemption, and the amount (if any) necessary to replenish the Reserve Fund to the Reserve Requirement or repaying the Bond Insurer for draws on the Reserve Policy, as applicable, but less the amount then held under the Indenture available for the payment of such amounts and permitted by the Indenture to be applied to make such payment. See “THE BONDS—Security for the Bonds—*Property Tax Revenues*” and “APPENDIX C—SELECTED DEFINITIONS.”

Pursuant to the Pledge Agreement, all Property Tax Revenues and Specific Ownership Tax Revenues are required to be deposited with the Trustee at least monthly (with certain exceptions more particularly described in “THE BONDS—Certain Indenture Provisions—*Application of Pledged Revenue*”) for payment of the Bonds, and the same are pledged by the Taxing Districts to the Trustee pursuant to the Pledge Agreement. All rights, title and interest of the Issuing District in the Pledge Agreement is also pledged by the Issuing District to the Trustee pursuant to the Indenture.

The Bonds are additionally secured by the Reserve Fund in the amount of \$[_____] * (the “**Reserve Requirement**”), which will initially be funded through the issuance of the Reserve Policy (as defined herein). See “THE BONDS—Certain Indenture Provisions—*Reserve Fund; Reserve Policy Provisions.*”

The scheduled payment of principal of and interest on the Bonds when due will be insured by a Municipal Bond Insurance Policy for the Bonds (the “**Bond Insurance Policy**” or the “**Policy**”) issued by [_____] (“[_____]” or the “**Bond Insurer**”) simultaneously with the delivery of the Bonds. See “THE BONDS—Security for the Bonds—*Bond Insurance.*”

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE ISSUING DISTRICT. UNDER NO CIRCUMSTANCES ARE ANY OF THE BONDS TO BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF DISTRICT NO.3, THE COUNTY, THE STATE OF COLORADO, OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE ISSUING DISTRICT (PROVIDED THAT BOTH TAXING DISTRICTS ARE REQUIRED TO IMPOSE AN AD VALOREM PROPERTY TAX FOR THE PAYMENT OF THE BONDS IN ACCORDANCE WITH THE PLEDGE AGREEMENT).

Additional Obligations

The Issuing District covenants for the benefit of the Owners of the Bonds to not issue Additional Obligations (as defined in the Indenture) except as specifically permitted in the Indenture. In addition, District No. 3 covenants in the Pledge Agreement not to issue any Additional District No. 3 Obligations without the prior consent of the Issuing District, except for certain Permitted District No. 3 Subordinate Obligations which may be issued without Issuing District’s consent. See “THE BONDS—Certain Indenture Provisions—*Additional Obligations*; Certain Pledge Agreement Provisions—*Limitations on Additional Obligations.*” See also “FINANCIAL INFORMATION.”

Interest Rates; Payment Provisions

The Bonds will bear interest at the rates per annum set forth on the inside front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds is payable semiannually to the extent of Pledged Revenue available therefor on June 1 and December 1 each year, commencing December 1, 2024*. Payments for the principal of and interest on the Bonds will be made as described in “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

Exchange and Transfer

While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners (as defined by the rules of DTC, defined below) may be made as described under the caption “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

Book-Entry-Only Registration

The Bonds will be issued in fully registered form and will be registered initially in the name of “Cede & Co.” as nominee for The Depository Trust Company, New York, New York (“**DTC**”), a securities depository. Beneficial ownership interests in the Bonds may be acquired in principal denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof through participants in the DTC system (the “**Participants**”). Such beneficial ownership interests will be recorded in the records of the Participants. Persons for which Participants acquire interests in the Bonds (the “**Beneficial Owners**”) will not receive

* Preliminary; subject to change.

certificates evidencing their interests in the Bonds so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal, premium, if any, and interest on Bonds, as well as notices and other communications made by or on behalf of the Issuing District pursuant to the Indenture, will be made to DTC or its nominee only. Disbursement of such payments, notices, and other communications by DTC to Participants, and by Participants to the Beneficial Owners, is the responsibility of DTC and the Participants pursuant to rules and procedures established by such entities. See “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM” for a discussion of the operating procedures of the DTC system with respect to payments, registration, transfers, notices, and other matters.

Prior Redemption

The Bonds are subject to optional and mandatory sinking fund redemption as described in “THE BONDS—Redemption.”

Bond Insurance and Reserve Policy

Concurrently with the issuance of the Bonds, [_____] (as previously defined, the “**Bond Insurer**”) will issue its Municipal Bond Insurance Policy for the Bonds (as previously defined, the “**Bond Insurance Policy**”). In addition, concurrently with the issuance of the Bonds, the Bond Insurer will issue its Municipal Bond Debt Service Reserve Insurance Policy (the “**Reserve Policy**”). The Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Bond Insurance Policy included as APPENDIX G to this Official Statement. See “BOND INSURANCE.” Issuance of the Bond Insurance Policy and the Reserve Policy gives the Bond Insurer certain rights with respect to the Bonds under the Indenture, as set forth in “THE BONDS—Certain Indenture Provisions—*Certain Provisions Related to the Bond Insurer.*”

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. Interest on the Bonds is exempt from taxation under the laws of the State of Colorado, except inheritance, estate and transfer taxes. See “TAX MATTERS” herein.

Professionals Involved in the Offering

Ballard Spahr LLP, Denver, Colorado, has acted as Bond Counsel and has also assisted in the preparation of this Official Statement in its capacity as Disclosure Counsel to the Issuing District. White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, represents the Taxing Districts as general counsel. [Sherman & Howard L.L.C., Denver, Colorado] represents District No. 3 as special counsel in connection with the Pledge Agreement. U.S. Bank National Association, Denver, Colorado, will act as the trustee, paying agent and registrar for the Bonds. RBC Capital Markets, LLC, Denver, Colorado will act as the underwriter for the Bonds (the “**Underwriter**”), and Butler Snow LLP, Denver, Colorado, has acted as counsel to the Underwriter. See “MISCELLANEOUS—Underwriting” herein. CliftonLarsonAllen LLP, Greenwood Village, Colorado is the Taxing Districts’ accountant. Piper Sandler & Co., Denver, Colorado, has served as Municipal Advisor to the Issuing District in connection with the issuance of the Bonds. See “MISCELLANEOUS—Municipal Advisor.”

Continuing Disclosure Agreement

Pursuant to the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (the “**Rule**”), the Taxing Districts will enter into the Continuing Disclosure Agreement with the Trustee, as dissemination agent, to be dated as of the date of issuance of the Bonds (the “**Continuing Disclosure Agreement**”), to provide financial information and operating data with respect to the Taxing Districts and notices of material events after the Bonds are issued, all for dissemination to the public through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system. A form of the Continuing Disclosure Agreement setting forth such obligations is attached as “APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT” to this Official Statement.

Financial Statements

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the Issuing District’s financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor’s Office. Audited financial information for the Taxing Districts was prepared by Haynie & Company, Certified Public Accountants & Management Consultants, Littleton, Colorado (the “**Auditor**”), an independent auditor, for the fiscal year ended December 31, 2023, being the most current, are attached hereto as “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE ISSUING DISTRICT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023” and “APPENDIX B—AUDITED FINANCIAL STATEMENTS FOR DISTRICT NO. 3 FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023.” The Auditor has not been engaged to perform and has not performed, since the date of its reports included in APPENDIX A and APPENDIX B hereto, any procedures on the financial statements addressed in these reports. The Auditor also has not performed any procedures relating to this Official Statement. The consent of the Auditor to the inclusion of its reports in APPENDIX A and APPENDIX B was not sought or obtained.

Pursuant to the Pledge Agreements, the Taxing Districts have covenanted to either cause an annual audit to be performed of the records relating to their respective revenues and expenditures or, if applicable under State statute, apply for an audit exemption.

Offering and Delivery Information

The Bonds are offered when, as, and if issued by the Issuing District and accepted by the Underwriter, subject to the approving legal opinion of Bond Counsel, the form of which is set forth in APPENDIX F. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about September [___], 2024*, against payment therefor.

* Preliminary; subject to change.

Debt Ratios

The following are selected general obligation debt ratios upon issuance and delivery of the Bonds reflecting combined debt and assessed valuation amounts for the Taxing Districts. **[TO BE UPDATED]**

2023 Certified Assessed Valuation ^{1,2}	\$
2023 Statutory “Actual” Valuation ^{1,2}	\$
General Obligation Debt Outstanding Upon Issuance of the Bonds ^{*, 1, 3}	\$
Estimated Population ⁴	
District Debt as a Ratio of:	
2023 Certified Assessed Valuation ^{*,1,2}	%
2023 Statutory “Actual” Valuation ^{*,1,2}	%
District Debt Per Capita ^{1,4}	\$
Estimated Overlapping General Obligation Debt ^{*,1,5}	\$
Sum of District and Overlapping Debt [*]	\$
District and Overlapping Debt as a Ratio of:	
2023 Certified Assessed Valuation [*]	%
2023 Statutory “Actual” Valuation [*]	%
District and Estimated Overlapping Debt Per Capita [*]	\$

* Preliminary; subject to change.

¹ For definitions of and descriptions of the methodology used in computing assessed valuation, statutory “actual” value, and estimated overlapping general obligation debt, see “FINANCIAL INFORMATION” and “DEBT STRUCTURE.”

² Represents the combined assess valuation figures for the Taxing Districts.

³ Represents the principal amount of the Bonds, for the payment of which each of the Taxing Districts is obligated to impose ad valorem property taxes in accordance with the Pledge Agreement.

⁴ As of March 31, 2024, the Taxing Districts had an estimated population of 6,311 based on a total of 2,238 of homes constructed and sold to homeowners and apartment units completed in the Taxing Districts and assuming 2.82 residents per each single family and apartment unit.

⁵ Represents the combined estimated net amounts of overlapping general obligation debt chargeable to the properties in the Taxing Districts per home (based on persons-per-household estimates for the County prepared by the United States Census Bureau).

Source: County Assessor’s Office, the Taxing Districts and individual overlapping entities.

Additional Information

ALL OF THE SUMMARIES OF THE INDENTURE, PLEDGE AGREEMENT, STATUTES, RESOLUTIONS, OPINIONS, CONTRACTS, AND AGREEMENTS DESCRIBED IN THIS OFFICIAL STATEMENT ARE SUBJECT TO THE ACTUAL PROVISIONS OF SUCH DOCUMENTS. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from: RainDance Metropolitan District No. 2, c/o White Bear Ankele Tanaka & Waldron Professional Corporation, 2145 East Commons Avenue, Suite 2000, Centennial, Colorado 80122, Telephone: (303) 858-1800; or RBC Capital Markets, LLC 1801 California Street, Suite 3840, Denver, Colorado 80202, Telephone: (303) 778-5555.

RISK FACTORS

Investment in the Bonds involves risk. Prospective investors in the Bonds should read this entire Official Statement and carefully consider all possible factors which may affect their investment decision. The risk factors described in this section set forth many of the potential risks of an investment in the Bonds that should be considered prior to purchasing the Bonds, but does not provide an exhaustive list of such factors. Additional risk factors relating to the purchase and ownership of the Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Furthermore, additional risk factors not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, security for the Bonds. There can be no assurance that other risks or considerations not discussed herein are or will not become material in the future.

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.

General

The purchase of the Bonds involves certain risk factors, which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. The Bonds should only be purchased by investors who can bear the continuing risk of an investment in the Bonds. Particular attention should be given to the risk factors described below, which, among others, could affect the payment of debt service on the Bonds when due.

No Assurance of Secondary Market

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 the Bonds to maturity or prior redemption. Even if a secondary market exists, as with any marketable securities, there can be no assurance as to the price for which the Bonds may be sold. Such price may be lower than that paid by the initial purchaser of the Bonds, depending on existing real estate and financial market conditions.

Limited Pledged Revenue Sources; No Conversion of Bonds to Unlimited Tax Obligations; No Mortgage or Guaranty Securing Any Bonds

The Bonds are secured solely from and to the extent of the Pledged Revenue, all as more particularly described herein. The primary source of the Taxing Districts revenue pledged for debt service on the Bonds is expected to be revenue generated from ad valorem taxes assessed against all taxable property of the Taxing Districts.

Pursuant to the Pledge Agreement, the Taxing Districts are required to impose ad valorem property taxes for payment of the Bonds. However, in no event will the maximum mill levy cap applicable to the Required Mill Levy be subject to increase or release upon the Taxing Districts achieving any particular level of assessed valuation, and in no event will the obligations of the Taxing Districts under the Pledge Agreement become unlimited tax obligations of the Taxing Districts.

The ability to retire the indebtedness created by the issuance of the Bonds is dependent upon an adequate tax base from which the Taxing Districts can collect sufficient property tax revenue from the imposition of the Required Mill Levy. See “—Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue” below.

In the event that the revenue derived from the Required Mill Levy and the other components of the Pledged Revenue is insufficient to pay the scheduled principal of and/or interest on the Bonds when due, the unpaid principal will continue to bear interest, and the unpaid interest will compound as described herein until the total repayment obligation of the Issuing District for the Bonds equals the amount permitted by law. During this period of accrual, so long as the Taxing Districts are enforcing collection of the Pledged Revenue, the Issuing District will not be in default on the payment of such principal and interest under the Indenture, and the Owners will have no recourse against the Issuing District to require such payments (other than to require the Taxing Districts to continue to assess the Required Mill Levy and collect the revenue derived from such levy and the other components of the Pledged Revenue to the extent permitted under the Service Plan and other applicable law). In addition, the Issuing District will not be liable to the Owners for unpaid principal and interest beyond the amount permitted by law and, upon payment of such permitted amount, it is possible that all Bonds may be deemed defeased. Each Taxing District's electoral authorization limits the total repayment cost of indebtedness authorized at the Election for the payment of infrastructure costs to \$762,600,000 in total; provided that such repayment cost is allocated among indebtedness issued to fund specific subcategories of infrastructure. See "THE BONDS—Certain Indenture Provisions—*Events of Default*" and "*—Remedies on Occurrence of Event of Default.*"

The payment of the principal of and interest on the Bonds is not secured by any deed of trust, mortgage or other lien on or security interest in any real estate or other property within the Taxing Districts or assets of the Taxing Districts (other than the Pledged Revenue, and the funds and accounts pledged to the Bonds in the Indenture).

No Acceleration; No Payment Default

The Indenture provides that acceleration of the Bonds is not an available remedy for any Event of Default under the Indenture. In addition, the Issuing District's failure to pay principal and interest on the Bonds when due does not constitute an Event of Default under the Indenture so long as the Issuing District is otherwise in compliance with the Indenture covenants and other provisions relating to the Pledged Revenue, as applicable. See "THE BONDS—Certain Indenture Provisions—*Events of Default*" and "*—Remedies on Occurrence of Event of Default.*"

Enforceability of Bondholders' Remedies Upon Default

The remedies available to the Owners of the Bonds upon a default are in many respects dependent upon judicial action, which could subject the owners of the Bonds to judicial discretion and interpretation of their rights under existing constitutional law, statutory law, and judicial decisions, including specifically the federal Bankruptcy Code. Consequently, any enforcement proceedings may entail risks of delay, and/or limitation or modification of their rights as otherwise provided under the Indenture and the Bonds. However, in addition to other legal requirements in the Federal and State laws pertaining to municipal bankruptcy, under State law, the Taxing Districts can seek protection from their respective creditors under the United States Bankruptcy Code only if the Taxing Districts can demonstrate that, in order to meet their respective financial obligations as they come due, the Taxing Districts would be required to certify a property tax mill levy of 100 mills or more. The legal opinions to be delivered concurrently with delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, and insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which may limit the specific enforcement under State law of certain remedies, including, but not limited to, specific performance; to the exercise by the United States of America of the powers delegated to it by the federal constitution; and to 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 an important public purpose.

Additional Obligations

The Issuing District may issue Additional Obligations (as defined in the Indenture, see also “APPENDIX C—SELECTED DEFINITIONS”), without the consent of the Bond Insurer and the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, subject to the satisfaction of certain conditions set forth in the Indenture and described in “THE BONDS—Certain Indenture Provisions—*Additional Obligations*.” District No. 3 may issue Additional District No. 3 Obligations (as defined in the Pledge Agreement, see also “APPENDIX C—SELECTED DEFINITIONS”) only with the consent of the Issuing District, provided that Permitted District No. 3 Subordinate Obligations may be issued without the consent of the Issuing District. See “THE BONDS—Certain Pledge Agreement Provisions—*Limitations on Additional Obligations*.”

If the Issuing District issues any additional general obligation debt as Parity Bonds (as defined in the Indenture) while the Bonds are Outstanding, such additional debt would have a parity claim to the ad valorem tax revenues from which the Bonds will be payable. The issuance of such general obligation debt could therefore adversely affect or dilute the security for the Bonds. Similarly, the issuance of Additional District No. 3 Obligations would also adversely affect or dilute the security for the Bonds. The issuance of Additional Obligations, however, is restricted by the terms of the Indenture and the issuance of Additional District No. 3 Obligations is restricted by the Pledge Agreement.

The Issuing District’s issuance of Additional Obligations and Additional District No. 3 Obligations is also subject to the limitations of the Service Plan and electoral authorization. In particular, the Service Plan limits the total debt of all of the Districts to the aggregate amount of \$93,000,000, subject to certain exceptions described in “THE TAXING DISTRICTS—Service Plan Authorizations and Limitations.” See “BONDS—Certain Indenture Provisions—*Additional Obligations*.”

Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue

The owners of the Bonds are dependent upon the assessed value of property within the Taxing Districts providing an adequate tax base from which ad valorem tax revenues are collected for the payment of debt service on the Bonds.

The assessed value of property within the Taxing Districts is determined in accordance with applicable State law, as described below and under “FINANCIAL INFORMATION—Ad Valorem Property Taxes.” Assessed valuations may be affected by a number of factors beyond the control of the Taxing Districts. For example, property owners are allowed each year by State law to challenge the valuations of their property, and no assurance can be given that owners of property in the Taxing Districts will not do so. Should the actions of property owners result in lower assessed valuations of property in the Taxing Districts, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of property may be reduced if market prices decline due to economic factors. Furthermore, property used for tax-exempt purposes is not currently subject to taxation.

Changes to State Law Affecting Calculation of Assessed Valuation. The assessed value of property within the Taxing Districts is determined in accordance with applicable State law by multiplying the “actual value” of the property by an assessment rate (determined by the Colorado General Assembly), and the “actual value” of the property is determined by the County Assessor, all as more particularly described under “FINANCIAL INFORMATION—Ad Valorem Property Taxes.” The residential assessment rate has decreased over time from 15.00% of statutory actual value (levy year 1989-1990) to 7.15% (levy years 2019-2020) as a result of a constitutional amendment (known as the “**Gallagher**

Amendment”), which was repealed in 2020. In accordance with State law, the residential assessment rate is to remain at 7.15% of statutory actual value unless changed by the Colorado General Assembly.

Since the repeal of the Gallagher Amendment, the Colorado General Assembly passed several bills providing for certain temporary measures affecting the assessed valuation of property in the State, including: (i) reductions in the assessment rates to be applied to the actual values of various classes of property to determine the applicable assessed values, and (ii) reductions in the actual values (for assessment purposes) of certain classes of property.

The Colorado Secretary of State has certified Initiative 50 for the statewide ballot on November 5, 2024. If approved, Initiative 50 would amend Article X, Section 3 of the Colorado Constitution by adding voter approval requirements to allow governments to retain property tax revenue above a certain limit. Initiative 50 is described further in “FINANCIAL INFORMATION—Ad Valorem Property Taxes.” It is unknown whether Initiative 50 will be approved by voters or, if it is approved, how it will impact the Taxing Districts’ property tax revenue. In addition, Initiative 108 is being circulated for signatures, but has not yet been certified for the statewide ballot on November 5, 2024. If certified for the ballot and subsequently approved, Initiative 108 would, starting on January 1, 2025, set an assessment rate for residential properties at 5.7% of their actual value and the assessment rate for all other taxable property at 24% of the actual value (except for producing mines and lands or leaseholds producing oil and gas).

Further, on May 15, 2024, the Governor signed Senate Bill 24-233 (“**SB 24-233**”) which, if its provisions become effective as set forth in SB 24-233, would, among other things, impose a cap of 5.5% on annual growth of certain property tax revenues of certain local governmental entities, such as the Taxing Districts, and revise assessment rates for certain classes of taxable property. These provisions of SB 24-233 would not go into effect if either or both Initiative 50 and Initiative 108 (if placed on the November 5, 2024 ballot) is approved by the voters at the November 5, 2024 election.

For additional information concerning Initiative 50 and Initiative 108 and the provisions of several other State bills providing for certain temporary measures affecting the assessed valuation of property in the State, see “FINANCIAL INFORMATION—Ad Valorem Property Taxes—*Assessment of Property*.”

No assurance can be given that recent or future legislation and/or the ballot initiatives approved by the State’s registered electors will not further affect the assessment ratios, calculation of assessed valuation of property in the Taxing Districts or the amount of property tax revenues that can be retained by the Taxing Districts.

County Assessor Methodology. In addition to State law, the projected assessed value of property in the Taxing Districts is based on certain assumptions as to the manner in which various properties will be valued by the County Assessor. While these assumptions are based on information provided by the County Assessor, no assurance is given that any particular methodology presently used by the County Assessor to determine the actual value of property will continue to be used in the future. Any change in the methodology by which the actual value of property is determined could adversely affect the assessed value of property in the Taxing Districts, and the property taxes that may be generated thereby.

Anticipated Adjustments to the Required Mill Levy; Possible Limitations. The Service Plan and the definition of the Required Mill Levy in the Pledge Agreement includes certain adjustment language which is intended to require the Taxing Districts to increase their mill levies if necessary to offset the loss of tax revenue which may occur due to certain changes in law. The Taxing Districts have concluded that the Service Plan permits the Taxing Districts to adjust the Required Mill Levy for the changes to assessment rates and actual values provided in recent State legislation. However, as described below, certain provisions of such legislation are unclear and may require judicial interpretation, which could change such conclusion.

Although provisions of such legislation purport to require the State to reimburse local governments, such as the Taxing Districts, for certain reductions in property tax revenues as a result of such legislation, the legislation is unclear, may require judicial interpretation, and may not result in reimbursement of lost revenue. Finally, it is possible that the adjustment language of the Service Plan and the Pledge Agreement will not account for every conceivable change of law which may occur in the future and, as a result, future legislation and/or initiatives of the State's registered electors (such as Initiative 50 and Initiative 108) may result in changes that cannot be offset by changes to the Taxing Districts' mill levies, and could materially adversely affect the Pledged Revenue ultimately available for payment of the Bonds.

Foreclosures

Each Taxing District's ability to collect property tax revenue for timely payment of the Bonds depends, among other things, upon the maintenance of an adequate tax base from which the Taxing Districts can collect sufficient property tax revenue from the imposition of the Required Mill Levy. In the State, the foreclosure process begins when the lender informs the borrower of a default in payment. At least 30 days after the borrower is notified of such default and at least 30 days before filing a Notice of Election and Demand ("NED"), the lender must send the borrower a notice containing, among other things, information related to the Colorado Foreclosure Hotline, which provides mortgage modification filing assistance and counseling at no charge. Following a review of the documents by the public trustee of the county, the NED must be recorded with the county clerk and recorder no later than 10 days following the receipt of such notice. Once the NED is recorded, the property is officially in foreclosure. Such filing can be "cured" or "withdrawn" before the home is sold at auction, meaning that not all foreclosure filings result in a final foreclosure sale. Currently, the period between the recording date of the NED and the foreclosure sale at auction in the State is not less than 110 days and not more than 125 days by law, but in some cases, this period may actually last much longer.

Property owned by a lending institution as a result of foreclosure is typically resold in the market at a depressed price, resulting in a decrease in assessed valuation of the foreclosed property. In addition, a home foreclosure may have an immediate and/or long-term effect of depressing home prices in the surrounding area. The number of foreclosed homes reentering the market at lower prices may result in a reduction of demand for new construction housing, including property within the Taxing Districts. Increased foreclosure rates could also cause lenders to tighten their lending practices and decrease their approvals of home loans, making it more difficult for potential homebuyers to finance home acquisitions. See also "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity."

Potential Negative Consequences of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus, could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence and/or changes in business and consumer behaviors that negatively impact economic conditions or cause an economic recession. If such an event should occur, the Taxing Districts cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the Taxing Districts associated with its administrative and operations functions. Accordingly, the Taxing Districts cannot predict the effect any public health emergencies will have on the finances or operations of the Taxing Districts or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds.

Risks Related to Bond Insurance Policy and Reserve Policy

In the event of default of the payment of the scheduled principal of or interest on the Bonds when the same become due, the Trustee, on behalf of any Owner of the Bonds, will have a claim under the Bond Insurance Policy for such defaulted payments. The Bond Insurance Policy does not insure against redemption premium, if any. See “THE BONDS—Certain Indenture Provisions—*Certain Provisions Related to the Bond Insurer*” below. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Bond Insurance Policy, the Bonds are payable solely from the funds on deposit in the Bond Fund and the Reserve Fund as provided in the Indenture. In the event the Bond Insurer is unable to honor draws on the Reserve Policy (which draws are to be made after any amounts in cash and investments in the Reserve Fund are applied to pay debt service) to make payment of principal and interest as such payments become due, the Bonds are payable solely from the funds on deposit in the Bond Fund. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds under either the Bond Insurance Policy or the Reserve Policy, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term rating on the Bonds is dependent in part on the financial strength of the Bond Insurer and its ability to pay claims. The 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 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 Bonds. See “RATINGS” herein.

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

Neither the Issuing District nor the Underwriter has made independent investigation into the 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 Bond Insurer is given. Prospective investors in the Bonds should conduct their own investigation of such matters. See “BOND INSURANCE” herein for further information regarding the Bond Insurer and the Bond Insurance Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

The Indenture provides that, so long as no Bond Insurer Default exists, upon the occurrence and continuation of an Event of Default described in paragraph (a) in “THE BONDS—Certain Indenture Provisions—*Events of Default*,” the Bond Insurer is to be deemed to be the Owner of the Bonds insured by the Bond Insurance Policy. As a result, the Bond Insurer will have the ability to direct the actions of the Trustee as if it were the Owner of the Bonds, without regard to the views of the actual Owners of any Bonds.

Enforcement of Tax Collection by County

The duty to pay property taxes does not constitute a personal obligation of the property owners within the Taxing Districts. Rather, the obligation to pay property taxes is tied to the specific properties taxed, and if timely payment is not made, the obligation constitutes a lien against the specific properties for which taxes are unpaid. To enforce property tax liens, the County Treasurer is obligated to cause the sale of tax liens upon the property that is subject to the delinquent taxes, as provided by law, and the revenue derived from such sales, if any, is applied to the delinquent taxes. The County Treasurer has the power to foreclose on and cause the sale of the property that is subject to the delinquent tax, after the period allowed for the property owner to redeem such taxes, as provided by law and as described above in the subsection captioned “—Foreclosures” above. Such redemption period is currently three years, during which a

property owner may pay all taxes due and prevent such foreclosure. Foreclosure can be a time-consuming and expensive process and does not necessarily result in recovery of all amounts due and unpaid.

In addition, the ability of the County Treasurer 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. There is no assurance that property taxes would be paid during the pendency of any bankruptcy; nor is it possible to predict the timeliness of such payment.

Finally, the collection of property taxes is dependent upon the property subject to such taxes 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 Taxing Districts. See “—Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue” above and “FINANCIAL INFORMATION—Ad Valorem Property Taxes.”

Directors' Private Interests

Pursuant to State law, the Issuing District's directors are required to disclose to the Colorado Secretary of State and the Board potential conflicts of interest or personal or private interests which are proposed or pending before the Board. According to disclosure statements filed with the Secretary of State by members of the Board prior to taking any official action relating to the Bonds, Martin Lin, Justin Donahoo, Austin Lind, Garret Scallon, and Ryan Scallon may have potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof, and the execution and delivery of the Pledge Agreement, as a result of their informal or formal business relationships with the Developers.

Legal Constraints on Taxing Districts Operations

Various State laws and constitutional provisions govern the assessment and collection of ad valorem property taxes and the issuance of bonds and impose limitations on revenues and spending of the State and local governments, including the Taxing Districts, and limit rates, fees and charges imposed by such entities. State laws, constitutional provisions and federal laws and regulations apply to the obligations created by the issuance of the Bonds. There can be no assurance that there will not be changes in interpretation of, or additions to, the applicable laws and provisions which would have a material adverse effect, directly or indirectly, on the affairs of the Taxing Districts.

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 Issuing 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 Issuing 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 Indenture does 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 Issuing 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 Issuing District will have revenues available to contest an adverse determination by the Service. No transaction participant, including none of the Taxing Districts, the Underwriter, the Municipal Advisor or Bond Counsel is obligated to pay or reimburse an 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 Issuing 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.

Changes in 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.

THE BONDS

Description

The Bonds will be issued in the principal amount, will bear interest at the rates and will be dated and will mature as indicated on the inside cover page of this Official Statement. For a complete statement of the details and conditions of the terms of the Bonds and security therefor, reference is made to the Indenture and Pledge Agreement, copies of which are available from the Underwriter prior to delivery of the Bonds. See “INTRODUCTION—Additional Information.”

See “APPENDIX C—SELECTED DEFINITIONS” for definitions of the capitalized terms used above and otherwise throughout this Official Statement. See also “—Security for the Bonds” below.

Authorized Denominations of the Bonds

The Bonds are being issued in “**Authorized Denominations**,” defined in the Indenture to mean the amount of \$5,000 or any integral multiple of \$1,000 in excess thereof.

Payment of Principal and Interest

The Bonds will bear interest at the rates set forth on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Pledged Revenue available therefor semiannually on each June 1 and December 1, commencing December 1, 2024*.

To the extent principal of any Bond is not paid when due, such principal is to remain Outstanding until paid. To the extent interest on any Bond is not paid when due, such interest is to compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the Issuing District is not to be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of any Bond, including all payments of principal and interest, and the Bond will be deemed defeased and no longer Outstanding upon the payment by the Issuing District of such amount.

The principal of and premium, if any, on the Bonds are payable in lawful money of the United States of America to the Owner of each Bond upon maturity or prior redemption and presentation at the designated office of the Trustee. The interest on any Bond is payable to the person in whose name such Bond is registered, at his address as it appears on the registration books maintained by or on behalf of the Issuing District by the Trustee, at the close of business on the Record Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Interest Payment Date; provided that any such interest not so timely paid or duly provided for is to cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and is to be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such unpaid interest.

So long as the Bonds are held by DTC, the principal of and interest on the Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds, as more fully described herein. See “APPENDIX H—BOOK-ENTRY-ONLY SYSTEM.”

Redemption

Optional Redemption. The optional redemption provisions for the Bonds will be set forth in the final Official Statement.

Mandatory Sinking Fund Redemption. The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)*	Redemption Amount*
	\$

1

* Preliminary; subject to change.

¹ Final maturity, not a sinking fund redemption.

* Preliminary; subject to change.

The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)*	Redemption Amount*
	\$

1

* Preliminary; subject to change.

¹ Final maturity, not a sinking fund redemption.

The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)*	Redemption Amount*
	\$

1

* Preliminary; subject to change.

¹ Final maturity, not a sinking fund redemption.

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

Redemption Procedure and Notice. If less than all of the Bonds within a maturity are to be redeemed on any prior redemption date, the Bonds to be redeemed are to be selected by lot prior to the date fixed for redemption, in such manner as the Trustee is to determine. The Bonds are to be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such

* Preliminary; subject to change.

Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond is to be treated for the purpose of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of any Bond is redeemed, the Trustee is to, without charge to the Owner of such Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion thereof.

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

Security for the Bonds

Pledged Revenue. The Bonds are limited tax general obligations of the Issuing District secured by and payable from and to the extent of the Pledged Revenue, consisting of revenue derived by the Taxing Districts from the following sources: (a) all Property Tax Revenues (net of any collection costs); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Issuing District determines, in its absolute discretion, to credit to the Bond Fund. In connection with the issuance of the Bonds, the Taxing Districts will enter into the Pledge Agreement, pursuant to which they will pledge the Pledged Revenue to the repayment of the Bonds.

The obligation of each Taxing District to pay its allocated portion of the principal and redemption price of, and interest and premium on, the Bonds and any Additional Refunding Obligations, and the required deposits to or replenishments of funds or accounts securing the Bonds and any Additional Refunding Obligations (as more particularly defined herein, the “**Annual Financing Costs**”) with respect to each of the Bonds and any Additional Refunding Obligations as provided in the Pledge Agreement constitutes a limited tax general obligation of such Taxing District payable solely from and to the extent of the Pledged Revenue available to it. The obligation of each Taxing District to pay its allocated portion of the Annual Financing Costs as provided in the Pledge Agreement (the “**Payment Obligation**”) constitutes an irrevocable lien upon the Pledged Revenue and the Pledged Revenue of each Taxing District is pledged to the payment thereof. The Pledge Agreement provides that Payment Obligation of the Issuing District under the Pledge Agreement is the same, and not in addition to, its obligation under the Indenture and any Additional Refunding Obligation Document to which the Issuing District is a party.

The Bonds are also secured by amounts on deposit in the Reserve Fund, which will initially be funded through the issuance of the Reserve Policy.

Property Tax Revenues. The Bonds are not secured by property lying within the Taxing Districts, but rather by, among other things, the obligation of each Taxing District to annually determine and certify a rate of levy for ad valorem property taxes to the County Assessor in an amount set forth in the definition of the Required Mill Levy. The Indenture provides that in the event any ad valorem taxes are not paid when due, the Issuing District will diligently cooperate with the appropriate county treasurer to enforce the lien

of such unpaid taxes against the property for which the taxes are owed. See “—*Covenant to Impose the Required Mill Levy*” below. Similarly, the Pledge Agreement provides that each Taxing District is to pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries. See “RISK FACTORS—Enforcement of Tax Collection by County.”

For more information relating to the imposition of the Required Mill Levy and the Property Tax Revenues resulting therefrom, see “FINANCIAL INFORMATION—Ad Valorem Property Taxes” and “—Ad Valorem Property Tax Data.”

Definition of Property Tax Revenues. The Indenture defines “**Property Tax Revenues**” to mean all moneys derived from imposition of the Required Mill Levy by the Taxing Districts. 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, Property Tax Revenues do not include specific ownership tax revenues.

Definition of Required Mill Levy. “**Required Mill Levy**” is defined in the Pledge Agreement to mean, for each Taxing District, an ad valorem mill levy (a mill being equal to 1/10 of 1 cent) imposed upon all taxable property of the Taxing Districts each year in an amount determined by the Issuing District which, if imposed by both Taxing Districts for collection in the succeeding calendar year, would generate Property Tax Revenues equal to the Annual Financing Costs, but not in excess of 39 mills; *provided, however*, that:

(a) in the event that, on or after January 1, 2014, there were or are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, the mill levy of 39 mills provided in the Pledge Agreement 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 (it being acknowledged that such adjustment with respect to each Taxing District may result in different mill levies being imposed by each of the Taxing Districts). For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation is to be deemed to be a change in the method of calculating assessed valuation); and

(b) in the event that the mill levies calculated pursuant to the paragraph above are different for the Taxing Districts: (A) the actual mill levies imposed by each Taxing District are to be the same if sufficient to generate the amount of Property Tax Revenues required and if not in excess of the adjusted 39 mill maximum levy of any Taxing District, and (B) if the actual mill levies necessary to generate the amount of Property Tax Revenues required would exceed the adjusted 39 mill maximum levy of any Taxing District, then the Taxing District with the lowest adjusted 39 mill maximum levy is to impose such amount, and the remaining Taxing District is to impose a mill levy sufficient to generate the amount of Property Tax Revenues required (but not in excess of such Taxing District’s adjusted 39 mill maximum levy).

Notwithstanding anything in the Pledge Agreement to the contrary, in no event may the Required Mill Levy for a Taxing District be established at a mill levy which would cause such Taxing District to derive tax revenue in any year in excess of the maximum tax increases permitted by such Taxing District’s electoral authorization, and if the 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 such Taxing District's electoral authorization, the Required Mill Levy is to be reduced to the point that such maximum tax increase is not exceeded.

Adjustments to Required Mill Levy. Pursuant to the definition of Required Mill Levy set forth above, each Taxing District is required to adjust the maximum mill levy of 39 mills for changes occurring in the method of calculating assessed valuation after January 1, 2014. As a result of changes in the method of calculating assessed valuation that have occurred in the State law since January 1, 2014, including changes provided in Senate Bill 21-293, Senate Bill 22-238 and Senate Bill 23B-001, the board of directors of each Taxing District will be required to adjust the mill levy of 39 mills set forth in the definition of Required Mill Levy to a higher mill levy to account for such changes. Further adjustments to the mill levy are required to occur in accordance with the definition of Required Mill Levy in the event of future changes to the method of calculating assessed valuation. See "FINANCIAL INFORMATION—Ad Valorem Property Taxes" for a discussion of changes in the State law with respect to the assessment of property for taxation purposes and changes in the ratio for determining assessed valuation.

Covenant to Impose the Required Mill Levy. The Indenture provides that the purpose of paying the principal of, premium if any, and interest on the Bonds (including Bond Insurer Reimbursement Amounts) and, if necessary, replenishing the Reserve Fund to the Reserve Requirement (or repaying the Bond Insurer for Policy Costs related to the Reserve Policy, as applicable), the Board has covenanted, and covenants in the Indenture, to impose the Required Mill Levy as provided in the Pledge Agreement.

The Pledge Agreement provides that, in order to fund their respective Payment Obligations, each Taxing District (including the Issuing District) agrees to levy on all of the taxable property in such Taxing District, in addition to all other taxes, direct annual taxes in 2024, and in each year thereafter, so long as the Bonds or Additional Refunding Obligations remain outstanding, to the extent necessary to provide for payment of the Financing Costs, in the amount of the applicable Required Mill Levy. When collected, the taxes levied for the foregoing purposes will be deposited with the Trustee as described below in "—Certain Indenture Provisions—*Application of Pledged Revenue.*"

In order to facilitate the determination of the Required Mill Levy, District No. 3 is to provide to the Issuing District: (a) on or before September 30 of each year, commencing September 30, 2024, the preliminary certification of assessed value for District No. 3 provided by the Weld County Assessor; and (b) no later than one business day after receipt by District No. 3, the final certified assessed value for District No. 3, provided by the Weld County Assessor (expected to be provided by the Weld County Assessor no later than December 10 of each year). In accordance with the definition of Required Mill Levy set forth in the Pledge Agreement, the Issuing District is to preliminarily determine, and provide to District No. 3, the Required Mill Levy for District No. 3 no later than October 15 of each year, and is to finally determine, and provide to District No. 3, the Required Mill Levy for District No. 3 no later than December 12 of each year or such later date as may be necessitated by applicable State law pertaining to the determination of assessed values and certification of mill levies.

Each Taxing District acknowledges in the Pledge Agreement that it has actively participated in the development of the calculation for determining the Required Mill Levy for each Taxing District, that such calculation and such provisions are designed to reasonably allocate among the Taxing Districts the Financing Costs based on the mutual benefit to the Taxing Districts of the Financed Facilities and the relative ability of such Taxing Districts, dependent upon the relative stages of development therein, to fund such Financing Costs in any given year and that, so long as made in accordance with the foregoing, the determinations of the Issuing District as to the Required Mill Levy for each Taxing District is to be final and binding upon each Taxing District.

The Pledge Agreement further provides that it is the duty of each Taxing District annually at the time and in the manner provided by law for the levying of its taxes, if such action is necessary to effectuate the provisions of the Pledge Agreement, to ratify and carry out the provisions thereof with reference to the levy and collection of the ad valorem property taxes therein specified, and to require the officers of such Taxing District to cause the appropriate officials of Weld County, to levy, extend and collect said ad valorem taxes in the manner provided by law for the purpose of providing funds for the payment of the amounts to be paid under the Pledge Agreement promptly as the same, respectively, become due. Said taxes, when collected, are to be applied only to the payment of the amounts to be paid under the Pledge Agreement.

The Pledge Agreement provides that each Taxing District is to pursue all reasonable remedies to collect, or cause the collection of, delinquent ad valorem taxes within its boundaries. See “RISK FACTORS—Enforcement of Tax Collection by County.”

Specific Ownership Tax Revenues. “**Specific Ownership Tax Revenues**” are defined in the Pledge Agreement to mean the specific ownership taxes remitted to the Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Required Mill Levy. Pursuant to Section 42-3-107, C.R.S., specific ownership tax is collected by all counties and distributed to every taxing entity within a county, such as the Taxing Districts, in the proportion that the taxing entity’s ad valorem taxes represents of the cumulative amount of ad valorem taxes levied county-wide. Such specific ownership tax is currently imposed 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. Changes in State law pursuant to which the specific ownership tax is collected and distributed are not within the control of the Issuing District and could result in a decrease in the present specific ownership tax rates and, as a result, the amount of Specific Ownership Tax Revenues received by the Taxing Districts and payable to the Trustee in accordance with the Pledge Agreement.

Furthermore, the amount of specific ownership tax revenue which will be received by the Taxing Districts in the future can be expected to fluctuate as the number of new car and truck registrations fluctuates. *The Taxing Districts are not in control of the imposition, collection or distribution of the specific ownership tax and therefore cannot assure any future amounts of Specific Ownership Tax Revenues.*

Only the portion of the specific ownership tax that is collected as a result of the imposition of the Required Mill Levy is pledged to the payment of the Bonds. The portion of the specific ownership tax which is collected as the result of the Taxing Districts’ general fund mill levies is anticipated to be applied to operational costs of the Taxing Districts. See “FINANCIAL INFORMATION.”

Bond Insurance. Concurrently with the issuance of the Bonds, the Bond Insurer will issue its Bond Insurance Policy which guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Bond Insurance Policy included in “APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.” See “BOND INSURANCE.” *The Issuing District provides no assurance that the Bond Insurer will be able to meet its obligations under the Bond Insurance Policy.*

Certain Indenture Provisions

The following is a description of certain provisions of the Indenture and is subject in all respects to the more specific provisions of the Indenture. See “APPENDIX C—SELECTED DEFINITIONS” for definitions of certain capitalized terms used below and elsewhere in this Official Statement.

Creation of Funds and Accounts. Under the Indenture, there are created and established the following funds and accounts, which are to be established with the Trustee and maintained by the Trustee in accordance with the provisions of the Indenture:

- (a) the Bond Fund;
- (b) the Reserve Fund; and
- (c) the Costs of Issuance Fund.

Application of Pledged Revenue. The Issuing District is to transfer all amounts comprising 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 Issuing District; provided, however, that in the event that the total amount of Pledged Revenue received by the Issuing District in a calendar month is less than \$50,000, the 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 Issuing District (i.e., no later than April 15th for Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). IN NO EVENT IS THE ISSUING DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE. The Trustee is to credit all Pledged Revenue as received in the following order of priority (excluding the Pledged Revenue described in clause (c) of the definition thereof, which is to be deposited directly to the Bond Fund). 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 are to rank pari passu with each other and, in the event that Pledged Revenue is not sufficient to fully fund all amounts required at any single priority level, credits are to 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 Indenture, the Trustee may rely upon the written instructions of the Issuing 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 Bond Fund, the amounts described under the heading “—*Bond Fund*,” below 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 Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds for the then current Bond Year;

THIRD: To the Bond Insurer, any Policy Costs then owing to it in connection with the Reserve Policy, in accordance with the Indenture as described under “—*Reserve Fund; Reserve Policy Provisions*” below, and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any, and interest on any Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds;

FOURTH: To the Bond Insurer, for any amounts not payable pursuant to SECOND or THIRD above;

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

In the event that any Pledged Revenue is available to be disbursed in accordance with clause FIFTH above, the Issuing 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 Pledged Revenue available for disbursement pursuant to FIFTH above, the Pledged Revenue applied in FIRST through FOURTH above is to be deemed to be funded, first, from Property Tax Revenues resulting from imposition of the Required Mill Levy, and second, from Specific Ownership Tax Revenues resulting from imposition of the Required Mill Levy.

The Issuing District covenants that all property tax revenue collected by the Issuing District from a debt service mill levy, or so much thereof as is needed, is to first, be designated as Property Tax Revenues in any Bond Year to pay annual debt service on the Bonds (including any amounts required to reimburse the Bond Insurer under the Bond Insurance Policy as set forth in the Indenture) and any Parity Bonds and to fund such funds and accounts as are required in accordance with the terms of the Indenture and the resolution, indenture or other enactment authorizing such Parity Bonds (including to replenish the Reserve Fund to the Reserve Requirement, to pay any Policy Costs due to the Bond Insurer as a result of a draw on the Reserve Policy, and to replenish any similar fund or account securing Parity Bonds to the Parity Bonds Reserve Requirements or pay any similar policy costs, if needed), and only after the funding of such payments and accumulations required in such 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 is to be deemed reduced to the number of mills (if any) available for payment of such Subordinate Obligations in any Bond Year after first providing for the full payment and accumulation of all amounts due on the Bonds and any Parity Bonds in such Bond Year. Property tax revenues from or relating to a debt service mill levy received by or on behalf of the Issuing District from District No. 3 shall similarly be designated, first, as Property Tax Revenues payable under the Pledge Agreement until the funding and accumulation of amounts required with respect to the Bonds and Parity Bonds in the applicable Bond Year, and the debt service property tax levy imposed by District No. 3 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 Bond Year after first providing for the full payment and accumulation of all amounts due on the Bonds and any Parity Bonds in such Bond Year.

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

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

FIRST: to the payment of interest due in connection with the 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 Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

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

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

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

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

Reserve Fund; Reserve Policy Provisions.[TO BE CONFORMED TO REQUIREMENTS OF BOND INSURER COMMITMENT, WHEN AGREED UPON] On the date of issuance of the Bonds, there is to be deposited into the Reserve Fund the Reserve Policy, in satisfaction of the Reserve Requirement. Moneys in the Reserve Fund (comprised of amounts drawn on the Reserve Policy) are to be used solely for the purpose of paying the principal of and interest on the Bonds to the extent the moneys in the Bond Fund are insufficient for such purpose. The Trustee is to transfer moneys from the Reserve Fund to the Bond Fund (from amounts drawn on the Reserve Policy) to pay the principal of or interest on the Bonds to the extent moneys on deposit in the Bond Fund are insufficient therefor on any Interest Payment Date. Under no circumstances is the Issuing District obligated to replace the Reserve Policy with cash to fund the Reserve Requirement. The provisions related to the Reserve Fund summarized below apply with respect to the Reserve Policy, notwithstanding any other provision contained in the Indenture.

(b) (i) The Issuing District is required to repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer and is to pay interest thereon from the date of payment by the Bond Insurer at the Reserve Policy Late Payment Rate. “**Reserve Policy Late Payment Rate**” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“**Prime Rate**”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then-applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Reserve Policy Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Bond Insurer shall specify. If the interest provisions of this subparagraph (i) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, including the electoral authorization of the Election, then all sums

in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party to the Indenture, be applied as additional interest for any later periods of time when amounts are outstanding under the Indenture to the extent that interest otherwise due under the Indenture for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Bond Insurer, with the same force and effect as if the Issuing District had specifically designated such extra sums to be so applied and the Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created in the Indenture exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

(ii) Repayment of Policy Costs at the Reserve Policy Late Payment Rate 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 Policy Costs related to such draw.

(iii) The Issuing District is to repay any draws under the Reserve Policy and pay all other Policy Costs from the Pledged Revenue as Pledged Revenue is available therefor in accordance with the Indenture as described in “—*Application of Pledged Revenue*” above. Amounts in respect of Policy Costs paid to the Bond Insurer are to 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 Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs, shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Indenture).

(iv) All cash and investments in the Reserve Fund are to be transferred to the Bond Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other credit instrument credited to the Reserve Fund in lieu of cash (herein, a “**Credit Facility**”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the 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 Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. Repayment of all Policy Costs and the replenishment of the Reserve Fund shall be made on a pari passu basis with payments and replenishments required to be made under the Indenture with respect to reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument 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.

(c) If the Issuing District is to fail to pay any Policy Costs in accordance with the requirements of paragraph (b) above, the Bond Insurer is to be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than remedies which would adversely affect owners of the Bonds.

(d) The Indenture is not to be discharged until all Policy Costs owing to the Bond Insurer are to have been paid in full. The Issuing District's obligation to pay such amounts is to expressly survive payment in full of the Bonds.

(e) The Issuing District is to include any Policy Costs then due and owing the Bond Insurer in the calculation of the Additional Obligations and the Required Mill Levy.

(f) The Trustee is to ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (b) above and provide notice to the Bond Insurer at least five Business Days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuing District with the Trustee to the Bond Fund for the Bonds more often than semi-annually, the Trustee is to give notice to the Bond Insurer of any failure of the Issuing District to make timely payment in full of such deposits within two Business Days of the date due.

The Reserve Policy is to expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Costs of Issuance Fund. The Costs of Issuance Fund is to be maintained by the Trustee. All moneys on deposit in the Costs of Issuance Fund are to be applied by the Trustee at the direction of the Issuing District, which may take the form of a closing memorandum prepared by the Underwriter which includes a summary of approved costs of issuance, to the payment of costs in connection with the issuance of the Bonds. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Bonds is to be transferred by the Trustee into the Bond Fund.

Additional Covenants and Agreements of the Issuing District in Indenture. The Issuing District irrevocably covenants in the Indenture and agrees with each and every Owner that so long as any of the Bonds remain Outstanding:

(a) The Issuing District will maintain its existence and is not to merge or otherwise alter its corporate structure in any manner or to any extent as might reduce the security provided for the payment of the Bonds, and will continue to operate and manage the Issuing 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 Issuing District will cause an audit to be performed of the records relating to its revenues and expenditures, and the Issuing District is to use its best commercially reasonable efforts to have such audit report completed no later than September 30 of each calendar year. The foregoing covenant is to 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 Issuing 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 Issuing District will carry general liability, public officials liability, and such other forms of insurance coverage on insurable Issuing District property upon the terms and conditions, and in such amount, as in the judgment of the Issuing District will protect the Issuing District and its operations.

(d) Each Issuing District official or other person having custody of any Issuing District funds or responsible for the handling of such funds, is to 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 Issuing District is to 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 Pledged Revenue is released to the Issuing District as provided in FIFTH of “—*Application of Pledged Revenue*” above, the Issuing 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) Subject to the Owners of a majority in aggregate principal amount of the Bonds assuming control of the enforcement of remedies upon default [ADD BOND INSURER AS APPLICABLE], the Issuing District will enforce the collection of all amounts payable to it under the Pledge Agreement in such time and manner as the Issuing District reasonably determines will be most efficacious in collecting the same and will diligently pursue all reasonable remedies available to the Issuing District with regard to such enforcement, whether at law or in equity. The Issuing District will not take any of the following actions without the prior written consent of the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds then Outstanding: (i) reduce the amounts due to the Issuing District (or to the Trustee on behalf of the Issuing District) under the Pledge Agreement, (ii) amend or supplement the Pledge Agreement in any way which would materially adversely affect the amount of revenues to be paid to or on behalf of the Issuing District thereunder, or (iii) consent to the issuance of bonds, notes, or other obligations by District No. 3 (in the event such consent of the Issuing District is required under the Pledge Agreement).

Additional Obligations. After issuance of the Bonds, no Additional Obligations may be issued except in accordance with the provisions of the Indenture, described below. The Indenture does not limit the issuance or incurrence of obligations not included within the definition of Additional Obligations (as defined in “APPENDIX C—SELECTED DEFINITIONS” hereto). The Indenture provides that the Issuing District is not to incur any additional debt or other financial obligation having a lien upon the Pledged Revenue superior to the lien thereof of the Bonds. Any Additional Obligations secured by a lien on ad valorem property taxes of the Issuing District are to be issued as either Parity Bonds or Subordinate Obligations. The Issuing District is not to issue or incur any other Additional Obligations except as provided in “—*Parity Bonds*” below with respect to Parity Bonds and “—*Subordinate Obligations*” below with respect to Subordinate Obligations, unless such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding.

Parity Bonds. The Issuing District may issue Additional Obligations constituting Parity Bonds without the consent of the Consent Parties if each of the following conditions is met as of the date of issuance of such Additional Obligations:

(i) no Event of Default is to have occurred and be continuing and no amounts of principal or interest on the Bonds or any other Parity Bonds are due but unpaid, unless: (A) such Event of Default or failure to pay principal or interest on the Bonds will be cured upon issuance of the Parity Bonds, or (B) the conditions of clause (v)(B) below are satisfied;

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

(iii) the Parity Bonds are to be secured by a reserve fund funded (with cash or a policy similar to the Reserve Policy) on the date of issuance of the Parity Bonds, which thereafter is to be required to be maintained in the same manner as the Reserve Fund with respect to the Bonds, in the amount of (and not greater than) the applicable Parity Bonds Reserve Requirement;

(iv) In the event that the Parity Bonds are secured by a lien on ad valorem property taxes of the Issuing District or any other Taxing District, then (A) the maximum ad valorem mill levy (if any) pledged to the payment of the Parity Bonds, together with the Required Mill Levy required to be imposed under the Indenture and under the Pledge Agreement, is not to be higher than the maximum mill levy set forth in the definition of Required Mill Levy in the Pledge Agreement, and (B) the resolution, indenture or other document pursuant to which the Parity Bonds are issued is to provide that any ad valorem property taxes imposed for the payment of such Parity Bonds are to be applied in the same manner and priority as provided in “—*Application of Pledged Revenue*” above with respect to the Pledged Revenue; and

(v) one of the following two conditions is to be satisfied:

(A) upon issuance of the Parity Bonds, the Senior Debt to Assessed Ratio of the Issuing District will be 50% or less;

(B) the proposed Parity Bonds will constitute Refunding Parity Bonds and, upon issuance of such Refunding Parity Bonds, the total of the Issuing District’s scheduled debt service on such Refunding Parity Bonds, the Bonds and any other 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 Bonds and 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 Bonds or Parity Bonds outstanding immediately prior to the issuance of the Refunding Parity Bonds is to be deemed to increase the Issuing District’s Parity Bonds debt service and is not to be permitted by this clause (B).

Subordinate Obligations. The Issuing District may issue Additional Obligations constituting Subordinate Obligations without the consent of the Consent Parties and the terms of such Subordinate Obligations are to 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:

(i) the aggregate number of mills which any Taxing District promises to impose for payment of all Subordinate Obligations (including the Subordinate Obligations proposed to be issued) does not exceed 39 mills (adjusted as described in the definition of Required Mill Levy), less the Required Mill Levy required to be imposed under the Indenture and the mill levy required to be imposed for the payment of any Parity Bonds;

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

(iii) the Subordinate Obligations are to be payable as to both principal and interest only after interest and principal payments on the Bonds have been funded in full for the entire Bond Year.

A written certificate by the President of the Issuing District that the conditions set forth in the Indenture are met is to conclusively determine the right of the Issuing District to authorize, issue, sell, and deliver Additional Obligations in accordance with the Indenture.

Except as provided in the Indenture, nothing in the Indenture is to affect or restrict the right of the Issuing District to issue or incur additional debt or other financial obligations that are not Additional Obligations under the Indenture.

Notwithstanding any other provision contained in the Indenture, under no circumstances is the Issuing District to issue Additional Obligations in excess of that authorized by eligible electors of the Issuing District, if applicable, and the Service Plan, as the same may be amended from time to time.

Events of Default. The Indenture provides that the occurrence of any one or more of the following events or the existence of any one or more of the following conditions is to constitute an Event of Default under the Indenture (whatever the reason for such event or condition and whether it is to 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 is to be no default or Event of Default under the Indenture except as described below:

(a) The Issuing District fails or refuses to impose the applicable Required Mill Levy or to apply the Pledged Revenue as required by the Indenture and the Pledge Agreement, or District No. 3 fails or refuses to impose the applicable Required Mill Levy or to apply the revenues resulting therefrom or any other portion of the Pledged Revenue received by District No. 3 as required by the Pledge Agreement;

(b) The Issuing District defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuing District in the Indenture or the Bond Resolution and fails to remedy the same after notice thereof pursuant to the Indenture, or District No. 3 defaults in the performance or observance of any other covenants, agreements, or conditions on the part of District No. 3 in the Pledge Agreement and fails to remedy the same after notice thereof pursuant to the terms of the Indenture; or

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

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE INDENTURE, THE ISSUING DISTRICT ACKNOWLEDGES AND AGREES IN THE INDENTURE THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE CONSTITUTES A VIOLATION OF THE TERMS OF THE INDENTURE AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH IS TO ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE ISSUING DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE INDENTURE. THE ISSUING DISTRICT FURTHER ACKNOWLEDGES AND AGREES IN THE INDENTURE THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS OF THE INDENTURE WILL RESULT IN IRREPARABLE

HARM TO THE OWNERS OF THE BONDS. IN NO EVENT IS ANY PROVISION OF THE INDENTURE TO BE INTERPRETED TO PERMIT THE ISSUING DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

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

The Trustee is to give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors, of all Events of Default of which the Trustee is required to take notice under the Indenture, or if notice of an Event of Default is given as provided in the Indenture, within 90 days after the Trustee has knowledge of the occurrence of such default or Event of Default unless such default or Event of Default is to have been cured before the giving of such notice; provided that, the Trustee is to be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

No default described in paragraph (b) above is to constitute an Event of Default until actual notice of such default by registered or certified mail is to be given by the Trustee, the Bond Insurer or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the Issuing District (or District No. 3, as applicable), and the Issuing District (or District No. 3, as applicable) is to have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and is not to have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it is not to constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

Remedies on Occurrence of Event of Default. Upon the occurrence and continuance of an Event of Default, the Indenture provides that the Trustee is to have the following rights and remedies which may be pursued:

Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee is to be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the Issuing District; but notwithstanding the appointment of any receiver or other custodian, the Trustee is to 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 Indenture to, the Trustee.

Suit for Judgment. The Trustee may proceed to protect and enforce its rights and the rights of the Owners under the Special District Act, the Bonds, the Bond Resolution, the Indenture, the Pledge Agreement, and any provision of law by such suit, action, or special proceedings as the Trustee, being advised by Counsel, is to deem appropriate.

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

No recovery of any judgment by the Trustee is to in any manner or to any extent affect the lien of the Indenture or any rights, powers, or remedies of the Trustee under the Indenture, or any lien, rights,

powers, and remedies of the Owners of the Bonds, but such lien, rights, powers, and remedies of the Trustee and of the Owners are to continue unimpaired as before.

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

Notwithstanding anything in the Indenture to the contrary, acceleration of the Bonds is not to be an available remedy for an Event of Default.

So long as the Bond Insurer is not then in default of its payment obligations under the Bond Insurance Policy, it is to have the right to control and direct the enforcement of all remedies upon an Event of Default. Except as provided in the preceding sentence, the Consent Parties of a majority in aggregate principal amount of the Bonds then Outstanding are to 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 Indenture, or for the appointment of a receiver, and any other proceedings under the Indenture; provided that such direction is not to be otherwise than in accordance with the provisions of the Indenture; and provided further that at its option the Trustee is to be indemnified as provided in the Indenture.

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

The Trustee may in its discretion waive any Event of Default under the Indenture and its consequences, and is to do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Bonds then Outstanding; provided however, that there is not to be waived without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding as to which the Event of Default exists any Event of Default described in paragraph (a) under “—*Events of*

Default” above and, provided further, that so long as the Bond Insurer is not in default of its payment obligations under the Bond Insurance Policy, neither the Trustee nor any other person is to waive any Event of Default without the Bond Insurer’s prior written consent. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such default is to have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the Issuing District, the Trustee, and the Owners are to be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission is to extend to any subsequent or other default, or impair any right consequent thereon.

Supplemental Indentures. Subject to the provisions of the Indenture, the Issuing District and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental thereto, which supplemental indentures are to thereafter form a part of the Indenture, for any one or more of the following purposes: (a) to cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in the Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under the Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds; (b) to subject to the Indenture additional revenues, properties, or collateral; (c) to grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and (d) to qualify the Indenture under the Trust Indenture Act of 1939.

Except for supplemental indentures delivered pursuant to the foregoing paragraph, and subject to the provisions of the Indenture, either (i) the Consent Parties with respect to not less than a majority (or for modifications of provisions of the Indenture which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding, or (ii) the Bond Insurer, acting alone, are to have the right, from time to time, to consent to and approve the execution by the Issuing District and the Trustee of such indenture or indentures supplemental to the Indenture as are to be deemed necessary or desirable by the Issuing District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby and the Bond Insurer, nothing in the Indenture is to permit, or be construed as permitting: (i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon; (ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due; (iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or (iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

Discharge of the Lien of the Indenture. If the Issuing District is to pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated in the Indenture, and if the Issuing District is to keep, perform, and observe all and singular the covenants and promises in the Bonds and in the Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by the Indenture to be paid is to have been paid, then these presents and the estate and rights granted by the Indenture are to cease, terminate, and be void, and thereupon the Trustee is to cancel and discharge the lien of the Indenture, and execute and deliver to the Issuing District such instruments in writing as are to be required to satisfy the lien of the Indenture, and assign and deliver to the Issuing District any property at the time subject to the lien of the Indenture which may then be in its possession, and deliver any amounts required to be paid to the Issuing District under the Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

Any Bond is to, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in the Indenture if, for the purpose of paying such Bond (i) there is to have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there is to have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow are not to be subject to redemption or prepayment at the option of the issuer, and is to become due at or prior to the respective times on which the proceeds thereof are to be needed, in accordance with a schedule established and agreed upon between the Issuing District and such bank at the time of the creation of the escrow, or the Federal Securities are to be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities are to be determined by a Certified Public Accountant.

Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to the Indenture, nor principal or interest payments on any such Federal Securities are to be withdrawn or used for any purpose other than, and are to be held in trust for, the payment of the principal of and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, is to, to the extent practicable, be reinvested subject to the provisions of the Indenture in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Bonds.

Prior to the investment or reinvestment of such moneys or such Federal Securities as provided in the Indenture, the Trustee is to receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code, that such investment or reinvestment does not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Bonds when due.

The release of the obligations of the Issuing District under the Indenture is to be without prejudice to the rights of the Trustee to be paid reasonable compensation by the Issuing District for all services rendered by it under the Indenture and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust created under the Indenture, the exercise of its powers, and the performance of its duties thereunder.

In the event that the principal of and/or interest due on the Bonds is to be paid by the Bond Insurer pursuant to the Bond Insurance Policy, such Bonds are to remain Outstanding for all purposes, are not be deemed to be defeased or otherwise satisfied, and are not to be considered paid by the Issuing District.

Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of the Indenture as provided therein, the Trustee is to continue to fulfill its obligations as bond registrar and paying agent under the Indenture until the Bonds are fully paid, satisfied, and discharged.

Certain Provisions Related to the Bond Insurer. **[CONFORM TO REQUIREMENTS OF COMMITMENT WHEN AGREED UPON]** In consideration of the Bond Insurer's issuance of the Bond Insurance Policy, the following provisions will apply, notwithstanding any other conflicting provisions of the Indenture, so long as the Bond Insurance Policy is in effect and no Bond Insurer Default (defined below)

exists; provided, however, that the Bond Insurer will retain its rights of subrogation to the extent that it has previously made payment of principal or interest on the Bonds.

Certain Rights of the Bond Insurer. The Bond Insurer will be deemed to be the sole Owner of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Bond, each Owner of the Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the Issuing District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “**Insolvency Proceeding**”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “**Claim**”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Bonds for the Bond Insurer’s benefit and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment.

Bond Insurer Consent. In addition to the other consents required in the Indenture, initiation or approval of any action which requires the consent of the Owners or Consent Parties is to require the consent of the Bond Insurer. In addition, any amendment, supplement or modification to the Indenture that adversely affects the rights or interests of the Bond Insurer will be subject to the prior written consent of the Bond Insurer. These provisions are to apply so long as the Bond Insurance Policy is in effect and no Bond Insurer Default exists.

Neither the Issuing District nor the Underwriter has made independent investigation into the 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 Bond Insurer is given. Prospective investors in the Bonds should conduct their own investigation of such matters. See “RISK FACTORS—Risks Related to Bond Insurance Policy and Reserve Policy.”

Certain Pledge Agreement Provisions

The following is a description of certain provisions of the Pledge Agreement and is subject in all respects to the more specific provisions of the Pledge Agreement. See “APPENDIX C—SELECTED DEFINITIONS” for definitions of certain capitalized terms used below and elsewhere in this Official Statement.

Termination Date. The Pledge Agreement is to remain in effect until the date on which all amounts due with respect to the Bonds and any Additional Refunding Obligations have been defeased or paid in full (the “**Termination Date**”).

Limitations on Additional Obligations. District No. 3 covenants that it will not issue or incur any Additional District No. 3 Obligation without the prior consent of the Issuing District; provided, however, that Permitted District No. 3 Subordinate Obligations may be issued without the consent of the Issuing District. “**Permitted District No. 3 Subordinate Obligations**” are defined in the Pledge Agreement to

mean any District No. 3 Subordinate Obligations which satisfy all of the following: (a) the aggregate number of mills which District No. 3 promises to impose for payment of the proposed District No. 3 Subordinate Obligations and all other District No. 3 Subordinate Obligations then outstanding does not exceed 39 mills (adjusted as provided in the definition of Required Mill Levy) less the Required Mill Levy then required to be imposed under the Pledge Agreement for the payment of the Bonds and any Additional Refunding Obligations; (b) the failure to make a payment when due on the District No. 3 Subordinate Obligations does not constitute an event of default thereunder; and (c) the District No. 3 Subordinate Obligations are payable as to both principal and interest only on an annual basis, on or after December 15 of each calendar year.

Additional Covenants of the Taxing Districts.

(a) The Taxing Districts are not to impose, in any given year, an administrative, operations and maintenance mill levy in excess of the maximum administrative, operations and maintenance mill levy then permitted by the Service Plan, taking into account the Required Mill Levy and any other debt service mill levy then imposed by the Taxing Districts. However, for purposes of clarification, it is acknowledged that the proceeds of any general property tax levy imposed to pay current administrative, operations and maintenance is not to be payable to the Issuing District pursuant to the Pledge Agreement, is not to be payable to the Trustee (or other entity designated by the Issuing District) and is not to be subject to the lien of the Pledge Agreement.

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

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

(d) District No. 3 agrees to provide the Issuing District with information promptly upon request by the Issuing District necessary for the Issuing District to comply on an ongoing basis with the requirements of the Continuing Disclosure Agreement entered into by the Taxing Districts in connection with the issuance of the Bonds, and any similar agreement entered into by the Taxing Districts in connection with the issuance of Additional Refunding Obligations.

Events of Non-Compliance. The occurrence or existence of any one or more of the following events are to be an “**Event of Non-Compliance**” under the Pledge Agreement, and there is to be no default or Event of Non-Compliance under the Pledge Agreement except as described below:

(a) any Taxing District fails or refuses to impose the Required Mill Levy or to remit the Pledged Revenue as required by the terms of the Pledge Agreement;

(b) any representation or warranty made by any party in the Pledge Agreement proves to have been untrue or incomplete in any material respect when made, and which untruth or incompleteness would have a material adverse effect upon any other party;

(c) any party to the Pledge Agreement fails in the performance of any other of its covenants in the Pledge Agreement, and such failure continues for 30 days after written notice specifying such default and requiring the same to be remedied is given to the applicable party; or

(d) (i) any party shall commence any case, proceeding, or other action (A) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it insolvent or a bankrupt or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition, or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, or other similar official for itself or for any substantial part of its property, or any party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any party any case, proceeding, or other action of a nature referred to in clause (i) and the same shall remain not dismissed within 90 days following the date of filing; or (iii) there shall be commenced against any party any case, proceeding, or other action seeking issuance of a warrant of attachment, execution, distraint, or similar process against all or any substantial part of its property which results in the entry of an order for any such relief which shall not have been vacated, discharged, stayed, or bonded pending appeal within 90 days from the entry thereof; or (iv) any party shall take action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) any party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE PLEDGE AGREEMENT, EACH TAXING DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE OR AS OTHERWISE DIRECTED BY THE ISSUING DISTRICT IN ACCORDANCE WITH THE PROVISIONS THEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THE PLEDGE AGREEMENT AND A BREACH OF THE COVENANTS MADE THEREUNDER FOR THE BENEFIT OF THE BONDHOLDERS OF THE BONDS AND ANY ADDITIONAL REFUNDING OBLIGATIONS, WHICH SHALL ENTITLE THE ISSUING DISTRICT AND THE TRUSTEE TO PURSUE, ON BEHALF OF THE BONDHOLDERS OF THE BONDS AND ANY ADDITIONAL REFUNDING OBLIGATIONS, ALL AVAILABLE ACTIONS AGAINST SUCH TAXING DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN SECTION 4.02 OF THE PLEDGE AGREEMENT. EACH TAXING DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS OF THE PLEDGE AGREEMENT WILL RESULT IN IRREPARABLE HARM TO THE BONDHOLDERS OF THE BONDS AND ANY ADDITIONAL REFUNDING OBLIGATIONS. IN NO EVENT SHALL ANY PROVISION OF THE PLEDGE AGREEMENT BE INTERPRETED TO PERMIT A TAXING DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

Remedies for Events of Non-Compliance. Upon the occurrence and continuance of an Event of Non-Compliance, any party may proceed to protect and enforce its rights against the party or parties causing the Event of Non-Compliance by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction, including an action for specific performance. In the event of any litigation or other proceeding to enforce any of the terms, covenants or conditions of the Pledge

Agreement, the prevailing party in such litigation or other proceeding is required to obtain, as part of its judgment or award, its reasonable attorneys' fees and costs.

Amendment of Pledge Agreement. The Pledge Agreement may be amended or supplemented by the parties, but any such amendment or supplement must be in writing and must be executed by all parties and is subject to the limitations and requirements of the Indenture. See "Certain Indenture Provisions—*Additional Covenants and Agreements of the Issuing District in the Indenture.*"

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

General. The proceeds of the Bonds, [together with other available moneys of the District,] will be used for the purposes of: (a) refunding all of the Refunded Bonds; (b) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds (including the premium for the Bond Insurance Policy and the Reserve Policy).

Refunding Project. A portion of the proceeds of the Bonds, [together with other available moneys of the District,] will be used for the purposes of refunding (a) all of District No. 3's outstanding (i) Limited Tax General Obligation Bonds, Series 2018A issued in the original aggregate principal amount of \$16,450,000, which are presently outstanding in the aggregate principal amount of \$16,370,000 (the "**Series 2018A Senior Bonds**") and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, issued in the original aggregate principal amount of \$2,840,000, which are presently outstanding in the aggregate principal amount of \$2,840,000 (the "**Series 2018B Subordinate Bonds**" and together with the Series 2018A Senior Bonds, the "**Series 2018 Bonds**") and (b) all of the Issuing District's outstanding (i) Limited Tax General Obligation Bonds, Series 2019A, issued in the original aggregate principal amount of \$19,310,000, which are presently outstanding in the aggregate principal amount of \$19,310,000 (the "**Series 2019A Senior Bonds**") and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, issued in the original aggregate principal amount of \$4,575,000, which are presently outstanding in the aggregate principal amount of \$4,575,000 (the "**Series 2019B Subordinate Bonds**" and together with the Series 2019A Senior Bonds, the "**Series 2019 Bonds**") (the Series 2018 Bonds and Series 2019 Bonds are collectively referred to herein as the "**Refunded Bonds**").

A portion of the net proceeds from the sale of the Bonds will be transferred on the date of issuance of the Bonds, to U.S. Bank, National Association, in its capacity as escrow agent pursuant to a Refunding Escrow Agreement between District No. 3 and U.S. Bank National Association to be dated as of September [___], 2024 (the "**District No. 3 Escrow Agreement**"), to be used to redeem (i) all of the outstanding Series 2018A Senior Bonds on December 1, 2024, at a price equal to the principal amount thereof, plus accrued interest to such redemption date, plus 2.00% redemption premium; and (ii) all of the outstanding Series 2018B Subordinate Bonds on December 15, 2024, at a price equal to the principal amount thereof, plus accrued interest to such redemption date, plus 2.00% redemption premium.

A portion of the net proceeds from the sale of the Bonds will be transferred, on the date of issuance of the Bonds, to U.S. Bank, National Association, in its capacity as escrow agent pursuant to a Refunding Escrow Agreement between the Issuing District and U.S. Bank, National Association to be dated as of September [___], 2024 (as previously defined, the "**Issuing District Escrow Agreement**" and together with the District No. 3 Escrow Agreement, the "**Escrow Agreements**"), to be used to redeem (i) all of the outstanding Series 2019A Senior Bonds on December 1, 2024, at a price equal to the principal amount thereof, plus accrued interest to such redemption date, plus 3.00% redemption premium; and (ii) all of the outstanding Series 2019B Subordinate Bonds on December 15, 2024, at a price equal to the principal amount thereof, plus accrued interest to such redemption date, plus 3.00% redemption premium.

The accuracy of, among other things, the mathematical computations of amounts deposited pursuant to the Escrow Agreements to pay when due the principal and accrued interest on the Refunded Bonds on their respective redemption dates will be verified by Causey Demgen & Moore P.C., Denver, Colorado. See “MISCELLANEOUS—Verification of Mathematical Computations.”

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Estimated Sources and Uses of Funds. The estimated uses of the proceeds of the Bonds are as follows:

Sources:

Bonds Par Amount
[[Plus/Less] [Net] Original Issue [Premium/Discount]].
Other Sources of Funds ¹
Total

Uses:

Refunding of Series 2018 Bonds
Refunding of Series 2019 Bonds
Costs of issuance², including underwriting discount ³
and contingency
Total

¹ Comprised of funds held by the trustee for the Refunded Bonds for payment of such bonds.

² Includes Bond Insurance Policy premium, Reserve Policy premium, legal fees, escrow agent fees, verification agent fees and other costs of issuance for the Bonds.

³ See “MISCELLANEOUS—Underwriting.”

Source: The Underwriter

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Debt Service Requirements

Set forth in the following table are the debt service requirements for the Bonds.

TABLE II
Debt Service Requirements ^{*,1}

Year	Principal ²	Interest	Annual Total
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
Total	<u>\$(PAR)</u>		

^{*} Preliminary; subject to change.

¹ Due to rounding, the figures above may not sum.

² Assumes no redemptions, other than mandatory sinking fund redemptions, prior to maturity. Figures have been rounded.

Source: The Underwriter.

[BOND INSURANCE]

Set forth below is a brief summary of certain information concerning the Bond Insurer and the terms of the Bond Insurance Policy. Information with respect to the Bond Insurer and the Bond Insurance Policy has been supplied to the Issuing District by the Bond Insurer. The following discussion does not purport to be complete and is qualified in its entirety by reference to the Bond Insurance Policy.

Bond Insurance Policy and Reserve Policy [TO COME]

THE TAXING DISTRICTS

Organization and Description

RainDance Metropolitan District No. 2 (as previously defined, the “**Issuing District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado created pursuant to the Special District Act, in conjunction with RainDance Metropolitan District No. 1 (as previously defined, “**District No. 1**”), RainDance Metropolitan District No. 3 (as previously defined, “**District No. 3**” and together the Issuing District, the “**Taxing Districts**”), and National Resort Metropolitan District (f/k/a RainDance Metropolitan District No. 4) (as previously defined, “**National Resort MD**” and, together with the Issuing District, District No. 1, and District No. 3, the “**Districts**”) for the purpose of financing the construction of part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The Districts are organized pursuant to a Service Plan for the Districts approved by the Town Board on March 24, 2014 (as previously defined, the “**Service Plan**”). The creation each Taxing District was approved by the eligible electors of such Taxing District voting at the elections held with respect to each Taxing District on May 6, 2014 (collectively, as previously defined, the “**Election**”). An order with respect to each Taxing District, creating such Taxing District was entered by Weld County District Court on June 6, 2014 and recorded on June 12, 2014. The Taxing Districts are located within commuting distance of the cities of Fort Collins, Greeley, and Loveland. See “REGIONAL MAP,” “AERIAL MAPS.”

According to the County Assessor, the 2023 certified assessed valuation (for collection of taxes in 2024) of property within the Issuing District is \$32,417,930 and the preliminary non-certified assessed valuation as of April 25, 2024 is \$36,700,270. According to the County Assessor, the 2023 certified assessed valuation (for collection of taxes in 2024) of property within District No. 3 is \$37,836,580 and the preliminary non-certified assessed valuation as of April 25, 2024 is \$38,984,290. The preliminary non-certified values are subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date. See “FINANCIAL INFORMATION—Ad Valorem Property Taxes” and “—Ad Valorem Property Tax Data.”

The Taxing Districts were organized in conjunction with District No. 1 and **National Resort MD**, as described above. *However, neither District No. 1 nor National Resort MD are pledging any revenues for the payment of the Bonds, and the Bonds are not an obligation of District No. 1 or National Resort MD. Only the Taxing Districts are obligated to provide revenues for the payment of the Bonds.*

District Powers

The rights, powers, privileges, authorities, functions and duties of the Taxing Districts are established by the laws of the State, particularly the Special District Act. The powers of the Taxing District are, however, limited both by the provisions of the Service Plan and their electoral authorization. See “—Service Plan Authorizations and Limitations” below.

Pursuant to the Special District Act, for and on behalf of a special district the board of directors has the power: to have a perpetual existence; to have and use a corporate seal; to enter into contracts and agreements; to sue and be sued and to be a party to suits, actions and proceedings; to borrow money and incur indebtedness and to issue bonds; to acquire, dispose of and encumber real and personal property, and any interest therein; to refund any bonded indebtedness; to have the management, control and supervision of all the business and affairs of the special district; to appoint, hire and retain agents, employees, engineers

and attorneys; to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the special district; to waive or amortize all or part of the tap fees or connection fees or extend the time period for paying all or part of such fees for property within the special district; to furnish services and facilities within and without the boundaries of the special district and to establish fees, rates, tolls, penalties or charges for such services and facilities; to accept real and personal property for use of the special district and to accept gifts and conveyances made to the special district; and to have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to the special district. Special districts also have the power to provide covenant enforcement and design review services and safety services if permitted by the service plan.

Each special district also has the power, subject to constitutional and statutory limitations, to certify a levy for collection of ad valorem taxes against all taxable property of such special district. See “FINANCIAL INFORMATION—Ad Valorem Property Taxes.”

Inclusion, Exclusion, Consolidation and Dissolution

Inclusion and Exclusion of Property. The Special District Act provides that the boundaries of a special district may be altered by the inclusion of additional real property or exclusion of real property under certain circumstances. After its inclusion, the included property is subject to all of the taxes and charges imposed by the special district and shall be liable for its proportionate share of existing bonded indebtedness of the special district. After its exclusion, the excluded property is no longer subject to the special district’s operating mill levy, and is not subject to any debt service mill levy for new debt issued by the special district issued after the property is excluded. The excluded property, however, remains subject to the special district’s debt service mill levy for that proportion of the special district’s outstanding indebtedness and the interest thereon existing immediately prior to the effective date of the exclusion order. Boundary changes resulting from property included in or excluded from the special district prior to the first day of May of each year are reflected in the special district’s assessed valuation and are subject to the ad valorem property tax levy of the special district for that assessment year. Inclusions or exclusions that occur after May 1 are considered in the following assessment year.

Upon its creation, the Issuing District encompassed approximately 627.7 acres and District No. 3 encompassed approximately 233 acres. Thereafter, several inclusions and exclusions of property into and from the boundaries of each of the Issuing District and District No. 3 have occurred and currently, the Issuing District contains approximately 370 acres and District No. 3 contains approximately 356 –acres.

Consolidation With Other Districts. Two or more special districts may consolidate into a single district upon the approval of a district court and of the electors of each of the consolidating special districts. The district court order approving the consolidation can provide that the consolidated district assumes the debt of the districts being consolidated. If so, separate voter authorization of the debt assumption is required. If such authorization is not obtained, then the territory of the prior district will continue to be solely obligated for the debt after the consolidation.

Dissolution of the Taxing Districts. The Special District Act allows a special district board of directors to file a dissolution petition with a district court. The district court must approve the petition if the special district’s plan for dissolution meets certain requirements, generally regarding the continued provision of services to residents and the payment of outstanding debt. Dissolution must also be approved by the special district’s voters. If the special district has debt outstanding, the district may continue to exist for only the limited purpose of levying its debt service mill levy and discharging the indebtedness.

Service Plan Authorizations and Limitations

Taxing Districts' Powers. Pursuant to the Service Plan and the Special District Act, the Taxing Districts are authorized to provide the Public Improvements within and without the boundaries of the Taxing Districts, subject to the limitations of the Service Plan. It is contemplated in the Service Plan that District No. 1 will be the "coordinating district" and, in such capacity, is expected to coordinate the financing, construction and maintenance of all Public Improvements, and that the Taxing Districts and National Resort MD will be the "financing" districts, which will include all or substantially all of the future development comprising the RainDance development and is anticipated to provide the revenue to support the Public Improvements and other services provided by the Taxing Districts. However, the Taxing Districts are permitted to provide the Public Improvements and other services without being limited by these anticipated relationships.

Pursuant to the Service Plan, the Taxing Districts are required to ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction, and to obtain the Town's approval of civil engineering plans and applicable permits for construction and installation of Public Improvements prior to performing such work. The Taxing Districts are required to dedicate completed Public Improvements (except for any improvements within the community farm areas of the Taxing Districts) to the Town or other appropriate jurisdiction or owners association in a manner consistent with final plats and other entitlements approved for property within the Development, the rules and regulations of the Town and the applicable provisions of the Town Code.

The Service Plan prohibits the Taxing Districts from operating and maintaining any part or all of the Public Improvements which have been accepted by the Town or other appropriate jurisdiction. The Taxing Districts are authorized to provide operation and maintenance services for community farm area improvements and for those operational services specifically authorized therein, including, without limitation, common area landscaping and fencing maintenance and upkeep, maintenance of neighborhood parks and trails, covenant code enforcement and design review, and provision of administrative, legal and accounting services. If the Taxing Districts do operate and maintain Public Improvements, the Service Plan permits such operating costs to be paid from property taxes and other revenues.

Debt Limitations. The Service Plan limits the Taxing Districts' issuance of bonds or other financial obligations for which the Taxing Districts have promised to impose an ad valorem property tax mill levy or other legally available revenue for payment (collectively, "Debt") to an aggregate principal amount of \$93,000,000 (the "**Maximum Debt Authorization**"); provided that that Debt issued to refund outstanding Debt of the Taxing Districts, including Debt owed to a developer pursuant to a reimbursement agreement or other agreement is not to count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. Further, the Service Plan provides that the term "Debt" does not include intergovernmental agreements pledging the collection and payment of property taxes in connection with the coordinating district (District No. 1) and financing district (District Nos. 2, 3 and National Resort MD) structure and other contracts through which the Districts procure or provide services or tangible property. The Taxing Districts determined that the Pledge Agreement meets the foregoing exception for intergovernmental agreements and, accordingly, the Maximum Debt Authorization limit does not apply to Payment Obligation incurred by each Taxing District under the Pledge Agreement. Districts have previously issued general obligation bonds subject to the Maximum Debt Authorization Limit in the aggregate principal amount of \$_____, resulting in \$_____ in remaining Maximum Debt Authorization under the Service Plan. The Issuing District determined that the Maximum Debt Authorization limit does not apply to the Bonds because the issuance of the Bonds will not result in a net present value expense.

The Service Plan requires the scheduled final maturity of any Debt to be limited to 30 years, subject to certain exception. The Bonds will mature on December 1, 20__ (i.e. within 30 years from the issuance date). The Taxing Districts may not issue new Debt after May 6, 2034 without the approval of the Town Board.

Mill Levy Limitations; Fee Limitation. The Taxing Districts may impose mill levies on the taxable property within their respective boundaries as a primary source of revenue for repayment of Debt and for operations and maintenance. Pursuant to the Service Plan, the combined property tax levy of any Taxing District for payment of Debt, capital improvements costs, and administration, operations and maintenance costs is not permitted to exceed 39 mills. If there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement occurring after January 1, 2014, the Service Plan permits the mill levy limitation set forth above to be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board (as defined below) 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 for changes occurring after January 1, 2014, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation will be deemed to be a change in the method of calculating assessed valuation. For a discussion of adjustment of the Required Mill Levy required under the Pledge Agreement, see “THE BONDS—Security for the Bonds—*Adjustments to Required Mill Levy.*”

The Service Plan permits the Taxing Districts to impose and collect one-time capital fees as a source of revenue for repayment of debt and/or the payment of capital costs, but not in excess of \$2,500 per dwelling unit. No capital improvement fee related to repayment of Debt is authorized to be imposed upon or collected from taxable property owned or occupied by an owner within the Taxing Districts subsequent to the issuance of a certificate of occupancy by the Town for such taxable property. This limitation does not apply to fees imposed for operations and maintenance costs of the Taxing Districts. Town approval is required for any other imposition of any other fees for the purpose of defraying Debt. No types of fees are presently imposed or expected to be imposed by the Taxing Districts.

The foregoing limitations of the Service Plan may be modified or amended with the approval of the Town and as otherwise provided in the Special District Act.

Governing Board

The Taxing Districts are each governed by a five-member Board of Directors (the “**Boards**”), provided that State law permits each Board to have up to seven members, subject to certain conditions. The members must be eligible electors of the Taxing District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. However, pursuant to State law, special districts are required to move their biennial elections from even years to odd years beginning in 2023. Accordingly, the terms commencing in 2022 will be three-year terms and then will reset to four-year terms commencing in 2025. Vacancies on the Boards are filled by appointment of the remaining directors, the appointee to serve until the next regular election, at which time the vacancy is filled by election for any remaining unexpired portion of the term. There are currently no vacancies on either Taxing District’s Board. Pursuant to statute, with certain exceptions, no nonjudicial elected official of any political subdivision of the State can serve more than two consecutive terms in office; however, such term limitation may be lengthened, shortened or eliminated pursuant to voter approval. At the Election, the eligible voters in the Taxing Districts voted to waive the statutory term limits, and therefore the Taxing Districts’ directors are not subject to such limitations.

The Taxing Districts hold regular meetings and special meetings as needed. Each director is entitled to one vote on all questions before the Boards when a quorum is present. Current directors may

receive a maximum compensation of \$2,400 per year, not to exceed \$100 per meeting attended. With the exception of this compensation, directors may not receive compensation from the Taxing Districts as employees of the Taxing Districts. Members of the Boards currently are not compensated by the Taxing Districts for attending meetings. The present directors, their positions on the Boards, principal occupations, and terms are as follows:

Issuing District Board of Directors

<u>Name</u>	<u>Office</u>	<u>Occupation</u>	<u>Years of Service</u>	<u>Term Expires (May)</u>
Martin Lind	President	Land development	10	2027
Justin Donahoo	Secretary/Treasurer	Builder Land	10	2025
Austin Lind	Assistant Secretary	development/Resident	10	2025
Barry McGuinness	Assistant Secretary	Retired/Resident Land	1	2027
Garret Scallon	Assistant Secretary	development/Resident	2	2025

District No. 3 Board of Directors

<u>Name</u>	<u>Office</u>	<u>Occupation</u>	<u>Years of Service</u>	<u>Term Expires (May)</u>
Martin Lind	President	Land development	10	2027
Justin Donahoo	Secretary/Treasurer	Builder	10	2025
Cindy Beemer	Assistant Secretary	Resident	1	2027
Alan MacGregor	Assistant Secretary	Resident	4	2025
Ryan Scallon	Assistant Secretary	Real estate	3	2025

Pursuant to State law, directors are required to disclose to the Colorado Secretary of State and the Boards potential conflicts of interest or personal or private interests which are proposed or pending before the Boards. According to disclosure statements filed with the Secretary of State and the Taxing Districts by the Board members prior to taking any official action relating to the Bonds and the Pledge Agreement, Martin Lin, Justin Donahoo, Austin Lind, Garret Scallon, and Ryan Scallon may have potential or existing personal or private interests relating to the execution and delivery of the Pledge Agreement, the issuance or delivery of the Bonds or the expenditure of the proceeds thereof. See “RISK FACTORS—Directors’ Private Interests.”

Administration

Pursuant to the Coordinating Services Agreement described below, District No. 1 provides overall management and administration services to the Taxing Districts. District No. 1 engaged Water Valley Land Company as the Taxing Districts’ general manager and Advance HOA Management, INC. (“**Advance HOA**”) to provide day to day district management services. District No. 1 also engaged Advance HOA as the Taxing Districts’ manager related to operation and maintenance. The Taxing Districts have no employees. CliftonLarsonAllen LLP, Greenwood Village, Colorado, serves as the Taxing Districts’ accountant; and White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado, serves as the Taxing Districts’ general counsel.

Material Agreements

The Special District Act authorizes the Taxing Districts to enter into agreements and contracts affecting their respective affairs. According to the Taxing Districts' general counsel, the Taxing Districts are not parties to or impacted by any agreements which materially affect the Taxing Districts' financial status or operations, other than the agreements described below. Copies of these agreements are available from the Issuing District as provided in "INTRODUCTION—Additional Information."

Town Intergovernmental Agreement. On August 19, 2014 the Districts and the Town entered into an Intergovernmental Agreement (the "**Town IGA**"), which reiterates many of the requirements for and limitations on the Districts set forth in the Service Plan as direct contractual obligations to the Town, including, without limitation, the aggregate cap on the Debt issued by all Districts in the amount of \$93,000,000, excluding certain refunding debt as more particularly described therein, the limitation on the mill levies that may be imposed by the Districts, and the limitations on capital fees that may be imposed by the Districts. See "—Service Plan Authorizations and Limitations" and "RISK FACTORS—Risks Related to Property Tax Revenues and Specific Ownership Tax Revenue—*Anticipated Adjustments to the Required Mill Levy; Possible Limitations.*"

District Coordinating Services Agreement (District Nos. 1-3). Effective as of January 1, 2018, the Districts entered into a District Coordinating Services Agreement (the "**Coordinating Services Agreement**"), for the purpose of establishing the respective obligations of the Districts with respect to the coordination, oversight, and funding of certain administrative costs of the Districts and costs related to the continued operation and maintenance of certain of the Public Improvements within such Districts. Pursuant to the Coordinating Services Agreement, District No. 1 was designated as the "coordinating district" (the "**Coordinating District**") and the Issuing District, District No. 3, and National Resort MD were each designated as "financing districts". On August 22, 2023, the Districts executed a Partial Termination of the Coordinating Services Agreement removing National Resort MD as a party.

The Coordinating District agrees to perform certain administrative, operations, and maintenance services described in the Coordinating Services Agreement for the Taxing Districts, and to own, operate and maintain all Public Improvements within the boundaries of the Districts that are not otherwise dedicated or conveyed to the Town or other public entity or owner's association, in accordance with the Service Plan and any approved development plans for RainDance. The Taxing Districts agree to be responsible for any and all reasonable costs, fees, charges and expenses incurred by the Coordinating District in providing such services, including, but not limited to, consultant fees, utility charges, and service provider fees and charges. The Coordinating Services Agreement states that it is the desire and intent of the Districts that, to the extent possible, the costs for such services be paid by the imposition by the Taxing Districts of an ad valorem mill levy against the taxable property lying within their respective boundaries.

The Coordinating Services Agreement provides for a budgeting process whereby the Taxing Districts have the opportunity to review approve and/or propose additions or deletions to the "**Preliminary Budget**" (as defined in the Coordinating Service Agreement) of the Coordinating District in each fiscal year and the Districts are required to submit to mediation if a final budget cannot be agreed upon. In the event the Districts cannot agree on a resolution to the dispute related to the Preliminary Budget by December 1st of any year, the Preliminary Budget with any amendments agreed to by the Districts shall be the "**Final Budget**", and in any event such Final Budget shall not be greater than 20% higher than the Final Budget from the prior year, and budgeting, appropriation, and payments of the amounts called for in said budget shall be made by the Taxing Districts. Notwithstanding anything contained in the Coordinating Services Agreement to the contrary, the Districts agree that the Districts' obligations thereunder will extend only to monies appropriated for the purposes thereof by the board of each District and will not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year.

Unless otherwise agreed by the Coordinating District, the Taxing Districts, on or before the 15th day of each month, are required to deposit with the Coordinating District an amount equal to 1/12th of the annual costs due from each such Taxing District as determined by the applicable final budget. Notwithstanding the foregoing, the Districts acknowledge that the Taxing Districts may fund such costs via the imposition of an ad valorem mill levy, and in such case, may not have funds available during the first quarter of each fiscal year to make such payments. In such event, the Coordinating District agrees to defer collection of such amounts until such time as the Taxing Districts have collected the funds for the costs via the collection of taxes imposed through an ad valorem mill levy.

The Districts also agree that the Coordinating District may from time to time establish a fair and equitable fee to provide a source of funding to pay for the operations and maintenance services thereunder (the “**User Fees**”), which User Fees are to be reasonably related to the overall cost of providing such services, and be imposed on those who are reasonably likely to benefit from or use such services (the “**Users**”). The Taxing Districts acknowledge that the Coordinating District will make a determination as to the appropriate User Fees, taking into account mill levy revenues to be received from the Taxing Districts in each fiscal year, and also agree to cooperate with the Coordinating District in the collection of all User Fees due and owing, including but not necessarily limited to foreclosure as against the statutory perpetual lien associated with such User Fees.

Defaults under the Coordinating Services Agreement include, without limitation, the failure to make payments when due thereunder, breaches of covenants, and bankruptcy events. In the event of any default by a District, a non-defaulting District may seek a writ of mandamus, temporary and/or permanent injunctions, and/or orders of specific performance, to compel the defaulting District to perform in accordance with the obligations set forth under the Coordinating Services Agreement. In the event of a non-payment default by a Taxing District, the Coordinating District is further permitted to suspend the provision of the services under the Coordinating Services Agreement until such time as the Taxing District cures the default and/or impose User Fees directly upon the Users for the provision of such services in lieu of collecting the costs related to such services from such Taxing District.

A Taxing District may terminate the Coordinating Services Agreement as it relates to the provision of Administrative Services by the Coordinating District for that Taxing District upon 90 days’ written notice to the Coordinating District. If the Coordinating Services Agreement is terminated by any Taxing District with respect to Administrative Services, the Coordinating District is to be paid for Administrative Services performed for that Taxing District prior to such termination. The Taxing Districts’ obligation to remit revenues to the Coordinating District, and the Coordinating District’s obligation to provide the Administrative Services, is only to terminate after a written notice has been provided by one of the Districts to the other Districts and the Districts have not otherwise reached an agreement related to the continued coordinated provision of the Administrative Services through an amendment to the Coordinating Services Agreement or through entering into a subsequent agreement related to the provision of the Administrative Services. In such an event, the Taxing Districts’ obligation to remit revenues to the Coordinating District, and the Coordinating District’s Obligation to provide the Administrative Services shall only terminate if an agreement is approved by the Taxing Districts allocating the Coordinating District’s assets and the responsibility for the operations and maintenance thereof in an equitable manner. In the event the Taxing Districts are not able to reach an agreement, they shall submit the issues to mediation and shall make a good faith effort to come to an agreement. The Coordinating District shall have the opportunity to review and approve the termination agreement provisions that relate to existing contracts held in the Coordinating District’s name to determine whether the cancellation or assignment of such will result in liability to the Coordinating District.

Risk Management

The Boards act to protect the Taxing Districts against loss and liability by obtaining and maintaining certain insurance coverage in amounts which the Boards believe will be adequate. Currently, the Taxing Districts are insured through the Colorado Special Districts Property and Liability Pool (“CSDPLP”). CSDPLP was established by the Special District Association of Colorado in 1988 to provide special districts with general liability, auto/property liability, public officials’ liability and workers’ compensation insurance coverage as an alternative to the traditional insurance market. CSDPLP provides insurance coverage for over 1,160 special districts and is governed by an eleven-member board of special district representatives. Each Taxing District’s current policy expires on December 31, 2024. There is no guarantee that the Taxing Districts will continue to maintain such insurance in the future; provided that the Indenture require that the Issuing District carry general liability, public officials liability, and such other forms of insurance coverage on insurable Issuing District property upon the terms and conditions as in the judgment of the Issuing District will protect the Issuing District and its operations.

Services Available to Residents Within the Taxing Districts

The Taxing Districts are provided a wide range of services by various entities other than the Taxing Districts. The Windsor Severance Fire Protection District provides fire protection and the Town provided police protection services. The Town provides water and wastewater services. Natural gas service is provided by Xcel Energy (d/b/a Public Service Company of Colorado) and electrical service is provided by Poudre Valley Rural Electric Association. The Taxing Districts are served by Weld County RE-4 School District.

Development within the Taxing Districts

The property within the Taxing Districts (as previously defined, the “**Development**”) is being developed to include approximately 2,638 residential units (comprised of approximately 2,011 single-family and 627 for-rent apartments), approximately 52 acres of neighborhood parks, a recreation center, and an aquatics center with a 10,000 square-foot pool and lazy river, all of which are fully operational. Additionally, a 10-acre school site is being developed on which an elementary school is being constructed with an expected opening date in the Fall of 2024.

As of March 31, 2024, all 627 apartments have been completed, approximately 1,611 single family homes have been built and sold to homeowners, approximately 346 lots at various stages of vertical development are owned by homebuilders or individual owners, and 54 lots are owned by the Developers and/or their affiliates. Residential construction in the Development (except with respect to 54 lots owned by the Developers and/or their affiliates) is expected to be completed in 2026.

The Development comprises a portion of the approximately 1,133.5-acre residential and mixed-use master-planned community in the Town known as RainDance (as previously defined, “**RainDance**”). RainDance is being developed by Raindance Communities LLC (formerly known as Raindance Land Company LLC) and Raindance Development Company LLC (collectively, as previously defined, the “**Developers**”). Upon full build-out, in addition to the Development described above, RainDance is expected to include a 300-acre Fred Funk/Harrison Minchew designed 18-hole golf course (fully operational), a clubhouse (not yet constructed), an approximately 15-acre retail site within National Resort MD (not yet developed), a restaurant (fully operational), community farm areas around the RainDance perimeter (fully operational), and trails which connect to existing trail networks in the local area (fully operational).

The table below summarizes the status of residential development in the Development.

TABLE I
Status of Development¹

Total Units	Platted	Total Owned by Developers	Total Owed by Homebuilders	Total Owned by Homeowners, Retail Lot Purchasers
2,638		54 ²	346	2,238

¹ As of March 31, 2024.

² The Developers and/or their affiliates currently own 54 lots in the Issuing District along the RainDance National Golf Course.

Source: The Taxing Districts.

FINANCIAL INFORMATION

The Bonds are payable from, among other sources, revenues resulting from certain ad valorem property taxes imposed by the Taxing Districts. Certain information pertaining to such ad valorem property taxes as well as other financial information of the Taxing Districts is set forth below.

Ad Valorem Property Taxes

The Boards have the power, subject to constitutional and statutory guidelines, to certify a levy for collection of ad valorem taxes against all taxable property within the Taxing Districts. Property taxes are uniformly levied against the assessed valuation of all taxable property within the applicable taxing entity. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below. The Taxing Districts’ ability to impose ad valorem property taxes is subject to, among other limitations, the limitations set forth in the Service Plan. See “THE TAXING DISTRICTS—Service Plan Authorizations and Limitations.”

Property Tax Reduction for Senior Citizens and Disabled Veterans. On November 7, 2000 and November 7, 2006, respectively, the electors of the State approved Referendum A and Referendum E, constitutional amendments granting a property tax reduction to qualified senior citizens and qualified disabled veterans. Generally, the reduction (a) reduces property taxes for qualified senior citizens and qualified disabled veterans by exempting 50% of the first \$200,000 of actual value of residential property from property taxation; (b) requires that the State reimburse all local governments for any decrease in property tax revenue resulting from the reduction; and (c) excludes the State reimbursement to local governments from the revenue and spending limits established under Article X, Section 20 of the State Constitution.

Property Subject to Taxation. Both real and personal property located within the boundaries of the Taxing Districts, unless exempt, are subject to taxation by the respective Taxing District and other governmental taxing entities, as applicable. Exempt property generally includes property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; charitable property; religious property; irrigation ditches, canals and flumes; household furnishings; personal effects; 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; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and non-profit cemeteries.

Assessment of Property. All taxable property is listed, appraised and valued for assessment as of January 1 of each year by the County Assessor. The “actual” value, with certain exceptions, is determined

by the County Assessor annually based on a biennially recalculated “level of value” set on January 1 of each odd-numbered year. The “level of value” is ascertained for each two-year reassessment period from manuals and associated data prepared and published by the State property tax administrator for the eighteen-month period ending on the June 30 immediately prior to the beginning of each two-year reassessment period. For example, “actual” values for the 2021 levy/2022 collection year as well as the 2022 levy/2023 collection year were based on market data obtained from the period January 1, 2019–June 30, 2020 and “actual” values for the 2023 levy/2024 collection year as well as the 2024 levy/2025 collection year are based on market data obtained from the period January 1, 2021–June 30, 2022. The “level of value” calculation does not change for even-numbered years. The classes of property the “actual” value of which is not determined by a level of value include oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals.

Determination of Assessed Value and anticipated Taxing District Mill Levy Adjustments. The assessed value of taxable property (which represents the value upon which ad valorem property taxes are levied) is determined by multiplying the “actual” value (determined as described in the immediately preceding paragraph) times an assessment ratio. There are different assessment ratios for different classes and subclasses of taxable property (e.g. residential and non-residential and subclasses within residential and non-residential classes of taxable property), which are determined by State law. Such assessment ratios have recently been modified by action of the Colorado General Assembly and are subject to further change as a result of future actions of the General Assembly and/or the State’s registered electors. It is anticipated that the Taxing Districts will increase the Required Mill Levy to account for such changes to assessed and actual valuation, as described in “—Permitted and Anticipated Mill Levy Adjustments for Legislative Changes” below. Therefore, it is not anticipated that the Taxing District’s property tax revenues will be reduced as a result of the assessed and actual valuation reductions described below. See, however, “RISK FACTORS—Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue—*Changes to State Law Affecting Calculation of Assessed Valuation*” and “—*Anticipated Adjustments to the Required Mill Levy; Possible Limitations.*”

Residential Property. 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. From 1982 to 2020, a provision in the Colorado Constitution referred to as the “**Gallagher Amendment**” required the Colorado General Assembly to calculate and potentially adjust the residential assessment rate every two years. During the 2019 legislative session, the Colorado General Assembly approved a change to the residential assessment rate to 7.15% for levy years commencing on and after January 1, 2019.

Following the repeal of the Gallagher Amendment in 2020, the Colorado General Assembly is no longer required to recalculate and potentially adjust the residential assessment rate every two years. Since that time, the Colorado General Assembly has passed certain temporary reductions in assessed and actual valuations of certain residential and non-residential property as described below.

Senate Bill 21-293 (“**SB 21-293**”), among other things, designates multi-family residential real property as a new subclass of residential real property.

Senate Bill 22-238 (“**SB 22-238**”) among other things, temporarily reduces the assessment rates for residential property to 6.8% for levy year 2024 and reduces the calculation of the actual value for certain property classes for levy year 2024. The assessment rate on all residential property will return to 7.15% in levy year 2025. As described below, if SB 24-233 becomes effective, the foregoing provisions of SB 22-238 will be superseded.

Non-Residential Property. Prior to adoption of the State legislation described below, all non-residential taxable real and personal property, with certain specified exceptions, was assessed at 29% of its statutory actual value. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas. Non-residential assessment rates may be changed by the General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR. The following description of several Senate Bills pertains only to provisions that apply to levy year 2024 and thereafter.

SB 21-293 classifies agricultural property, lodging property, and renewable energy production property as new subclasses of non-residential property. SB 21-293 provides that the assessment rate for (i) lodging property will be 29%; and (ii) for agricultural property and renewable energy production property will be return to 29% in levy year 2024 (after temporary reductions that expired in levy year 2023). Portions of SB 21-293 were superseded by SB 22-238, as described below.

SB 22-238 also temporarily reduces the assessment rates for non-residential property and reduces the calculation of the actual value for certain property classes. Pursuant to SB 22-238, the assessment rate for agricultural property and renewable energy production property was temporarily reduced from 29% to 26.4% for levy 2024 and starting in levy year 2025, the assessment rate on all non-residential property would return to 29%. As described below, if SB 24-233 becomes effective, certain provisions of SB 22-238 will be superseded.

SB 24-233. On May 14, 2024, Senate Bill 24-233 (as previously defined, “**SB 24-233**”) became law. The effectiveness of the provisions of SB 24-233 is contingent upon whether or not Initiative 50 and Initiative 108 are approved by voters at the November 5, 2024 election. See “RISK FACTORS—Risks Related to Property Tax Revenues and Specific Ownership Tax Revenues” and “—*Proposed Initiative 50 and Initiative 108*” below. If either Initiative 50 and/or Initiative 108 (if placed on the November 5, 2024 ballot) are approved, the provisions of SB 24-233 will not go into effect.

SB 24-233: (i) establishes a property tax limit on qualified property tax revenue (each as described below); (ii) extends the existing temporary reduction in the assessment rate for certain classes of non-residential real property to levy year 2024, as established in SB 22-238; (iii) temporarily reduces the assessment rate for property listed by the County Assessor under any Improved Commercial Subclass Codes and Agricultural Property to 27% in levy year 2025; (iv) establishes the assessment rate for property listed by the County Assessor under any Improved Commercial Subclass Codes and Agricultural Property as 25% of the actual value thereof in levy year 2026 and thereafter; (v) extends the existing temporary reduction in assessed and actual value of residential real property to levy year 2024, as established in SB 23B-001; (vi) temporarily reduces the assessment rate for all residential real property in levy year 2025 to 6.4%¹; and (vii) establishes the assessment rate for residential real property in levy year 2026 and after as 6.95% of the actual value² of the property minus the lesser of 10% of the actual value of the property or \$70,000 as increased for inflation.

¹ For “qualified-senior primary residence real property” (described below), the assessment rate is applied to the actual value of the property minus (A) either (i) 50% of the first \$200,000 of the actual value plus the lesser of 10% of the actual value of the property or \$70,000 as increased for inflation or (B) the amount that reduces the actual value for assessment to \$1,000. Qualified-senior primary residence real property generally means property occupied by an owner 65 years or older who had previously received the property tax reduction described under “—*Property Tax Reduction for Senior Citizens and Disabled Veterans*” above for a property tax year commencing on or after January 1, 2020, but does not qualify for the such property tax reduction for the current property tax year.

² For qualified-senior primary residence real property, the assessment rate is applied to the actual value of the property minus (A) either (i) 50% of the first \$200,000 of the actual value plus the lesser of 10% of the actual value of the property or \$70,000 as increased for inflation or (B) the amount that reduces the actual value for assessment to \$1,000.

Permitted and Anticipated Mill Levy Adjustments for Legislative Changes. The Pledge Agreement requires the Taxing Districts to increase or decrease their respective Required Mill Levy to offset any changes in the State’s method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2014. Such language is intended to require the Taxing Districts to increase such mill levies if necessary to offset the loss of tax revenue which may occur due to certain changes in law. The Taxing Districts have concluded that the Service Plan permits, and the Pledge Agreement requires, that the Taxing Districts adjust their respective debt service mill levy for the changes to assessment rates and actual values provided in SB 22-238, 23B-001 and SB 24-233 (if its provisions become effective) described above. See, however, “RISK FACTORS—Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue—*Changes to State Law Affecting Calculation of Assessed Valuation*” and “—*Anticipated Adjustments to the Required Mill Levy; Possible Limitations.*” Notwithstanding the foregoing, the Taxing Districts have not concluded that they will be permitted by the Service Plan, and required by the Pledge Agreement, to make similar adjustments for the impact of Initiative 50, if approved, as more particularly described below.

Proposed Initiative 50 and Initiative 108. The Colorado Secretary of State has certified Initiative 50 for the ballot in a statewide election to be held on November 5, 2024. If approved, Initiative 50 would revise Article X, Section 3 of the Colorado Constitution by adding: “If the total of statewide property tax revenue is projected to go up more than 4% over the preceding year, voter approval is needed for government to retain the additional revenue.”

If approved, it is unclear how Initiative 50, a statewide property tax revenue limitation, would be implemented. For example, in the event that statewide property tax revenue in any particular year is projected to go up more than 4% over the immediately preceding year, it is unclear how and in what amount each taxing entity (including the Taxing Districts) may be required to reduce or refund property tax collections to result in statewide collections not exceeding the applicable cap. Accordingly, if approved, Initiative 50 might limit a Taxing District’s ability to impose and retain revenue resulting from its property tax mill levies, including its ability to impose a debt service mill levy in the amount required by the Pledge Agreement, or to retain and apply all of the resulting debt service mill levy revenue to the Bonds as required by the Pledge Agreement. Further, due to the lack of clarity as to how Initiative 50 may be implemented, the amount of required mill levy reduction or required refund of property tax collections resulting from such limitation, if any, cannot be predicted at this time, but could materially adversely affect the amount of Pledged Revenue available to pay the Bonds. Such limitation, to the extent affecting the amount of Pledged Revenue available to pay the Bonds, if challenged in court, may be determined to impair the contract represented by the Pledge Agreement if the court finds that such an impairment violates Article I, Section 10 of the United States Constitution, which provides that no state shall make any law impairing the obligation of contracts. However, no assurance can be provided by either of the Taxing Districts as to the outcome of any such constitutional challenge.

If Initiative 50 is approved, it will likely require future legislation and/or judicial interpretation to clarify its terms. The Taxing Districts cannot state with any certainty the outcome of any such legislation and/or litigation or its impact on such Taxing District. See “RISK FACTORS—Risks Related to Property Tax Revenue and Specific Ownership Tax Revenue.”

In addition, Initiative 108 is being circulated for signatures, but has not yet been certified for the statewide ballot on November 5, 2024. If certified for the ballot and subsequently approved, Initiative 108 would, starting on January 1, 2025, set an assessment rate for residential properties at 5.7% of their actual value and the assessment rate for all other taxable property at 24% of the actual value (except for producing mines and lands or leaseholds producing oil and gas).

Property Tax Limit Imposed by SB 24-233. If the provisions of SB 24-233 become effective, it would impose an annual growth limit of 5.5% on “qualified property tax revenue” of a local governmental entity, such as the Taxing Districts. All property tax revenue is included in “qualified property tax revenue” for purposes of calculating the property tax limit, except for revenue that is specifically excluded by SB 24-233, such as (i) property tax revenues generated from increased assessed value attributed to new construction or to inclusion of additional land and (ii) an amount of property tax revenue used to provide for the payment of bonds that are issued in accordance with the voted authorization in effect as of the effective date of SB 24-233 (which is anticipated to include the Bonds)¹. The property tax growth is measured from the “base year” which, for the Taxing Districts, would be levy year 2023.

To prevent the local governmental entity’s qualified property tax revenue from exceeding the property tax limit, the local governmental entity is required to either (i) enact a temporary property tax credit or (ii) temporarily reduce the mill levy imposed by the local governmental entity. In the event the local governmental entity does not comply with either (i) or (ii) in the preceding sentence, then it is required to refund any qualified property tax revenue in excess of the 5.5% property tax limit.

SB 24-233 states that none of its provisions impair the existing voted authorization of a local governmental entity approved by a majority of its voters. Accordingly, SB 24-233 does not invalidate the Taxing Districts’ voter authorization obtained at the Election, including its authorization to issue general obligation debt, such as the Bonds, to impose a property tax mill levy to pay the same and to retain all revenues received by the Taxing Districts notwithstanding the revenue limitations imposed by Section 29-1-303 C.R.S. and TABOR. See “—Constitutional Amendment Limiting Taxes and Spending” below for a discussion of the revenue limitations of TABOR. SB 24-233 also authorizes a local governmental entity’s governing body to submit to the local governmental entity’s electors the question of whether the entity may waive the property tax limit established by SB 24-233.

The Bonds are being issued in accordance with the existing voted authorization of the Taxing Districts, as described in “DEBT STRUCTURE—Debt Restrictions—*Required Elections*.” Accordingly, the property tax revenue generated from the Required Mill Levy imposed by the Taxing Districts pursuant to the Pledge Agreement is not anticipated to be included in the calculation of the Taxing Districts’ property tax limit pursuant to SB 24-233. However, property tax revenue produced by the operations mill levy (limited to 39 mills, as adjusted, pursuant to the Service Plan), may be included in the calculation of each of the Taxing District’s annual property tax limit, unless such Taxing District obtains subsequent voter approval to waive the property tax limit as provided in SB 24-233.

It is unknown whether the provisions of SB 24-233 will become effective, or what impact the property tax limit would have on the Taxing District’s operations and financial condition. Further, the Boards have not made a determination as to whether it would submit to the respective Taxing District’s voters the question of whether such Taxing District may waive the property tax limit, and the result of any such election cannot be predicted.

Protests, Appeals, Abatements and Refunds. Beginning in May of each year each county assessor hears taxpayers’ objections to property valuations, and the county board of equalization hears assessment appeals. The assessor is required to complete the assessment roll of all taxable property no later than August 25 each year. The abstract of assessment prepared therefrom is reviewed by the State property tax administrator. Assessments are also subject to review at various stages by the State board of equalization, the State board of assessment appeals and the State courts. Therefore, the Taxing Districts’ assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the

¹ The foregoing is not an exhaustive list of the property tax revenue that is excluded from “qualified property tax revenue.” Reference is made to the full text of SB 24-233 for a complete list of such exclusions.

erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners; and 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 following the year in which the taxes were levied. Refunded or abated taxes are prorated among all taxing jurisdictions which levied a tax against the property.

Taxation Procedure. The assessed valuation and statutory “actual” valuation of taxable property within a special district is required to be certified by the county assessor to the special district no later than August 25 each year. Such value is subject to recertification by the county assessor prior to December 10. The board of such special district then determines a rate of levy which, when levied upon such certified assessed valuation, and together with other legally available revenues, will raise the amount required annually by such district to defray its operational and debt service expenditures during the ensuing fiscal year. In determining the rate of levy, the board must take into consideration the limitations on certain increases in property tax revenues as described in “—Constitutional Amendment Limiting Taxes and Spending” and “—Budget and Appropriation Procedure.” The board must certify the special district’s levy to the board of county commissioners no later than December 15.

Upon receipt of the tax levy certification of the special district and other taxing entities within the county, the board of county commissioners levies against the assessed valuation of all taxable property within the county the applicable property taxes. Such levies are certified by the board of county commissioners to the county assessor, who thereupon delivers the tax list and warrant to the county treasurer for the collection of taxes.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Taxes certified in 2023, for example, are being collected in 2024. Taxes are due on January 1 in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or two equal installments (not later than the last day of February and June 15) without interest or penalty. Taxes which are not paid within the prescribed time bear interest at the rate of 1% per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16 of the collection year. The county treasurer collects current and delinquent property taxes, as well as any interest, penalties, and other requirements and remits the amounts collected on behalf of a special district to the special district on a monthly basis.

All taxes levied on real and personal property, together with any interest and penalties prescribed by law, as well as other costs of collection, until paid, constitute a perpetual lien on and against the taxed property. Such lien is on a parity with the liens of other general taxes. It is the applicable county treasurer’s duty to enforce the collection of delinquent real property taxes by sale of the tax lien on such realty in December of the collection year and of delinquent personal property taxes by the distraint, seizure and sale of such property at any time after October 1 of the collection year. There can be no assurance, however, that the value of taxes, penalty interest and costs due on the property can be recovered by the county treasurer or that tax liens will ultimately be sold. Further, the county treasurer may set a minimum total amount below which competitive bids will not be accepted. Tax liens that remain unsold or for which acceptable bids are not received will be set off to the county. If a tax lien is set off to the county, then no taxes levied against such property are payable until the county has sold the tax lien or the property has been redeemed. Taxes on real and personal property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and canceled by the board of county commissioners.

Ad Valorem Property Tax Data

Property Tax Data. The assessed valuation from levy years 2019 to 2024 (collection years 2020 through 2025) for the Taxing Districts is set forth in the following tables. See “—Ad Valorem Property

Taxes—*Assessment of Property*” above for a description of the assessment ratios for taxable property used in each of such years. See also “—Constitutional Amendment Limiting Taxes and Spending” below.

TABLE V
Issuing District’s History of Assessed Valuation and Mill Levies

Levy/ Collection Year	Assessed Valuation	Percent Change	General Fund	Debt Service Fund	Total Mill Levy
2019/2020	\$1,068,210	--	43.418	0.000	43.418
2020/2021	1,771,450	65.83%	29.191	10.604	39.795
2021/2022	8,183,850	361.99	6.327	34.279	40.606
2022/2023	17,888,420	118.58	2.922	40.912	43.834
2023/2024	32,417,930	81.22	1.628	47.037	48.665
2024/2025 ¹	36,700,270	13.21	n/a	n/a	n/a

¹ Preliminary; subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date. Base assessed valuation and tax increment valuation will not be available until the August 25, 2024 final preliminary certifications are released. Mill levies for 2024 (2025 collection year) are not certified until no later than December 15, 2024.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2019 - 2023 State of Colorado Property Tax Annual Reports, and the County Assessor.

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TABLE VI
District No. 3's History of Assessed Valuation and Mill Levies

Levy/ Collection Year	Assessed Valuation	Percent Change	General Fund	Debt Service Fund	Total Mill Levy
2019/2020	\$4,075,930	--	12.389	31.029	43.418
2020/2021	13,361,020	227.80%	3.841	39.290	43.131
2021/2022	24,340,250	82.17	2.116	40.264	42.380
2022/2023	26,444,580	8.65	1.967	42.333	44.300
2023/2024	37,836,580	43.08	0.000	48.846	48.846
2024/2025 ¹	38,984,290	3.03	n/a	n/a	n/a

¹ Preliminary; subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date. Base assessed valuation and tax increment valuation will not be available until the August 25, 2024 final preliminary certifications are released. Mill levies for 2024 (2025 collection year) are not certified until no later than December 15, 2024.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2019 - 2023 State of Colorado Property Tax Annual Reports, and the County Assessor.

The following tables set forth a history of ad valorem property tax collections since the 2019 levy year (2020 collection year) on a calendar year basis for the Taxing Districts.

TABLE VII
Issuing District's History of Property Tax Collections

Levy/Collection Year	Taxes Levied	Property Tax Collections	Tax Collections as % Tax Levied
2019/2020	\$ 46,380	\$ 46,380	100.00%
2020/2021	70,495	70,473	99.97
2021/2022	332,313	332,316	100.00
2022/2023	784,121	783,513	99.92
2023/2024 ¹	1,577,619	1,566,814	99.32

¹ Property tax collections through July 31, 2024.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2019 - 2023 State of Colorado Property Tax Annual Reports and the County Treasurer.

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TABLE VIII
District No. 3's History of Property Tax Collections

Levy/Collection Year	Taxes Levied	Property Tax Collections	Tax Collections as % Tax Levied
2019/2020	\$ 176,969	\$ 162,879	92.04%
2020/2021	576,274	575,351	99.84
2021/2022	1,031,540	1,030,019	99.85
2022/2023	1,171,495	1,168,948	99.78
2023/2024 ¹	1,848,166	1,846,021	99.88

¹ Property tax collections through July 31, 2024.

Source: State of Colorado, Colorado Department of Local Affairs, Division of Property Taxation, 2019 - 2023 State of Colorado Property Tax Annual Reports and the County Treasurer.

The following tables set forth the certified 2023 assessed and “actual” valuations and the 2024 preliminary non-certified assessed and “actual” valuations of specific classes of property within the Taxing Districts, as provided by the County Assessor. As shown below, residential property has accounted for the largest percentage of the Taxing Districts’ assessed valuation.

TABLE IX
Issuing District’s 2023 Assessed and “Actual” Valuation of Classes of Property

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$26,311,490	94.12%	\$392,709,136	98.52%
Commercial	45,170	0.16	161,880	0.04
Oil and Gas ¹	1,591,050	5.69	5,702,684	1.43
State Assessed	<u>6,240</u>	<u>0.02</u>	<u>22,393</u>	<u>0.01</u>
Total	<u>\$27,953,950</u>	<u>100.00%</u>	<u>\$398,596,093</u>	<u>100.00%</u>

¹ Consists of valuation attributable to oil and gas pipelines. There are no oil and gas wells located within the boundaries of the Issuing District.

Source: County Assessor and the Issuing District (with respect to footnote 1).

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TABLE X
Issuing District’s 2024 Preliminary Non-Certified Assessed and “Actual” Valuation of Classes of Property ¹

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$31,707,050	86.39%	\$472,239,900	96.36%
Commercial	266,030	0.72	953,485	0.19
Oil and Gas ²	1,022,120	2.79	3,663,505	0.75
Vacant	3,427,760	9.34	12,282,854	2.50
State Assessed	<u>277,310</u>	<u>0.76</u>	<u>993,946</u>	<u>0.20</u>
Total	<u>\$36,700,270</u>	<u>100.00%</u>	<u>\$491,133,690</u>	<u>100.00%</u>

¹ Preliminary; subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date.

² Consists of valuation attributable to oil and gas pipelines. There are no oil and gas wells located within the boundaries of the Issuing District.

Source: County Assessor and the Issuing District (with respect to footnote 2).

TABLE XI
District No. 3’s 2023 Assessed and “Actual” Valuation of Classes of Property

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$34,882,620	90.99%	\$520,634,955	97.84%
Vacant Land	2,143,820	5.59	7,682,595	1.44
Commercial	523,800	1.37	1,877,390	0.35
Agricultural	4,020	0.01	15,217	<0.00
State Assessed	<u>782,980</u>	<u>2.04</u>	<u>1,943,700</u>	<u>0.37</u>
Total	<u>\$38,338,240</u>	<u>100.00%</u>	<u>\$532,153,857</u>	<u>100.00%</u>

Source: County Assessor.

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TABLE XII
District No. 3’s 2024 Preliminary Non-Certified Assessed and “Actual” Valuation of Classes of Property ¹

Class	Assessed Valuation	Percent of Assessed Valuation	“Actual” Valuation	Percent of “Actual” Valuation
Residential	\$36,312,430	93.15%	\$541,975,861	98.26%
Vacant Land	1,850,820	4.75	6,632,595	1.20
Commercial	534,700	1.37	1,916,495	0.35
Agricultural	4,020	0.01	15,217	<0.00
State Assessed	<u>282,320</u>	<u>0.72</u>	<u>1,011,884</u>	<u>0.18</u>
Total	<u>\$38,984,290</u>	<u>100.00%</u>	<u>\$551,552,052</u>	<u>100.00%</u>

¹ Preliminary; subject to continual modification by the County Assessor, as allowed by State law, prior to both the August 25, 2024 preliminary certification date and the December 10, 2024 final certification date.

Source: County Assessor.

Largest Taxpayers. Set forth in the following tables are the persons or entities which represent the top 10 largest taxpayers within each of the Taxing Districts, based on 2023 certified assessed value, as provided by the County Assessor’s office. No independent investigation has been made of, and no representation is made herein as to, the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the Taxing Districts.

TABLE XIII
Issuing District’s 2023 Largest Taxpayers

Name	Assessed Valuation	Percent of Total Assessed Valuation ¹
Raindance North Holdings, LLC	\$ 4,421,460	13.64%
Raindance South Holdings, LLC	1,483,720	4.58
TH Raindance Windsor LLC	1,440,220	4.44
Platte River Midstream, Inc.	1,348,390	4.16
Artesia Lot Holdings, LLC	808,590	2.49
Raindance Development LLC	481,010	1.48
Public Service Company of Colorado	277,310	0.86
Rimrock Energy Partners	225,720	0.70
FKH SFR PROPCO I, L.P.	220,600	0.68
Individual	<u>211,800</u>	<u>0.65</u>
Total ²	<u>\$10,918,820</u>	<u>33.68%</u>

¹ Based on the 2023 gross assessed valuation (including the tax increment amount) of \$32,417,930.

² Figures may not add due to rounding.

Source: County Assessor.

TABLE XIV
District No. 3's 2023 Largest Taxpayers

Name	Assessed Valuation	Percent of Total Assessed Valuation ¹
Artesia Lot Holdings, LLC	\$2,217,680	5.86%
Raindance Homestead LLC	490,310	1.30
Public Service Company of Colorado Individual	282,320	0.75
Individual	165,990	0.44
SFR II Borrower 2021-3 LLC	108,200	0.29
Individual	103,060	0.27
EKD Holdings, LLC	95,320	0.25
Eagle Spirit Investments, LLC	93,270	0.25
Park Place Plaza RE, LLC	92,360	0.24
Equity LLC	<u>88,850</u>	<u>0.23</u>
Total ²	<u>\$3,737,360</u>	<u>9.88%</u>

¹ Based on the 2023 gross assessed valuation (including the tax increment amount) of \$37,836,580.

² Figures may not add due to rounding.
Source: County Assessor.

Overlapping Mill Levies. Numerous entities located wholly or partially within the Taxing Districts are authorized to levy taxes on property located within the Taxing Districts. According to the County Assessor, there are currently eight entities overlapping the Taxing Districts. As a result, property owners within the Taxing Districts will be subject to the mill levies of such entities. The following tables set forth the total mill levy levied against taxpayers within the Taxing Districts in 2023 (2024 collection year). Additional taxing entities may overlap the Taxing Districts in the future. See also “DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt.*”

TABLE XV
Total 2023 Mill Levies Affecting Properties Within the Issuing District ¹

Taxing Entity	Mill Levy
Weld County	12.024
Weld County RE-4 School District	44.382
Northern Colorado Water Conservancy District	1.000
Town of Windsor	12.030
Windsor-Severance Fire Protection District	8.250
Aims Community College	6.336
Clearview Library District	3.546
West Greeley Conservation District	0.414
Overlapping Mill Levy	<u>87.982</u>
Issuing District	<u>48.665</u>
Total Mill Levy	<u>136.647</u>

¹ One mill equals 1/10 of one cent. Mill levies certified in 2023 are for the collection of ad valorem property taxes in 2024.

Source: County Assessor.

TABLE XVI
Total 2023 Mill Levies Affecting Properties Within District No. 3 ¹

<u>Taxing Entity</u>	<u>Mill Levy</u>
Weld County	12.024
Weld County RE-4 School District	44.382
Northern Colorado Water Conservancy District	1.000
Town of Windsor	12.030
Windsor-Severance Fire Protection District	8.250
Aims Community College	6.336
Clearview Library District	3.546
West Greeley Conservation District	0.414
Overlapping Mill Levy	<u>87.982</u>
District No. 3	<u>48.846</u>
Total Mill Levy	<u>136.828</u>

¹ One mill equals 1/10 of one cent. Mill levies certified in 2023 are for the collection of ad valorem property taxes in 2024.
Source: County Assessor.

Operations Mill Levies; Other Funding of Operations; Other Revenue Sources

The Issuing District imposed an operations and maintenance mill levy of 1.628 mills in 2023 for collection in 2024. District No. 3 did not impose an operations and maintenance mill levy in 2023. Other revenues available to the Taxing Districts for the funding of operations, as well as the payment of debt service, include interest and other earnings on investments (excluding earnings on funds held by the Trustee). Pursuant to the Coordinating Services Agreement (described under “THE TAXING DISTRICTS—Material Agreements—*District Coordinating Services Agreement (District Nos. 1-3)*”), District No. 1, as coordinating district, provides administrative services for the Taxing Districts and operation and maintenance services for Public Improvements within the Taxing Districts. District No. 1 funds a portion of its operations budget costs from revenues generated by its mill levy imposed on oil and gas activities within District No. 1. The Taxing Districts remit proceeds of their operations and maintenance mill levy, if any, to District No. 1 pursuant to the Coordinating Services Agreement.

The Issuing District may apply other legally available funds and revenues to the payment of the Bonds. However, the Bonds do not constitute a lien or encumbrance on such revenues.

Financial Statements and Taxing Districts’ Funds

The accounts of the Taxing Districts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon purposes for which they are to be spent and the means by which spending activities are controlled.

Each Taxing District currently maintains two governmental funds, the General Fund and the Debt Service Fund. The General Fund is the Taxing Districts’ primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of each Taxing District’s financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor’s Office. Audited financial information for the Taxing Districts was prepared by Haynie & Company, Littleton, Colorado, an independent auditor, for the fiscal year ended December 31, 2023 and is attached hereto as “APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE ISSUING DISTRICT FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023 and “APPENDIX B—AUDITED FINANCIAL STATEMENTS FOR DISTRICT NO. 3 FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023.”

Historical Financial Information

Set forth hereafter is a comparative statement of revenues, expenditures, and changes in fund balance for the Taxing Districts’ General Fund, Debt Service Fund, for the years ended 2019 – 2023 and the Capital Projects Fund for the years 2019 and 2020 for the Issuing District, and 2019, 2020, and 2021 for District No. 3. Such information should be read together with the financial statements and accompanying notes appended hereto. Preceding years’ financial statements may be obtained from the sources noted in “MISCELLANEOUS—Additional Information.”

Issuing District

TABLE XVII
Issuing District’s Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund ¹

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Property taxes	\$70,468	\$46,380	\$55,679	\$51,754	\$52,270
Specific ownership taxes	4,603	2,201	2,595	3,065	2,223
Interest income	<u>--</u>	<u>--</u>	<u>21</u>	<u>126</u>	<u>33</u>
Total	<u>75,071</u>	<u>48,581</u>	<u>58,295</u>	<u>54,945</u>	<u>54,526</u>
Expenditures					
County treasurer’s fees	1,057	696	836	786	785
Transfer to District No. 1	74,014	47,885	57,439	54,159	53,741
Banking fees	<u>--</u>	<u>--</u>	<u>20</u>	<u>--</u>	<u>--</u>
Total	<u>75,071</u>	<u>48,581</u>	<u>58,295</u>	<u>54,945</u>	<u>54,525</u>
Net change in fund balance	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Beginning Fund Balance	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Ending Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

¹ Figures may not add due to rounding.

Source: Issuing District’s audited financial statements for the years ended December 31, 2019-2022 and unaudited financial statements for the year ended December 31, 2023.

TABLE XVIII
Issuing District’s Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund ¹

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Interest income/ Net change in FV of investments	\$ --	\$ 51,419	\$ (13,347)	\$ (59,452)	\$ 66,844
Property taxes	--	--	18,779	280,397	731,852
Specific ownership taxes	--	<u>--</u>	<u>944</u>	<u>16,604</u>	<u>31,123</u>
Total	<u>--</u>	<u>51,419</u>	<u>6,376</u>	<u>237,549</u>	<u>829,819</u>
Expenditures					
Investment advisory fee	--	18,424	3,906	3,787	3,800
Bond interest – 2019A					
Bonds	--	914,543	965,500	965,500	965,500
County treasurer’s fees	--	--	282	4,259	10,985
Paying agent fees	--	--	2,500	2,500	2,750
Banking fees	--	<u>--</u>	<u>--</u>	<u>20</u>	<u>20</u>
Total	<u>--</u>	<u>932,967</u>	<u>972,188</u>	<u>976,066</u>	<u>983,055</u>
Net change in fund balance	<u>--</u>	<u>(881,548)</u>	<u>(965,812)</u>	<u>(738,517)</u>	<u>(153,236)</u>
Other Financing Sources (Uses)					
Transfers from other funds	<u>4,430,185</u>	<u>2,473</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Other Financing Sources (Uses)	<u>4,430,185</u>	<u>2,473</u>	<u>--</u>	<u>--</u>	<u>--</u>
Beginning Fund Balance	<u>--</u>	<u>4,430,185</u>	<u>3,551,110</u>	<u>2,585,298</u>	<u>1,846,781</u>
Ending Fund Balance	<u>\$4,430,185</u>	<u>\$3,551,110</u>	<u>\$2,585,298</u>	<u>\$1,846,781</u>	<u>\$1,693,545</u>

¹ Figures may not add due to rounding.

Source: Issuing District’s audited financial statements for the years ended December 31, 2019-2022 and unaudited financial statements for the year ended December 31, 2023.

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TABLE XIX
Issuing District's Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – Capital Projects Fund ¹

	2019	2020
Revenues		
Interest income	\$ <u> --</u>	\$ <u> 78,115</u>
Total	<u> --</u>	<u> 78,115</u>
Expenditures		
Bond issue cost	851,772	--
Transfer to District No. 1	<u> --</u>	<u> 19,150,705</u>
Total	<u> 851,772</u>	<u> 19,150,705</u>
Net change in fund balance		
Other Financing Sources (Uses)		
Bond issuance – Series 2019A	19,310,000	--
Bond issuance – Series 2019B	4,575,000	--
Bond premium – Series 2019A	472,020	--
Transfers to other fund	<u>(4,430,185)</u>	<u> (2,473)</u>
Total Other Sources (Uses)	<u> 19,926,835</u>	<u> (2,473)</u>
Beginning Fund Balance	<u> --</u>	<u> 19,075,063</u>
Ending Fund Balance	<u>\$19,075,063</u>	<u>\$ --</u>

¹ Figures may not add due to rounding.

Source: Issuing District's audited financial statements for the years ended December 31, 2019-2020.

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District No. 3

TABLE XX
District No. 3's Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund ¹

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues					
Property taxes	\$8,939	\$50,497	\$51,320	\$52,107	\$52,595
Specific ownership taxes	605	2,397	2,575	3,019	2,212
Interest income	--	34	144	20	30
Total	<u>9,544</u>	<u>52,928</u>	<u>54,039</u>	<u>55,146</u>	<u>54,837</u>
Expenditures					
County treasurer's fees	134	758	772	773	781
Transfer to District No. 1	<u>9,410</u>	<u>52,170</u>	<u>53,267</u>	<u>54,373</u>	<u>54,056</u>
Total	<u>9,544</u>	<u>52,928</u>	<u>54,039</u>	<u>55,146</u>	<u>54,837</u>
Net change in fund balance	--	--	--	--	--
Beginning Fund Balance	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Ending Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

¹ Figures may not add due to rounding.

Source: District No. 3's audited financial statements for the years ended December 31, 2019-2022 and unaudited financial statements for the year ended December 31, 2023.

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TABLE XXI
District No. 3's Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund ¹

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 ²</u>
Revenues					
Interest income/Net change in FV of investments	\$ 90,589	\$ 52,758	\$ (7,253)	\$ (30,667)	\$ 138,119
Facilities fees	820,000	647,500	417,500	257,500	35,000
Property taxes	--	126,473	524,957	980,563	1,119,400
Specific ownership taxes	--	<u>6,003</u>	<u>26,369</u>	<u>57,450</u>	<u>47,608</u>
Total	<u>910,589</u>	<u>832,734</u>	<u>961,573</u>	<u>1,264,846</u>	<u>1,340,127</u>
Expenditures					
Paying agent fees	6,000	2,500	6,000	6,000	6,000
Investment advisory fees	5,065	4,623	3,853	4,633	3,800
Bond interest – Series 2018A	945,875	945,875	945,875	945,875	945,875
Bond principal – Series 2018A	--	--	--	--	80,000
County treasurer's fees	--	1,898	7,896	14,714	16,800
Miscellaneous	--	--	--	<u>20</u>	<u>20</u>
Total	<u>956,940</u>	<u>954,896</u>	<u>963,624</u>	<u>971,242</u>	<u>1,052,495</u>
Net change in fund balance	<u>(46,351)</u>	<u>(122,162)</u>	<u>(2,054)</u>	<u>293,604</u>	<u>287,632</u>
Beginning Fund Balance	<u>2,693,360</u>	<u>2,647,009</u>	<u>2,524,850</u>	<u>2,522,799</u>	<u>2,816,403</u>
Ending Fund Balance	<u>\$2,647,009</u>	<u>\$2,524,850</u>	<u>\$2,522,799</u>	<u>\$2,816,403</u>	<u>\$3,104,035</u>

¹ Figures may not add due to rounding.

² Unaudited.

Source: District No. 3's audited financial statements for the years ended December 31, 2019-2023.

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TABLE XXII
District No. 3's Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual – Capital Projects Fund ¹

	2019	2020	2021
Revenues			
Interest income	\$ <u>15,875</u>	\$ --	\$--
Total	<u>15,875</u>	--	--
Expenditures			
Transfer to District No. 1	<u>1,021,000</u>	--	<u>37</u>
Total	<u>1,021,000</u>	--	<u>37</u>
Net change in fund balance	<u>(1,005,125)</u>	--	<u>(37)</u>
Other Financing Sources (Uses)			
Transfers to other fund	<u>--</u>	<u>(3)</u>	--
Total Other Sources (Uses)		<u>(3)</u>	--
Beginning Fund Balance	<u>1,005,125</u>	<u>40</u>	<u>37</u>
Ending Fund Balance	<u>\$ 40</u>	<u>\$37</u>	<u>\$--</u>

¹ Figures may not add due to rounding.

Source: District No. 3's audited financial statements for the years ended December 31, 2019-2021.

Budget and Appropriation Procedure

The Taxing Districts' budgets are prepared on a calendar year basis as required by Article 1 of Title 29, C.R.S.. Each Taxing District budget must present a complete financial plan for the respective Taxing District, setting forth all estimated expenditures, revenues, and other financing sources for the ensuing budget year, together with the corresponding figures for the previous fiscal year.

On or before October 15 of each year, each Taxing Districts budget officer must submit a proposed budget to the respective Board for the next fiscal year. Thereupon notice must be published or posted, as required, stating, among other things, that the proposed budget is open for inspection by the public and that interested electors may file or register any objection to the budget prior to its adoption.

Before the beginning of the fiscal year, the Board must enact an appropriation resolution which corresponds with the budget. The income of each Taxing District must be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. Taxing District expenditures may not exceed the amounts appropriated, except in the case of an emergency or a contingency which was not reasonably foreseeable. Under such circumstances, the Boards may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Boards following proper notice. If a Taxing District receives revenues which were unanticipated or unassured at the time of adoption of the budget, such Board may authorize the expenditure thereof by adopting a supplemental budget and appropriation resolution after proper notice and a hearing thereon. In the event that revenues are lower than anticipated in the adopted budget, a Taxing District may adopt a revised appropriation resolution after proper notice and a hearing thereon. The transfer of budgeted and appropriated moneys within a fund or between funds may be accomplished only in accordance with State law.

The Taxing Districts Boards timely adopted their respective 2024 budget and appropriation resolution pursuant to the above-described procedure and filed such budget with the State Division of Local Government on January 30, 2024.

Limitation on Certain Tax Revenues. It is through the preparation of the budget and by taking into consideration all sources of revenue, costs of construction, expenses of operating the Taxing Districts, and the debt service requirements of the Taxing Districts’ outstanding bonds and the other obligations of such Taxing District that the rate of mill levy is determined each year. Pursuant to the provisions of Article X, Section 20 of the Colorado Constitution, the Taxing Districts are subject to tax revenue limitations as described below in “—Constitutional Amendment Limiting Taxes and Spending,” but has received voter approval to waive such limitations.

Issuing District’s Budgeted Financial Information. Set forth hereafter is a comparison of the Issuing District’s 2023 and 2024 budgets for the General Fund and Debt Service Fund, 2023 year-end unaudited financials, and 2024 year-to-date unaudited financials.

TABLE XXIII
Issuing District’s General Fund Budget Summary ¹

	2023 Budget (as adopted)	2023 Year End (unaudited)	2024 Budget (as adopted)	2024 Year to Date (unaudited) ¹
Revenues:				
Property taxes	\$52,270	\$52,270	\$52,776	\$54,763
Specific ownership taxes	3,136	2,223	2,111	909
Net investment income/change in FV	--	32	20	17
Other revenue	<u>1,000</u>	<u>--</u>	<u>2,000</u>	<u>--</u>
Total Revenues	<u>56,406</u>	<u>54,525</u>	<u>56,907</u>	<u>55,689</u>
Expenditures:				
County treasurer’s fee	784	785	792	822
Contingency	1,000	--	2,000	--
Transfer to District No. 1	54,582	53,741	54,115	54,857
Banking fees	<u>40</u>	<u>--</u>	<u>--</u>	<u>10</u>
Total Expenditures	<u>56,406</u>	<u>54,525</u>	<u>56,907</u>	<u>55,689</u>
Beginning Fund Balance	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Ending Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

¹ Figures may not add due to rounding.

² As of June 30, 2024.

Source: Issuing District’s 2023 and 2024 budgets, 2023 unaudited financials and the Issuing District.

TABLE XXIV
Issuing District's Debt Service Fund Budget Summary ¹

	2023 Budget (as adopted)	2023 Year End (unaudited)	2024 Budget (as adopted)	2024 Year to Date (unaudited) ²
Revenues:				
Property taxes	\$ 731,851	\$ 731,852	\$1,524,842	\$1,495,699
Specific ownership taxes	43,911	31,123	60,994	26,275
Net investment income/change in FV	<u>--</u>	<u>66,844</u>	<u>40,000</u>	<u>24,081</u>
Total Revenues	<u>775,762</u>	<u>829,820</u>	<u>1,625,836</u>	<u>1,546,055</u>
Expenditures:				
Banking fees	20	20	40	10
County treasurer's fees	10,978	10,985	22,873	22,443
Paying agent fees	3,000	2,750	3,000	--
Investment advisory fee	4,500	3,800	4,500	1,900
Contingency	16,002	--	6,087	--
Bond interest – Series 2019A	965,500	965,500	965,500	482,750
Bond interest – Series 2019B	<u>--</u>	<u>--</u>	<u>105,000</u>	<u>--</u>
Total Expenditures	<u>1,000,000</u>	<u>983,055</u>	<u>1,107,000</u>	<u>507,103</u>
Beginning Fund Balance	<u>1,907,862</u>	<u>1,846,781</u>	<u>1,659,634</u>	<u>1,693,546</u>
Ending Fund Balance	<u>\$1,683,624</u>	<u>\$1,693,546</u>	<u>\$2,178,470</u>	<u>\$2,732,498</u>

¹ Figures may not add due to rounding.

² As of June 30, 2024.

Source: Issuing District's 2023 and 2024 budgets, 2023 unaudited financials and the Issuing District.

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District No. 3's Budgeted Financial Information. Set forth hereafter is a comparison of District No. 3's 2023 and 2024 budgets for the General Fund and Debt Service Fund, 2023 year-end unaudited financials, and 2024 year-to-date unaudited financials.

TABLE XXV
District No. 3's General Fund Budget Summary¹

	2023 Budget (as adopted)	2023 Year End (unaudited)	2024 Budget (as adopted)	2024 Year to Date (unaudited) ¹
Revenues:				
Property taxes	\$52,017	\$52,595	\$ --	\$--
Specific ownership taxes	3,121	2,212	--	--
Net investment income/net change of FV of investments	--	30	--	--
Other revenue	<u>1,000</u>	<u>--</u>	<u>1,000</u>	<u>--</u>
Total Revenues	<u>56,138</u>	<u>54,837</u>	<u>1,000</u>	<u>--</u>
Expenditures:				
County treasurer's fees	780	781	--	--
Transfer to District No. 1	54,358	54,056	--	--
Contingency	<u>1,000</u>	<u>--</u>	<u>1,000</u>	<u>--</u>
Total Expenditures	<u>56,138</u>	<u>54,837</u>	<u>1,000</u>	<u>--</u>
Beginning Fund Balance	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Ending Fund Balance	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

¹ Figures may not add due to rounding.

² As of June 30, 2024.

Source: District No. 3's 2023 and 2024 budgets, 2023 unaudited financials and District No. 3.

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TABLE XXVI
District No. 3's Debt Service Fund Budget Summary ¹

	2023 Budget (as adopted)	2023 Year End (unaudited)	2024 Budget (as adopted)	2024 Year to Date (unaudited) ²
Revenues:				
Property taxes	\$1,119,478	\$1,119,400	\$1,848,166	\$1,847,665
Specific ownership taxes	67,169	47,608	73,927	31,846
Capital facilities fees	115,000	35,000	17,500	5,000
Net investment income	--	138,119	110,000	68,531
Total Revenues	<u>1,301,647</u>	<u>1,340,127</u>	<u>2,049,593</u>	<u>1,947,042</u>
Expenditures:				
Bond interest – Series				
2018A	945,875	945,875	941,275	470,638
Bond principal – Series				
2018A	80,000	80,000	195,000	--
Bond interest – Series				
2018B	--	--	785,000	--
County treasurer's fees	16,792	16,801	27,722	27,626
Investment advisory fees	6,000	3,800	6,000	1,900
Miscellaneous	20	20	20	20
Paying agent fees	6,000	6,000	6,000	--
Contingency	15,313	--	8,983	--
Total Expenditures	<u>1,070,000</u>	<u>1,052,496</u>	<u>1,970,000</u>	<u>500,184</u>
Beginning Fund Balance	<u>2,845,703</u>	<u>2,816,404</u>	<u>3,040,381</u>	<u>3,104,035</u>
Ending Fund Balance	<u>\$3,077,350</u>	<u>\$3,104,035</u>	<u>\$3,119,973</u>	<u>\$4,550,893</u>

¹ Figures may not add due to rounding.

² As of June 30, 2024.

Source: District No. 3's 2023 and 2024 budgets, 2023 unaudited financials and District No. 3.

Deposit and Investment of District Funds

State statutes set forth requirements for the deposit of the Taxing Districts' funds in eligible depositories and for the collateralization of such deposited funds. The Taxing Districts also may invest available funds in accordance with applicable State statutes. The investment of the proceeds of the Bonds is also subject to the provisions of the Code. See "TAX MATTERS."

Constitutional Amendment Limiting Taxes and Spending

On November 3, 1992, Colorado voters approved an amendment to the Colorado Constitution, which is commonly referred to as the Taxpayer's Bill of Rights, or Amendment One ("TABOR"), and now constitutes Article X, Section 20 of the Colorado Constitution. TABOR imposes various limits and new requirements on the State and all Colorado local governments which do not qualify as "enterprises" under TABOR (each of which is referred to in this section as a "governmental unit"). Any of the following actions, for example, now require voter approval in advance: (a) any increase in a governmental unit's spending from one year to the next in excess of the rate of inflation plus a "growth factor" based on the net percentage change in actual value of all real property in a governmental unit from construction of taxable real property improvements, minus destruction of similar improvements, and additions to, minus deletions

from, taxable real property for government units other than school districts, and the percentage change in student enrollment for a school district; (b) any increase in the real property tax revenues of a local governmental unit (not including the State) from one year to the next in excess of inflation plus the appropriate “growth factor” referred to in clause (a) above; (c) any new tax, tax rate increase, mill levy above that for the prior year, valuation for assessment ratio increase for a property class, extension of an expiring tax or a tax policy change directly causing a net tax revenue gain; and (d) except for refinancing bonded indebtedness at a lower interest rate or adding new employees to existing pension plans, creation of any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. Elections on such matters may only be held on the same day as a State general election, at the governmental unit’s regular biennial election or on the first Tuesday in November of odd numbered years, and must be conducted in accordance with procedures described in TABOR.

Revenue collected, kept or spent in violation of the provisions of TABOR must be refunded, with interest. TABOR requires a governmental unit to create an emergency reserve of 3% of its fiscal year spending (excluding bonded debt service) in 1995 and subsequent years. TABOR provides that “[w]hen [a governmental unit’s] annual . . . revenue is less than annual payments on general obligation bonds, pensions, and final court judgments, the [voter approval requirement for mill levy and other tax increases referred to in clause (c) of the preceding paragraph and the voter approval requirement for spending and real property tax revenue increases referred to in clauses (a) and (b) of the preceding paragraph] shall be suspended to provide for the deficiency.” The preferred interpretation of TABOR shall, by its terms, be the one that reasonably restrains most the growth of government.

At the Election, voters of the Taxing Districts approved an election question allowing the Taxing Districts to collect and expend each year all revenues without regard to the revenue and spending limitations of TABOR.

DEBT STRUCTURE

The following is a discussion of the Issuing District’s authority to incur general obligation indebtedness and other financial obligations and the amount of such obligations presently outstanding.

Debt Restrictions

Pursuant to the Indenture, the Issuing District may issue Additional Obligations subject to certain conditions, as more particularly described in “THE BONDS—Certain Indenture Provisions—*Additional Obligations*.” In addition, the issuance of Additional Obligations is restricted by: (a) State statutes which restrict the amount of debt issuable by special districts; (b) elections held within the Issuing District; and (c) the Service Plan debt limitations, all as described below.

Statutory Debt Limit. The Issuing District is subject to a statutory debt limitation established pursuant to Section 32-1-1101(6), C.R.S. Such limitation provides that, with specific 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 million or 50% of the district’s assessed valuation. While the general obligation indebtedness of the Issuing District represented by the Bonds will exceed 50% of the Issuing District’s assessed valuation, the Bonds will be rated in one of the four highest investment grade rating categories by one or more nationally recognized organizations which regularly rate such obligations, which fits into an exception to the statutory debt limitation permitted by Section 32-1-1101(6), C.R.S.

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of general obligation indebtedness by the Issuing District. Among such provisions,

Article X, Section 20 of the Colorado Constitution requires that, except for refinancing bonded debt at a lower interest rate, the Issuing District must have voter approval in advance for the creation of any multiple fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds” and “FINANCIAL INFORMATION—Constitutional Amendment Limiting Taxes and Spending.

Service Plan Limit. The Service Plan limits the issuance of Debt by all of the Districts to an aggregate principal amount of \$93,000,000, subject to certain exceptions as more particularly described therein. See “THE TAXING DISTRICTS—Service Plan Authorizations and Limitations.”

General Obligation Debt

Outstanding and Authorized But Unissued Debt. Upon issuance, the Bonds will constitute the Issuing District’s only outstanding general obligation debt. At the Election, the Issuing District’s qualified electors voting at such election approved general obligation indebtedness of \$930,000,000 in the aggregate to finance certain categories of Public Improvements such as streets, park and recreation, water, sanitation/storm sewer, transportation, mosquito control, safety protection, fire protection, TV relay, and security. The Issuing District’s qualified electors also approved an additional \$93,000,000 of general obligation indebtedness to refund certain existing debt of the Issuing District.

The Issuing District has previously applied electoral authorization related to Public Improvements to its obligations under Series 2019 Bonds [any other debt?], resulting in remaining electoral authorization for the Issuing District of \$_____ for general obligation indebtedness for Public Improvements and \$_____ for general obligation indebtedness for refundings. District No. 3 has previously applied electoral authorization related to Public Improvements to its obligations under Series 2018 Bonds [any other debt?], resulting in remaining electoral authorization for District No. 3 of \$_____ for general obligation indebtedness for Public Improvements and \$_____ for general obligation indebtedness for refundings.

Pursuant to Article X, Section 20 of the Colorado Constitution and Section 11-56-107, C.R.S., the Issuing District’s electoral authorization for general obligation indebtedness for refundings will be reduced by the principal amount of the Bonds that exceeds the principal amount of the [Series 2019 Bonds/Refunded Bonds] (\$_____) and the remaining principal amount of the Bonds (\$_____) which does not exceed the principal amount of the [Series 2019 Bonds/Refunded Bonds] constitutes a refunding of Issuing District indebtedness at a lower interest rate and, in accordance with Article X, Section 20 of the Colorado Constitution, does not require additional electoral authorization. As a result of the foregoing, upon the issuance of the Bonds, the Issuing District will have approximately \$_____ in remaining general obligation indebtedness authorized at the Election but not yet issued by the Issuing District for the purpose of financing Public Improvements and \$_____ in remaining general obligation indebtedness authorized at the Election but not yet issued by the Issuing District for the purpose of refundings.

Due to the nature of the obligation incurred by District No. 3 under the Pledge Agreement and by the Issuing District under the Indenture, it is not possible to predict with certainty the amount of principal and interest on the Bonds that District No. 3 will pay under the Pledge Agreement. As a result, District No. 3 has determined to allocate all of the indebtedness represented by the Pledge Agreement to the refunding authorization of District No. 3. As a result of the foregoing, upon issuance of the Bonds, District No. 3 will have \$_____ remaining in electoral authorization for Public Improvements among various categories of infrastructure and approximately \$_____ in remaining indebtedness authorized at the Election but not yet issued by District No. 3 for the purpose of refundings.

However, as discussed above, the Service Plan limits the issuance of Debt by all Districts to an aggregate principal amount of \$93,000,000, subject to certain exceptions as more particularly described therein. The Districts have previously issued general obligation debt in the aggregate principal amount of \$ _____, resulting in \$ _____ in remaining Maximum Debt Authorization under the Service Plan. The Issuing District determined that the Maximum Debt Authorization limit does not apply to the Bonds because the issuance of the Bonds will not result in a net present value expense within the meaning of the Service Plan. The Taxing Districts determined that the Pledge Agreement meets the Service Plan exception for intergovernmental agreements from the definition of “Debt” and, accordingly, the Maximum Debt Authorization limit does not apply to the Payment Obligation incurred by each Taxing District under the Pledge Agreement.

Estimated Overlapping General Obligation Debt. Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the Taxing Districts are also authorized to incur general obligation debt, and to the extent that properties within the Taxing Districts are also within such overlapping public entities such properties will be liable for an allocable portion of such debt. Generally, the allocable portion of such debt is calculated by comparing the assessed valuation of the portion overlapping the Taxing Districts to the total assessed valuation of the overlapping entity. To the extent a Taxing District’s assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which such Taxing District’s property owners are responsible will also change.

The following tables set forth the estimated overlapping general obligation debt chargeable to properties within the Taxing Districts as of the date of this Official Statement. Neither of the Taxing Districts are financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the Issuing District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the Taxing Districts, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

TABLE XXVII
Estimated Overlapping General Obligation Debt – The Issuing District

Overlapping Entity	2023 Assessed Valuation ¹	Outstanding General Obligation Debt ^{2, 3}	Percentage Applicable to District ⁴	Amount Applicable to District ⁴
Weld County RE-4 School District	\$2,339,278,000	\$373,060,000	1.39%	\$5,169,900

¹ The 2023 assessed valuation figure is certified by the County Assessor for collection of ad valorem property taxes in 2024.

² Other entities overlapping the Issuing District (as described in TABLE XII) have no reported general obligation debt outstanding.

³ As of June 30, 2023.

⁴ No percentage or amount is currently applicable to the Issuing District since the Issuing District currently has no assessed valuation.

Source: County Assessor’s Office and individual entities.

TABLE XXVIII
Estimated Overlapping General Obligation Debt – District No. 3

Overlapping Entity	2023 Assessed Valuation ¹	Outstanding General Obligation Debt ^{2,3}	Percentage Applicable to District No. 3	Amount Applicable to District No. 3
Weld County RE-4 School District	\$2,339,278,000	\$373,060,000	1.62%	\$6,034,047

¹ The 2023 Assessed Valuation figure is certified by the County Assessor for collection of ad valorem property taxes in 2024.

² Other entities overlapping District No. 3 (as described in TABLE XIII) have no reported general obligation debt outstanding.

³ As of June 30, 2023.

Source: County Assessor’s Office and individual entities.

Historical General Obligation Debt Ratios

Set forth in the following table are selected general obligation debt ratios for the Taxing Districts for the last five years. See “INTRODUCTION—Debt Ratios” for general obligation debt ratios for the Taxing Districts upon issuance and delivery of the Bonds.

TABLE XXIX
Historical Debt Ratios of the Issuing District

	Fiscal years Ended December 31				
	2019	2020	2021	2022	2023
General Obligation Debt					
Outstanding	\$23,885,000	\$23,885,000	\$23,885,000	\$23,885,000	\$23,885,000
Estimated Population ¹	0	20	1,754	3,401	3,649
Debt Per Capita	--	\$1,194,250	\$13,617	\$7,023	\$6,546
District Assessed Value	\$1,068,210	\$1,771,450	\$8,183,850	\$17,888,420	\$32,417,930
Ratio of Debt to Assessed Value	2235.98%	1348.33%	291.86%	133.52%	73.68
Personal Income Per Capita (Weld County)	\$49,708	\$51,920	\$56,592	\$58,860	unavailable
Ratio of Debt Per Capita to Personal income Per Capita	--	2300.17	24.06%	11.93%	unavailable

¹ Population estimate based on the number of homes constructed and sold to homeowners in the Issuing District (based on the information provided by the Issuing District) and assuming 2.82 residents per home (based on persons-per-household estimates for the County prepared by the United States Census Bureau).

Source: United States Census Bureau, County Assessor’s Office; State of Colorado, Division of Property Taxation, Annual Reports 2019-2022; Regional Economics Information System Bureau of Economic Analysis; and the Issuing District.

TABLE XXX
Historical Debt Ratios of District No. 3

	Fiscal years Ended December 31				
	2019	2020	2021	2022	2023
General Obligation Debt					
Outstanding	\$19,290,000	\$19,290,000	\$19,290,000	\$19,290,000	\$19,210,000
Estimated Population ¹	776	1,616	2,132	2,608	2,704
Debt Per Capita	\$24,858	\$11,937	\$9,048	\$7,396	\$7,104
District Assessed Value	\$4,075,930	\$13,361,020	\$24,340,250	\$26,444,580	\$37,836,580
Ratio of Debt to Assessed Value	473.27%	144.38%	79.25%	72.95%	50.77%
Personal Income Per Capita (Weld County)	\$49,708	\$51,920	\$56,592	\$58,860	unavailable
Ratio of Debt Per Capita to Personal income Per Capita	50.01%	22.99%	15.99%	12.57%	unavailable

¹ Population estimate based on the number of homes constructed and sold to homeowners in District No. 3 (based on the information provided by District No. 3) and assuming 2.82 residents per home (based on persons-per-household estimates for the County prepared by the United States Census Bureau).

Source: United States Census Bureau, County Assessor’s Office; State of Colorado, Division of Property Taxation, Annual Reports 2019-2022; Regional Economics Information System Bureau of Economic Analysis; and District No. 3.

Revenue and Other Financial Obligations

The Issuing District also has the authority to issue revenue obligations payable from the net revenue of the Issuing 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 agreements described in “THE TAXING DISTRICTS—Material Agreements,” no such obligations are currently outstanding.

LEGAL MATTERS

Sovereign Immunity

The Governmental Immunity Act, Title 24, Article 10, Part 1 C.R.S. (the “**Governmental Immunity Act**”), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the Taxing Districts, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity does not apply to injuries occurring as a result of certain specified actions or conditions. In general, public entities will not be held liable for willful and wanton acts or omissions or willful and wanton acts or omissions of its public employees which occurred during the performance of their duties and within the scope of their employment. However, if a plaintiff can meet the burden of proof required to show that any one of the exceptions specified in the Governmental Immunity Act applies, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which was not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Governmental Immunity Act, whether from one or more public entities and public employees, are as follows for claims accruing on or after January 1, 2022 and before January 1, 2026: (a) for any injury to one person in any single occurrence, the sum of \$424,000; and (b) for any injury to two or more persons in any single occurrence, the sum of \$1,195,000, except that, in such instance, no person may recover in excess of \$424,000. These amounts are subject to adjustment on or before January 1, 2026, and every fourth year thereafter based on the consumer price index for Denver-Boulder-Greeley, or its successor index. Suits against both the Taxing Districts and

a public employee do not increase such maximum amounts which may be recovered. The Taxing Districts may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the Taxing Districts are required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of ten mills per annum for all outstanding settlements or judgments.

The Taxing Districts may be subject to civil liability and may not be able to claim sovereign immunity for actions founded upon various federal laws. Examples of such civil liability include, but are not limited to, suits filed pursuant to 42 U.S.C. Section 1983 alleging the deprivation of federal constitutional or statutory rights of an individual. In addition, the Taxing Districts may be enjoined from engaging in anti-competitive practices which violate the antitrust laws. However, the Governmental Immunity Act provides that it applies to any action brought against a public entity or a public employee in any Colorado State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Pending and Threatened Litigation Involving the Taxing Districts

In connection with the issuance of the Bonds, the Issuing District states that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, which has been served on the Issuing District or, to the best of the Issuing District's knowledge, threatened, (a) which in any way questions or affects (i) the powers of the Issuing District to issue the Bonds, (ii) the validity of any proceeding taken by the Issuing District in connection with the issuance of the Bonds or the Issuing District Election, or (b) wherein an unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by the Indentures, the Pledge Agreements or the Bond Resolution, or (c) which, in any way, could adversely affect the validity or enforceability of such documents or ability of the Issuing District to comply with the terms thereof, or (d) to the best of the Issuing District's knowledge, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes.

Additionally, in connection with the issuance of the Bonds, District No. 3 states that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, which has been served on District No. 3 or, to the best of District No. 3's knowledge, threatened, (a) which in any way questions or affects (i) the powers of District No. 3 to incur indebtedness represented by the Pledge Agreement, to levy or collect taxes for the purposes of paying such indebtedness, or to perform other obligations contemplated thereby, (ii) the validity of any proceeding taken by District No. 3 in connection with the issuance of the Bonds, the Pledge Agreement, or the levy or collection of said taxes, or (b) wherein an unfavorable decision, ruling, or finding could materially adversely affect the transactions contemplated by the Pledge Agreement or the District No. 3 resolution authorizing the same, or (c) which, in any way, could adversely affect the validity or enforceability of such documents or ability of District No. 3 to comply with the terms thereof.

General Counsel Opinion Letters. In connection with the issuance of the Bonds, general counsel to the Taxing Districts is expected to render an opinion stating that, to the best of its actual knowledge, there is no action, suit, or proceeding pending in which either Taxing District is a party, nor is there any inquiry or investigation pending against either Taxing District by any governmental agency, public agency, or authority which, if determined adversely to a Taxing District, would have a material adverse effect upon the Taxing District's ability to comply with its obligations under the Indenture, the Pledge Agreement, the Continuing Disclosure Agreement or the Bond Resolution, as applicable.

Legal Representation

Legal matters relating to the issuance of the Bonds, as well as the treatment of interest on the Bonds for purposes of federal and State income taxation, are subject to the approving legal opinions of Ballard Spahr LLP, Denver, Colorado, as Bond Counsel. Such opinions will be dated as of and delivered at closing in substantially the forms set forth in “APPENDIX F—FORM OF BOND COUNSEL OPINION.” Ballard Spahr LLP has also assisted in the preparation of this Official Statement in its capacity as Disclosure Counsel to the Issuing District. Ballard Spahr LLP represents the Underwriter from time to time on matters unrelated to the Taxing Districts or the Bonds. Ballard Spahr LLP does not represent the Underwriter or any other party in connection with the issuance of the Bonds. Certain legal matters pertaining to the Taxing Districts will be passed upon by their general counsel, White Bear Ankele Tanaka & Waldron Professional Corporation, Centennial, Colorado. [Sherman & Howard L.L.C., Denver, Colorado] has acted as special counsel to District No. 3 in connection with the Pledge Agreement. Butler Snow LLP, Denver, Colorado, has acted as counsel to the Underwriter.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, or of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Indenture to Constitute Contract

The Indenture provides that it constitutes a contract among the Issuing District, the Trustee, and the Owners of the Bonds, and that it will remain in full force and effect until the Bonds are no longer Outstanding.

Future Changes in Law

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 laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Taxing Districts.

Limitations on Remedies Available to Bondholders

The enforceability of the rights and remedies of the Owners, and the obligations incurred by the Issuing District in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers granted to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. In addition to other legal requirements in the Federal and State laws pertaining to municipal bankruptcy, under State law, however, the Special District Act provides that Colorado special districts can seek protection from creditors under the United States Bankruptcy Code only if the special district can demonstrate that, in order to meet its financial obligations as they come due, the special district would be required to certify a property tax

mill levy of 100 mills or more.¹ The Pledge Agreements only require that the Taxing Districts levy limited mill levies not in excess of 39 mills (subject to adjustment as discussed herein). Accordingly, it may not be possible under State law for the Taxing Districts to file for bankruptcy and no bankruptcy trustee will be available to represent the creditors of the Taxing Districts, including the Owners of the Bonds. Bankruptcy protection may be available to the Taxing Districts, however, if their mill levies ever equaled or exceeded 100 mills pursuant to their adjustment mechanisms, if either of the Taxing Districts ever issues unlimited mill levy general obligation bonds in the future, or due to other unforeseen circumstances. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

TAX MATTERS

Federal Tax Matters

The Internal Revenue Code of 1986, as amended (the “**Code**”), contains a number of restrictions and requirements that apply to the Bonds including, without limitation, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the Bonds and the facilities financed or refinanced with such proceeds. The Issuer has covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes (the “**Tax Covenants**”).

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 under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and continuing compliance, by the Issuer and other owners of the Public Improvements, with the requirements of the Code. 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, as such quoted terms are defined in the Code.

In rendering its opinion, Bond Counsel will rely on, and will assume the accuracy of, certain representations and certifications, and compliance by the Issuer with certain covenants, including the Tax Covenants. Bond Counsel will not independently verify the accuracy of the Issuer’s representations and certifications. In addition, Bond Counsel has not been engaged, and will not undertake, to monitor compliance with the Tax Covenants or to inform any person as to whether the Tax Covenants are being complied with; nor has Bond Counsel undertaken to determine or to inform any person whether any actions taken or not taken, or events occurring or not occurring, after the date of issuance of the Bonds may affect the federal tax status of the interest on the Bonds. Failure to comply with certain of the Tax Covenants could result in the inclusion of the interest on the Bonds in the gross income of the owners for federal income tax purposes, retroactive to the date of issuance of the Bonds.

Certain requirements and procedures contained or referred to in the Indentures and certain other documents executed in connection with the issuance of the Bonds may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted in the future if a legal opinion is rendered at the time to the effect that such action will not cause the interest on the Bonds to be

¹ The right of a special district to seek protection under the federal bankruptcy code in accordance with Section 32-1-1402, C.R.S. is not afforded to the Authority.

included in the gross income of the owners for federal income tax purposes. The opinion of Bond Counsel rendered in connection with the initial issuance of the Bonds will not address any such actions.

Original Issue Discount. Certain of the Bonds may be offered at a discount (“**original issue discount**”) equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of such Bond as interest, with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder’s tax basis in the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. Certain of the Bonds may be offered at a premium (“**original issue premium**”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the bondholder’s tax basis for the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

Bond Counsel expresses no opinion regarding other federal tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Backup Withholding. A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform “backup withholding” from the interest if the bondholder does not provide an IRS Form W-9 to the payor. “Backup withholding” means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 sets forth the bondholder’s taxpayer identification number or basis of exemption from backup withholding.

If a holder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

State of Colorado Tax Matters

In the opinion of Bond Counsel, under existing State statutes, interest on the Bonds is exempt from taxation under the laws of the State of Colorado, except inheritance, estate and transfer taxes. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of Colorado.

General

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

See “APPENDIX F—FORM OF BOND COUNSEL OPINION” hereto for the proposed Form of Bond Counsel Opinion.

RATINGS

[_____] (“[_____]”) is expected to assign a rating to the Bonds of “[_]” based upon the Bond Insurance Policy to be issued by the Bond Insurer concurrently with the delivery of the Bonds. See “BOND INSURANCE.” In addition, [_____] has assigned an underlying rating to the Bonds of “[_]” ([_____] based on its rating of the Bonds without regard to the delivery of the Bond Insurance Policy. An explanation of the significance of any rating given by [_____] may be obtained from [_____] at [_____] . The ratings reflect only the views of the rating agency, and there is no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Other than the Issuing District’s obligations under the Continuing Disclosure Agreement, the Issuing District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such proposed revision. Any such change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

MISCELLANEOUS

Registration of Bonds

Registration or qualification of the offer and sale of the Bonds (as distinguished from registration of the ownership of the Bonds) is not required under the federal Securities Act of 1933, as amended, the Colorado Securities Act, as amended, or the Colorado Municipal Bond Supervision Act, as amended, pursuant to exemptions from registration provided in such acts. THE ISSUING DISTRICT ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED.

The “Colorado Municipal Bond Supervision Act,” Article 59 of Title 11, C.R.S., generally provides for the Colorado Securities Commissioner (the “**Commissioner**”) to regulate and monitor the issuance of municipal securities by special districts and certain other entities. Among other things, the act requires that all bonds, debentures, or other obligations (defined in the act as “bonds”) issued by a special district must first be registered with the Commissioner unless exempt under the act. The Bonds qualify for an exemption from registration because the Bonds are rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations.

Independent Auditors

The basic financial statements of the Taxing Districts for the fiscal year ended December 31, 2023, which are appended hereto in APPENDIX A and APPENDIX B, have been audited by independent auditor, Haynie & Company, Certified Public Accountants & Management Consultants, Littleton, Colorado (as previously defined, the “**Auditor**”), as stated in their report appearing therein. The Auditor has not been engaged to perform and has not performed, since the date of its reports included in APPENDIX A and APPENDIX B hereto, any procedures on the financial statements addressed in these reports. The Auditor

also has not performed any procedures relating to this Official Statement. The consent of the Auditor to the inclusion of its reports in APPENDIX A and APPENDIX B was not sought or obtained.

Verification of Mathematical Computations

The accuracy of, among other things, the mathematical computations of amounts deposited pursuant to the Escrow Agreements to pay when due the principal and accrued interest on the Refunded Bonds on their respective redemption dates will be verified by Causey Demgen & Moore P.C., Denver, Colorado. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.”

Undertaking To Provide Ongoing Disclosure

In order to provide certain continuing disclosure with respect to the Bonds in accordance with the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, Section 240.15c2-12) (as previously defined, the “**Rule**”), the Taxing Districts and the Trustee, as dissemination agent, will enter into a Continuing Disclosure Agreement. Pursuant to such agreement, the Taxing Districts will agree to obtain and to provide certain information to the Trustee on a quarterly and annual basis for dissemination to the public through the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA) system, as more particularly provided in the Continuing Disclosure Agreement, a form of which is attached as “APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT” to this Official Statement.

A failure by the Taxing Districts to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture (although Bond owners may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Taxing Districts to comply with its obligations).

The Issuing District agreed, pursuant to a Continuing Disclosure Agreement voluntarily entered into in connection with the issuance of the Series 2019 Bonds (the “**Series 2019 CDA**”) that, with the cooperation and assistance of the Trustee, the Issuing District would provide certain financial information and other operating data on an annual and quarterly basis to each owner of the Series 2019 Bonds, and notices of enumerated events subsequent to the issuance of the Series 2019 Bonds, and to file such information on the Electronic Municipal Market Access facility for municipal securities disclosure of the Municipal Securities Rulemaking Board. The Series 2019 CDA requires posting of quarterly reports within 45 days of the end of each fiscal quarter containing certain information, including the amounts on deposit in various funds established in connection with the Series 2019 Bonds. During the past five years, the quarterly report of the Issuing District for third quarter 2021 was incomplete in that it omitted the reserve fund balance and senior bond fund balance. Additionally, the fourth quarter 2022 report was not linked to all required CUSIP numbers. The Issuing District subsequently linked the fourth quarter 2022 report to all required CUSIPS and [posted a material event notice on [____], 2024 specifying the reserve fund balance and senior bond fund balance for third quarter 2021.]

Interest of Certain Persons Named in This Official Statement

The legal fees to be paid to Bond Counsel, Disclosure Counsel and counsel to the Underwriter are contingent upon the sale and delivery of the Bonds.

Municipal Advisor

Piper Sandler & Co., Denver, Colorado, is acting as municipal advisor (the “**Municipal Advisor**”) to the Issuing District in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor will act as an independent advisory firm and will not be engaged in underwriting or distributing the Bonds.

Underwriting

The Bonds are being sold by the Issuing District to the Underwriter for a purchase price equal to \$[_____] (which is equal to the par amount of the Bonds, [plus/less [net] original issue premium/discount of \$[_____.],] less the Underwriter’s discount of \$_____), pursuant to a purchase contract. See “USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds.” Expenses associated with the issuance of the Bonds are being paid by the Issuing District from proceeds of the issue. The right of the Underwriter to receive compensation in connection with this issue is contingent upon the actual sale and delivery of the Bonds. The Underwriter has initially offered the Bonds at the prices set forth on the cover page of this Official Statement. Such prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Bonds.

Additional Information

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Official Statement are either publicly available or available upon request and the payment of a reasonable copying, mailing, and handling charge from the sources noted in the “INTRODUCTION—Additional Information” hereto.

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Official Statement Certification

The preparation of this Official Statement and its distribution have been authorized by the Board of the Issuing District. This Official Statement is hereby duly approved by the Board of the Issuing District as of the date on the cover page hereof. This Official Statement is not to be construed as an agreement or contract between the Issuing District and the purchasers or owners of any Bond.

RAINDANCE METROPOLITAN DISTRICT NO. 2

By _____
President

APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE ISSUING DISTRICT FOR THE FISCAL
YEAR ENDING DECEMBER 31, 2023**

(attached)

APPENDIX B

**AUDITED FINANCIAL STATEMENTS FOR DISTRICT NO. 3 FOR THE FISCAL YEAR
ENDING DECEMBER 31, 2023**

(attached)

APPENDIX C
SELECTED DEFINITIONS
[TO COME]

APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information was prepared and provided by the Metro Denver Economic Development Corporation to give prospective investors general information concerning selected economic and demographic conditions existing in the geographic area within which the District is located. The statistics have been obtained from the referenced sources and represent the most current information available as of July 2024 from the sources indicated; however, since certain information is released with a significant time lag, the information in some cases will not be indicative of existing or future economic and demographic conditions. Further, the reported data has not been adjusted to reflect economic trends, notably inflation. Finally, other economic and demographic information not presented herein may be available concerning the area in which the District is located and prospective investors may want to review such information prior to making their investment decision. The following information is not to be relied upon as a representation or guarantee of the District or its officers, employees, or advisors.

Overview

Colorado (the “**State**”), the most populous state in the Rocky Mountain region, has three distinct geographic and economic areas. The eastern half of the State consists of the eastern plains, which are flat, open, and largely devoted to agriculture. The Front Range lies along the eastern base of the Rocky Mountains and contains most of the State’s metropolitan areas. The western half of the State – which includes the Rocky Mountains and the Western Slope – includes many acres of national park and forest land and significant reserves of minerals, natural gas, and other resources.

The State’s population and wealth are concentrated in the Front Range, principally in four major metropolitan areas: Fort Collins/Greeley, Denver/Boulder, Colorado Springs, and Pueblo. This report presents data for Weld County, which is located in the Greeley Metropolitan Statistical Area (“**Greeley MSA**”), consisting of the entirety of Weld County. Weld County represents 6.0% of the State’s population and 4.2% of its jobs. Weld County is a prime area for business and industry growth, with top industries including manufacturing, construction, and retail trade.

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Population

The following table sets forth population statistics for Weld County, the State, and the United States (the “U.S.”).

Population Estimates (as of July 1)

	<u>Weld County</u>		<u>Colorado</u>		<u>United States</u>	
	Population	% Change	Population	% Change	Population	% Change
1990	131,946	--	3,304,042	--	249,464,396	--
2000	183,076	38.8%	4,338,801	31.3%	282,162,411	13.1%
2005	223,432	22.0	4,662,534	7.5	295,516,599	4.7
2010	254,230	13.8	5,050,332	8.3	309,327,143	4.7
2015	284,855	12.0	5,446,593	7.8	320,738,994	3.7
2016	294,513	3.4	5,529,629	1.5	323,071,755	0.7
2017	304,595	3.4	5,599,589	1.3	325,122,128	0.6
2018	313,219	2.8	5,676,913	1.4	326,838,199	0.5
2019	322,335	2.9	5,734,913	1.0	328,329,953	0.5
2020	331,423	2.8	5,784,584	0.9	331,526,933	1.0
2021	339,865	2.5	5,811,026	0.5	332,048,977	0.2
2022	350,206	3.0	5,838,736	0.5	333,271,411	0.4

Source: U.S. Census Bureau, Decennial Census; Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Population Estimates Program.

Income

The following tables set forth historical median household income and per capita personal income for Weld County, the State, and the U.S.

Median Household Income

	<u>Weld County</u>		<u>Colorado</u>		<u>United States</u>	
	Income	% Change	Income	% Change	Income	% Change
2017	\$66,489	--	\$65,458	--	\$57,652	--
2018	70,908	6.6%	68,811	5.1%	60,293	4.6%
2019	74,150	4.6	72,331	5.1	62,843	4.2
2020	74,332	0.2	75,231	4.0	64,994	3.4
2021	80,843	8.8	80,184	6.6	69,021	6.2
2022	89,182	10.3	87,598	9.2	75,149	8.9

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates.

Per Capita Personal Income in Current Dollars¹

	<u>Weld County</u>		<u>Colorado</u>		<u>United States</u>	
	Income	% Change	Income	% Change	Income	% Change
2016	\$43,882	--	\$51,306	--	\$48,971	--
2017	44,352	1.1%	54,171	5.6%	51,004	4.2%
2018	47,817	7.8	57,794	6.7	53,309	4.5
2019	49,708	4.0	61,258	6.0	55,547	4.2
2020	51,920	4.4	64,848	5.9	59,151	6.5
2021	56,592	9.0	71,920	10.9	64,427	8.9
2022	58,860	4.0	75,708	5.3	65,473	1.6
2023 ²	--	--	78,918	4.2	68,531	4.7

¹Per capita personal income is total personal income divided by the July 1 population estimate.

²2023 Data not available for County and MSA.

Source: U.S. Bureau of Economic Analysis.

School Enrollment

The following table presents a multi-year history of public-school enrollment for select school districts serving Windsor, Colorado.

School District Historical Enrollment

**Weld County Reorganized School
District No. RE-4**

	Enrollment	% Change
2018-19	6,785	--
2019-20	7,313	7.8%
2020-21	7,477	2.2
2021-22	8,104	8.4
2022-23	8,228	1.5
2023-24	8,459	2.8

Note: Enrollment reflects grades pre-kindergarten through 12.

Source: Colorado Department of Education.

Housing Stock

The following table sets forth a comparison of housing units within Weld County, the State, and the U.S.

Housing Units (as of July 1)

	<u>Weld County</u>		<u>Colorado</u>		<u>United States</u>	
	Units	% Change	Units	% Change	Units	% Change
2016	106,316	--	2,339,866	--	136,286,436	--
2017	109,489	3.0%	2,377,152	1.6%	137,366,902	0.8%
2018	113,019	3.2	2,418,599	1.7	138,516,439	0.8
2019	116,937	3.5	2,460,839	1.7	139,684,244	0.8
2020	120,949	3.4	2,501,178	1.6	140,801,339	0.8
2021	124,749	3.1	2,542,505	1.7	142,151,762	1.0
2022	129,656	3.9	2,598,686	2.2	143,786,655	1.2

Source: Colorado Division of Local Government, State Demography Office; U.S. Census Bureau, Annual Estimates of Housing Units.

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Residential Building Permit Activity

The following tables set forth a history of building permit activity and valuation for Weld County, the State, and the U.S.

Single-Family Detached Building Permit Activity

	Weld County		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2018	3,194	\$808,971,029	26,134	\$7,879,399,000	855,332	\$210,849,975,000
2019	3,335	897,995,464	24,756	7,652,182,000	862,084	213,271,117,000
2020	3,334	877,525,995	26,636	8,289,036,000	979,360	243,423,623,000
2021	3,814	1,022,379,442	30,246	9,850,482,000	1,115,360	295,965,122,000
2022	3,229	962,079,392	23,691	8,442,065,000	973,851	281,955,496,000
2023	2,447	821,574,966	19,641	7,459,002,000	919,973	274,471,070,000
2024 ¹	678	219,244,868	5,183	2,020,128,000	241,311	71,956,744,000

Single-Family Attached Building Permit Activity

	Weld County		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2018	73	\$12,580,766	788	\$148,896,000	39,696	\$5,608,216,000
2019	44	9,609,596	722	120,231,000	42,593	6,204,255,000
2020	103	21,547,595	1,125	192,694,000	47,242	6,596,671,000
2021	404	79,328,032	1,996	373,815,000	52,853	8,142,354,000
2022	313	58,576,453	1,532	322,845,000	55,215	8,698,655,000
2023	172	35,456,862	1,006	215,503,000	54,716	8,962,263,000
2024 ¹	53	10,141,703	302	66,880,000	12,235	2,141,144,000

Multi-Family Building Permit Activity

	Weld County		Colorado		United States	
	Permits	Valuation	Permits	Valuation	Permits	Valuation
2018	840	\$63,898,143	15,705	\$2,202,245,000	433,799	\$54,661,351,000
2019	1,008	121,883,540	13,155	1,865,632,000	481,371	61,058,823,000
2020	748	66,340,806	12,708	1,784,811,000	444,539	57,189,609,000
2021	1,050	147,850,518	24,282	3,519,593,000	568,769	75,928,711,000
2022	2,624	378,723,218	23,118	3,957,209,000	651,302	93,793,020,000
2023	1,008	153,443,867	18,757	3,369,491,000	536,413	81,939,710,000
2024 ¹	234	41,133,668	2,943	488,421,000	105,460	16,727,171,000

¹2024 figure is the year to date total through Q1 2024.

Note¹: Single-Family Attached includes 2 family units and 3-4 family units. Multi-Family includes 5+ units.

Note²: Permits count the number of units permitted in a year, not the number of structures permitted.

Source: U.S. Census Bureau.

Home Price Index

The following table provides the All-Transactions Home Price Indices for Weld County, Colorado, and the United States.

	Housing Price Index					
	Weld County		Colorado		United States	
	Index	Change	Index	Change	Index	Change
2018	186.87	23.6%	548.72	8.2%	417.81	5.5%
2019	197.41	5.6	575.78	4.9	437.17	4.6
2020	201.95	2.3	603.63	4.8	459.73	5.2
2021	225.95	11.9	695.75	15.3	522.92	13.7
2022	260.93	15.5	810.21	16.5	610.96	16.8
2023	269.01	3.1	826.24	2.0	646.23	5.8

Source: U.S. Federal Housing Finance Agency.

Foreclosure Activity

The following table provides a multi-year history of foreclosure filings in Weld County, Colorado, and the U.S. Foreclosure filing is the event that begins the foreclosure process. In general, a borrower who is at least three months delinquent will receive a filing notice from the Public Trustee for the county in which the property is located. At this point, the property is in foreclosure.

Because a foreclosure filing can be cured or withdrawn before the home is sold at auction, not all filings result in foreclosure sales. Foreclosure sales at auction generally proceed between 110 and 125 days after the initial filing. Once a foreclosure sale is completed, the eviction process begins.

	Foreclosure Filings¹					
	Weld County		Colorado²		United States	
	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change	Number of Foreclosures Filed	% Change
2018	373	--	5,884	--	624,753	--
2019	328	-12.1%	5,610	-4.7%	493,066	-21.1%
2020	116	-64.6	1,671	-70.2	214,323	-56.5
2021	61	-47.4	853	-48.9	151,153	-29.5
2022	449	636.1	4,291	402.8	324,237	114.5
2023	405	-9.8	4,110	-4.2	357,062	10.1
2024 ³	172	--	2,012	--	177,431	--

¹Some filings may have been subsequently cured or withdrawn and did not result in a sale at auction.

²Estimated Colorado value based on Denver MSA growth rate for 2021-2023.

³Foreclosure filings through 2Q 2024 for all geographies.

Source: Individual County Public Trustees; Colorado Division of Housing; RealtyTrac/AttomData.

The decline in foreclosures in 2020 was due to the foreclosure moratorium in effect in Colorado from April 20 to July 13, 2020, due to the COVID-19 pandemic. Further, homeowners with a federally backed mortgage, which covers two-thirds of residential mortgages across the U.S., were protected from foreclosure until February 28, 2021.

Retail Activity

The retail trade sector employs a large portion of the area's workforce and is important to the area's economy. The following table provides a multi-year history of retail sales activity in Weld County and the State, as reported for state sales tax purposes.

	Total Retail Sales (\$000s)			
	Weld County		Colorado	
	Retail Sales	% Change	Retail Sales	% Change
2018	\$12,167,650	--	\$206,121,045	--
2019	13,251,205	8.9%	224,618,938	9.0%
2020	12,951,377	-2.3	228,812,220	1.9
2021	14,711,836	13.6	268,328,759	17.3
2022	17,101,940	16.2	299,923,778	11.8
2023	17,741,875	3.7	302,570,432	0.9
2024 ¹	4,064,658	--	71,133,551	--

¹2024 Figures are year to date through Q1 2024.

Source: State of Colorado, Department of Revenue, Sales Tax Statistics.

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Employment

The following table sets forth employment statistics by industry for Weld County. Industry designations are based on the North American Industrial Classification System. Employment includes only those workers covered by unemployment insurance; most workers in the state are covered.

Average Number of Employees by Industry – Weld County

Industry ¹	Q4 2022	Q4 2023	Absolute Change	% Change
Private Sector				
Agriculture, Forestry, Fishing, and Hunting	4,042	4,038	-4	-0.1%
Mining	5,465	6,447	982	18.0
Utilities	476	495	19	4.0
Construction	11,982	13,501	1,519	12.7
Manufacturing	13,473	13,663	190	1.4
Wholesale Trade	4,343	4,582	239	5.5
Retail Trade	11,352	11,244	-108	-1.0
Transportation and Warehousing	3,884	3,833	-51	-1.3
Information	520	546	26	5.0
Finance and Insurance	2,825	2,892	67	2.4
Real Estate and Rental and Leasing	1,392	1,566	174	12.5
Professional and Technical Services	4,072	4,566	494	12.1
Management of Companies and Enterprises	1,842	1,765	-77	-4.2
Administrative and Waste Services	6,039	6,121	82	1.4
Educational Services	913	943	30	3.3
Health Care and Social Assistance	10,288	10,311	23	0.2
Arts, Entertainment, and Recreation	1,019	1,256	237	23.3
Accommodation and Food Services	9,428	9,800	372	3.9
Other Services	2,914	3,100	186	6.4
Unclassified	37	44	7	18.9
Government	17,575	18,047	472	2.7
Total²	113,881	118,760	4,879	4.3%

¹Information provided herein reflects only those employers who are subject to State unemployment insurance law.

²Industry data may not add to all-industry total due to rounding, suppressed data, and employment that cannot be assigned to an industry.

Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW).

The following table provides labor force and unemployment statistics for Weld County, the State, and the U.S.

Labor Force Estimates

	Weld County		Colorado		United States	
	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate
2017	156,367	2.5%	2,963,789	2.6%	160,320,000	4.4%
2018	163,658	2.8	3,054,348	3.0	162,075,000	3.9
2019	168,098	2.5	3,104,683	2.7	163,539,000	3.7
2020	164,591	6.5	3,082,228	6.8	160,742,000	8.1
2021	166,304	5.8	3,149,673	5.5	161,204,000	5.3
2022	168,186	3.3	3,186,932	3.1	164,287,000	3.6
2023	171,959	3.3	3,230,482	3.2	167,116,000	3.6
2024 ¹	172,468	4.1	3,219,557	3.9	167,224,000	4.1

¹2024 figure is the year-to-date average through Q1 2024.
Source: U.S. Bureau of Labor Statistics.

The following table sets forth the major employers in Weld County. No independent investigation has been made and no representation is made herein as to the financial condition of the employers listed below or the likelihood that these employers will maintain their status as major employers in the area. Employment counts for these businesses may have changed since this table was compiled, and other large employers may exist in the area that are not included in the table.

Major Non-Retail Employers in Weld County

Rank	Employer	Product or Service	Estimated Employees
1	JBS Swift & Company Banner Health: North Colorado	Beef Processing/Corporate Office	4,200
2	Medical Center	Healthcare	3,450
3	Vestas	Wind Turbine Manufacturing	1,980
4	State Farm Insurance Companies	Insurance	1,720
5	Halliburton Energy Services, Inc.	Oil & Gas Development	1,110
6	TeleTech	Financial Services Support	690
7	Noble Energy	Oil & Gas Development	540
8	Anadarko Petroleum	Oil & Gas Development	520
9	Select Energy Services	Oil & Gas Development	500
10	McLane Company, Inc.	Food Distribution	440

Source: One Noco.

APPENDIX E
FORM OF CONTINUING DISCLOSURE AGREEMENT
[TO COME]

APPENDIX F
FORM OF BOND COUNSEL OPINION
[TO COME]

APPENDIX G
SPECIMEN MUNICIPAL BOND INSURANCE POLICY
(attached)]

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, New York and DTC’s book-entry-only system has been obtained from DTC, and the Issuing District and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC’s records reflect only the identity of the Direct

Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuing District or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuing District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuing District or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuing District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system that has been obtained from sources that the Issuing District believes to be reliable, but the Issuing District takes no responsibility for the accuracy thereof.

INDENTURE OF TRUST

DATED AS OF SEPTEMBER 1, 2024

between

**RAINDANCE METROPOLITAN DISTRICT NO. 2
TOWN OF WINDSOR, COLORADO**

and

**U.S. BANK NATIONAL ASSOCIATION
DENVER, COLORADO
AS TRUSTEE**

relating to

**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024
IN THE AGGREGATE PRINCIPAL AMOUNT OF
\$[PAR]**

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EXHIBIT A FORM OF BOND

This **INDENTURE OF TRUST** (the “**Indenture**”) dated as of September 1, 2024, by and between **RAINDANCE METROPOLITAN DISTRICT NO. 2**, Town of Windsor, Colorado, a quasi-municipal corporation duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “**District**”), and **U.S. BANK NATIONAL ASSOCIATION**, a banking institution authorized to accept and execute trusts of the character herein set out, having an office and corporate trust offices in Denver, Colorado, as trustee (the “**Trustee**”).

RECITALS

WHEREAS, capitalized terms used but not otherwise defined in these Recitals shall have the meanings set forth in Section 1.01 hereof; and

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado (the “**State**”) duly organized and existing as a metropolitan district under the constitution and laws of the State, including particularly Title 32, Article 1, Colorado Revised Statutes, as amended (“**C.R.S.**”); and

WHEREAS, the District was organized by Order and Decree of the District Court for Weld County, Colorado issued on June 6, 2014, and recorded in the real property records of Weld County, Colorado (the “**County**”) on June 12, 2014; and

WHEREAS, the District was organized simultaneously with RainDance Metropolitan District No. 1 (“**District No. 1**”), RainDance Metropolitan District No. 3 (“**District No. 3**”), and RainDance Metropolitan District No. 4 (collectively with the District, the “**Raindance Districts**”), and the Raindance Districts are each authorized by Title 32, Article 1, Part 1, C.R.S. (the “**Act**”), to furnish certain public facilities and services, including, but not limited to, streets, water, sanitation, parks and recreation, traffic and safety control, transportation, and mosquito control improvements in accordance with the Service Plan for the Raindance Districts approved by the Town Board of the Town of Windsor, Colorado, on March 24, 2014 (as amended and restated from time to time, the “**Service Plan**”); and

WHEREAS, at an election of the qualified electors of the District, duly called and held on Tuesday, May 6, 2014 (the “**Election**”), in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at the Election voted in favor of, inter alia, the issuance of District indebtedness and the imposition of taxes for the payment thereof, for the purpose of providing certain improvements and facilities (as more particularly defined herein, the “**Facilities**”), and for the refunding of such indebtedness as follows, the questions relating thereto being as set forth in Exhibit C attached hereto; and

<u>Purpose</u>	<u>Principal Amount</u>
Street	\$93,000,000
Parks and Recreation	93,000,000
Water	93,000,000
Sanitation/Storm Sewer	93,000,000
Transportation	93,000,000
Mosquito Control	93,000,000
Safety Protection	93,000,000
Fire Protection	93,000,000
TV Relay and Translation	93,000,000
Security	93,000,000
Refundings	93,000,000

WHEREAS, the returns of the Election were duly canvassed and the results thereof duly declared; and

WHEREAS, the results of the Election were certified by the District by certified mail to the board of county commissioners of each county in which the District is located or to the governing body of a municipality that has adopted a resolution of approval of the special district pursuant to Section 32-1-204.5, C.R.S., and with the division of securities created by Section 11-51-701, C.R.S. within 45 days after the Election; and

WHEREAS, as contemplated by the Service Plan, the Raindance Districts entered into a Coordinating Services Agreement dated effective January 1, 2018 (the “**Master IGA**”), for the purpose of establishing their respective roles, responsibilities and obligations with respect to the administrative services, provision, ownership, operation and maintenance of the Facilities (to the extent not dedicated to another governmental entity) and funding of the same; and

WHEREAS, the Boards of Directors of the Raindance Districts have previously determined that it was necessary to acquire, construct, and install a portion of the Facilities (the “**Project**”); and

WHEREAS, for the purpose of funding certain costs of the Facilities, District No. 1 has previously entered into an Infrastructure Acquisition and Reimbursement Agreement (the “**Reimbursement Agreement**”), dated as of March 1, 2018, with Raindance Development, LLC (the “**Developer**”), pursuant to which District No. 1 agreed to acquire from the Developer certain Facilities constructed for the benefit of the Raindance Districts and to reimburse the Developer for the costs of Facilities constructed by or on behalf of the Developer (if any) in accordance with the provisions thereof, but solely from the sources of revenue identified therein, and subject to the limitations more particularly provided therein; and

WHEREAS, for the purpose of financing or refinancing the costs of Facilities (as defined herein), District No. 3 has previously issued, and there presently remain outstanding, the following obligations (collectively, the “**District No. 3 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2018A, in the aggregate principal amount of \$16,450,000 (the “**District No. 3 2018A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of May 1, 2018 (the “**District No. 3 2018A Senior Indenture**”), by and between District No. 3 and UMB Bank, n.a., as trustee,

which District No. 3 2018A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, in the aggregate principal amount of \$2,840,000 (the “**District No. 3 2018B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**District No. 3 2018B Subordinate Indenture**”), by and between District No. 3 and UMB Bank, n.a., as trustee, which District No. 3 2018B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

WHEREAS, for the purpose of financing or refinancing additional costs of Facilities (as defined herein), the District has previously issued, and there presently remain outstanding, the following obligations (the “**District No. 2 Bonds**”): (i) Limited Tax General Obligation Bonds, Series 2019A, in the aggregate principal amount of \$19,310,000 (the “**District No. 2 2019A Senior Bonds**”), pursuant to an Indenture of Trust (Senior) dated as of December 1, 2019 (the “**District No. 2 2019A Senior Indenture**”), by and between the District and U.S. Bank National Association, as trustee, which District No. 2 2019A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, in the aggregate principal amount of \$4,575,000 (the “**District No. 2 2019B Subordinate Bonds**”), pursuant to an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**District No. 2 2019B Subordinate Indenture**”), by and between the District and U.S. Bank National Association, as trustee, which District No. 2 2019B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

WHEREAS, the District No. 2 Bonds and the District No. 3 Bonds are collectively referred to herein as the “**Refunded Bonds**”); and

WHEREAS, the Boards of Directors of the District and District No. 3 have found and determined that the Facilities financed or refinanced with the proceeds of the Refunded Bonds were generally contemplated by the Service Plan, were needed, and, due to the nature of such Facilities and proximity and interrelatedness of the development within the boundaries of the District and District No. 3, such Facilities (regardless of whether financed or refinanced with proceeds of the District No. 2 Bonds or the District No. 3 Bonds) benefit both the District and District No. 3, and the residents, property owners and taxpayers in both the District and District No. 3 as a whole; and

WHEREAS, the District No. 3 2018A Senior Bonds bear interest at the rate of 5.75% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2023, and ending November 30, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 3 2018B Subordinate Bonds bear interest at the rate of 8.125% per annum, and are subject to redemption at the option of the District for the period beginning December 15, 2023, and ending December 14, 2024, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a

redemption premium equal to 3.00% of the principal amount redeemed, and for the period beginning December 15, 2024, and ending December 14, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 2.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019A Senior Bonds bear interest at the rate of 5.00% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the District No. 2 2019B Subordinate Bonds bear interest at the rate of 7.50% per annum, and are subject to redemption at the option of the District for the period beginning December 1, 2024, and ending November 30, 2025, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the redemption date, plus a redemption premium equal to 3.00% of the principal amount redeemed; and

WHEREAS, the Board of Directors of the District has found and determined and declared its intent to redeem the District No. 2 Bonds on the earliest practicable date that results in the highest net present value savings to the District and the Board of Directors of District No. 3 has found and determined and declared its intent to redeem the District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to District No. 3, in both cases, subject to the availability of funding therefor; and

WHEREAS, the Boards of Directors of the District and District No. 2 have further found and determined, based on advice of their financial consultants, and taking into account that the Facilities financed or refinance with proceeds of the District No. 2 Bonds and the District No. 3 Bonds benefit the residents and taxpayers of both the District and District No. 3, that it is in the best interests of the District and District No. 3, and will maximize efficiencies and reductions in interest costs thereby resulting in the most savings to residents of the Districts, if the District No. 2 Bonds and the District No. 3 Bonds are refunded through the issuance of refunding obligations of a single RainDance District (as provided in the Pledge Agreement, defined below), and that is reasonable and appropriate for the District to be the issuer of such refunding obligations; and

WHEREAS, the Board has determined that it is in the best interests of the District and District No. 3 and the residents and taxpayers thereof for the District to issue indebtedness for the purpose of refunding the Refunded Bonds, and for such purpose the Board has previously determined and hereby determines to issue its Limited Tax General Obligation Refunding Bonds, Series 2024, in the aggregate principal amount of \$[PAR] (the “**Bonds**”); and

WHEREAS, in order to provide for the payment of the Bonds refundings thereof that may be issued by the District in the future, the District has entered into a Capital Pledge Agreement dated as of [September] 1, 2024, with District No. 3 and the Trustee (the “**Pledge Agreement**”), pursuant to which the Taxing Districts (the District and District No. 3) are obligated to impose ad valorem property taxes in an amount equal to the applicable “Required Mill Levy” (as defined therein) and pay the proceeds thereof to the Trustee, or as otherwise directed by the District; and

WHEREAS, the District hereby allocates the aggregate principal amount of the Bonds to the electoral authorization of the Election as follows: (i) the amount of \$[_____], representing the principal amount of the Bonds equal to the outstanding principal amount of the District No. 2 Bonds, constitutes a refinancing of District indebtedness at a lower interest rate and, in accordance with Article X, Section 20 of the Colorado Constitution, does not require additional electoral authorization; (ii) the amount of \$[_____], representing the remaining principal amount of the Bonds allocable to the refunding of the District No. 2 Bonds, shall be allocated to the electoral authorization of the Election for refunding purposes; [and (iii) the amount of \$[_____], representing the principal amount of the Bonds allocable to the refunding of the District No. 3 Bonds shall be allocated to the electoral authorization of the Election for refunding purposes][allocate to categories instead?] **[REVIEW AND CONFIRM ALL]**

[INSERT PRIOR ALLOCATION OF DISTRICT 2 2019 BONDS]

WHEREAS, as a result of the above-described allocations, upon issuance of the Bonds, there will remain the following electoral authorization for indebtedness from the Election:

[TABLE TO BE COMPLETED UPON FINAL DETERMINATION OF ALLOCATIONS]

<u>Purpose</u>	<u>Principal Amount</u>
Street	\$
Parks and Recreation	
Water	
Sanitation/Storm Sewer	
Transportation	
Mosquito Control	
Safety Protection	
Fire Protection	
TV Relay and Translation	
Security	
Refundings	

WHEREAS, the Service Plan currently limits the aggregate Debt (as such term is defined in the Service Plan) that may be issued by the Raindance Districts to \$93,000,000, excluding Debt issued to refund outstanding Debt of the Raindance Districts so long as such refunding Debt does not result in net present value expense; the District has found and determined that the issuance of the Bonds does not result in net present value expense and, accordingly, the issuance of the Bonds will not reduce the amount of Debt authorization remaining available under the Service Plan; and

WHEREAS, the Board of Directors of the District (the “**Board**”) has found and determined and declared its intent to redeem the District No. 2 Bonds on the earliest practicable

date that results in the highest net present value savings to the District, subject to the availability of funding therefor; and

WHEREAS, the Board of Directors of District No. 3 has found and determined and declared its intent to redeem the District No. 3 Bonds on the earliest practicable date that results in the highest net present value savings to District No. 3 (acknowledging that this may result in deferring redemption until the redemption premium on the District No. 3 Bonds reduces to 2.00%), subject to the availability of funding therefor; and

WHEREAS, the Board has found and determined that, in accordance with Title 32, Article 1, Part 13, C.R.S., the Bonds are incurred for the purpose of reducing interest costs or effecting other economies and modifying or eliminating restrictive contractual limitations relating to the incurring of additional indebtedness; and **WHEREAS**, the Bonds shall be issued pursuant to the provisions of Title 32, Article 1, Parts 11 and 13, C.R.S., the Service Plan, and all other laws thereunto enabling; and

WHEREAS, the Board specifically elects to apply all of the provisions of Title 11, Article 57, Part 2, C.R.S., to the Bonds; and

WHEREAS, the Bonds shall be limited tax general obligations of the District, and shall be payable solely from the Pledged Revenue (as defined herein), including amounts derived under the Pledge Agreement; and

WHEREAS, the Bonds are rated in one of the four highest rating categories by one or more nationally recognized organizations which regularly rate such obligations and, as a result, will be exempt from registration under the Colorado Municipal Bond Supervision Act and are permitted pursuant to the provisions of Section 32-1-1101(6)(a)(I), C.R.S.; and

WHEREAS, [_____] (the “**Bond Insurer**”) has issued its offer to insure (the “**Commitment**”), by which it is offering to commit to issue a Municipal Bond Insurance Policy (the “**Bond Insurance Policy**”) insuring the payment when due of the principal of and interest on the Bonds; and

WHEREAS, the Bond Insurer has also issued its Reserve Policy (as defined herein) for deposit to the Reserve Fund to satisfy the Reserve Requirement (as defined herein); and

WHEREAS, the District has duly authorized the execution and delivery of this Indenture to provide for the issuance of the Bonds; and

WHEREAS, all things necessary to make the Bonds, when executed by the District and authenticated and delivered by the Trustee hereunder, the valid obligations of the District, and to make this Indenture a valid agreement of the District, in accordance with their and its terms, have been done;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The District, in consideration of the premises and of the mutual covenants herein contained, the acceptance by the Trustee of the trusts hereby created, of the issuance of the Bond Insurance Policy by the Bond Insurer, of the issuance of the Reserve Policy by the Bond Insurer, and of the purchase and acceptance of the Bonds by the Owners thereof and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium if any, and interest on the Bonds at any time Outstanding under this Indenture, according to their tenor and effect, and to secure the performance and observance of all of the covenants and conditions in the Bonds, the Bond Resolution, and this Indenture and the Pledge Agreement, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, does hereby grant and assign to the Trustee, and to its successors in trust, and to them and their assigns forever, the following (said property being referred to herein as the “**Trust Estate**”):

GRANTING CLAUSE FIRST:

The Pledged Revenue, the Bond Fund, the Reserve Fund, and all other moneys, securities, revenues, receipts, and funds from time to time held by the Trustee under the terms of this Indenture and the Pledge Agreement, subject to the provisions of Sections 3.09 (Moneys to be Held in Trust) and 9.02 (Fees and Expenses of the Trustee) hereof, and a security interest therein; and

GRANTING CLAUSE SECOND:

All right, title and interest of the District in the Pledge Agreement, including all revenues payable to or on behalf of the District under the Pledge Agreement; and

GRANTING CLAUSE THIRD:

All right, title, and interest of the District in any and all other revenue of every name and nature from time to time hereafter by delivery or by writing of any kind, given, granted, assigned, pledged, conveyed, mortgaged, or transferred by the District or by anyone on its behalf to the Trustee as and for additional security hereunder, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

THE TRUSTEE SHALL HOLD the Trust Estate for the benefit of the Owners from time to time of the Bonds, and the Bond Insurer, as their respective interests may appear; and the Trust Estate granted herein is also granted for the equal benefit, of all present and future Owners of the Bonds as if all the Bonds had been executed and delivered simultaneously with the execution and delivery of this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of the Bond Insurer and all Owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise (except as herein expressly provided) of any of the Bonds over any other of the Bonds, and as to the Pledged Revenue (excluding the Pledged Revenue described in clause (c) of the definition thereof), on a parity with the lien thereon of any Parity Bonds;

PROVIDED, HOWEVER, that if the District, its successors, or assigns, shall well and truly pay, or cause to be paid, the principal of, premium if any, and interest on the Bonds at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof; or shall provide, as permitted hereby and in accordance herewith, for the payment thereof by depositing with the Trustee or placing in escrow and in trust the entire amount due or to become due thereon, or certain securities as herein permitted, and shall well and truly keep, perform, and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture shall be and remain in full force and effect;

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said moneys, securities, revenues, receipts, and funds hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Bonds as follows:

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. In this Indenture, except as otherwise expressly provided or where the context indicates otherwise, the following capitalized terms shall have the respective meanings set forth below:

“*Act*” means the “Special District Act,” Title 32, Article 1, C.R.S.

“*Additional Obligations*” means (a) all obligations of the District for borrowed money and reimbursement obligations, (b) all obligations of the District payable from or constituting a lien or encumbrance upon ad valorem tax revenues of the District or any part of the Pledged Revenue, (c) all obligations of the District evidenced by bonds, debentures, notes, or other similar instruments, including without limitation any Parity Bonds and Subordinate Obligations, (d) all obligations of the District to pay the deferred purchase price of property or services, (e) all obligations of the District as lessee under leases, but excluding such obligations outstanding from time to time with respect to which the aggregate maximum repayment costs for all terms thereof do not exceed \$500,000, and (f) all obligations of others guaranteed by the District; provided that notwithstanding the foregoing, the term “Additional Obligations” does not include:

(i) obligations which do not obligate the District to impose any tax, fee, or other governmental charge and either: (A) are subject to termination by the District at least annually; or (B) the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor (other than leases as set forth in (e) above);

(ii) obligations issued solely for the purpose of paying operations and maintenance costs of the District and either: (A) are subject to termination by the District at least annually; or (B) the repayment of which is contingent upon the District's annual determination to appropriate moneys therefor (other than leases as set forth in (e) above);

(iii) obligations which are payable solely from the proceeds of Additional Obligations, when and if issued;

(iv) obligations payable solely from periodic, recurring service charges imposed by the District for the use of any District facility or service, which obligations do not constitute a debt or indebtedness of the District or an obligation required to be approved at an election under State law;

(v) obligations with respect to which the District has irrevocably committed funds equal to the full amount due or to become due thereunder;

(vi) obligations to reimburse any person in respect of surety bonds, financial guaranties, letters of credit, or similar credit enhancements so long as (A) such surety bonds, financial guaranties, letters of credit, or similar credit enhancements guarantee payment of principal or interest on any Parity Bonds or Subordinate Obligations, and (B) the reimbursement obligation does not arise unless payment of an equivalent amount (or more) of principal on the Parity Bonds or Subordinate Obligations has been made, and (C) such reimbursement obligations are payable from the same or fewer revenue sources, with the same or a subordinate lien priority as the Parity Bonds or Subordinate Obligations supported by the surety bonds, financial guaranties, letters of credit, or similar credit enhancements; and

(vii) any payroll obligations, accounts payable, or taxes incurred or payable in the ordinary course of business of the District; and

(viii) any obligation payable solely from Assessments.

“*Assessments*” means assessments collected by a Taxing District within a special improvement district established by a Taxing District in accordance with the provisions of Section 32-1-1101.7, C.R.S., or any successor statute, including the revenue derived from any action to enforce the collection of such assessments, and the revenue derived from the sale or other disposition of property acquired by the Taxing District from any action to enforce the collection of such assessments.

“*Authorized Denominations*” means the amount of \$5,000 or any integral multiple of \$1,000 in excess thereof.

“*Beneficial Owner*” means any person for which a Participant acquires an interest in the Bonds.

“*Board*” means the Board of Directors of the District.

“*Bond Counsel*” means any firm of nationally recognized municipal bond attorneys selected by the District and experienced in the issuance of municipal bonds and the exclusion of the interest thereon from gross income for federal income tax purposes.

“*Bond Fund*” means the “Raindance Metropolitan District No. 2 Limited Tax General Obligation Refunding Bonds, Series 2024, Bond Fund,” established by Section 3.02 hereof for the purpose of paying the principal of, premium if any, and interest on the Bonds.

“*Bond Insurance Policy*” means the [Municipal Bond Insurance Policy] issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.

“*Bond Insurer*” shall mean [_____], or any successor thereto or assignee thereof.

“*Bond Insurer Default*” means the occurrence and continuance of one or more of the following events, in each case subject to the Bond Insurer’s rights of subrogation as provided herein: (a) the Bond Insurer has failed to make any payment under the Bond Insurance Policy when due and owing in accordance with its terms; or (b) the Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar proceeding or the filing of any such petition, which proceeding or filing is not discharged or terminated within ninety (90) days from the commencement date or filing date thereof, as applicable, (ii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iii) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (iv) make a general assignment for the benefit of creditors, or (v) take action for the purpose of effecting any of the foregoing; or (c) any state or federal agency or instrumentality shall order the suspension of payment on the Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the Bond Insurer (including without limitation under the New York insurance law), which order or approval is not discharged or terminated within ninety (90) days from the date it was granted.

[“*Bond Insurer Reimbursement Amounts*” has the meaning specified in Section 11.15 hereof.]

“*Bond Resolution*” means the resolution authorizing the issuance of the Bonds and the execution of this Indenture, certified by the Secretary or Assistant Secretary of the District to have been duly adopted by the District and to be in full force and effect on the date of such certification, including any amendments or supplements made thereto.

“*Bond Year*” means the period commencing on the date of issuance of the Bonds through and including December 1, 2024, and thereafter, the period from December 2 of any calendar year through and including December 1 of the following calendar year.

“*Bonds*” means the Limited Tax General Obligation Refunding Bonds, Series 2024, in the aggregate principal amount of \$[_____] dated as of the date of issuance, and issued by the District pursuant to this Indenture and the Bond Resolution.

“*Business Day*” means a day on which the Trustee or banks or trust companies in Denver, Colorado, or in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

“*Cede*” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“*Certified Public Accountant*” means a certified public accountant within the meaning of Section 12-100-112, C.R.S., and any amendment thereto, licensed to practice in the State.

“*Code*” means the Internal Revenue Code of 1986, as amended and in effect as of the date of issuance of the Bonds.

“*Colorado Municipal Bond Supervision Act*” means Title 11, Article 59, C.R.S.

“*Consent Party*” means the Owner of a Bond or, if such Bond is held in the name of Cede, the Participant (as determined by a list provided by DTC) with respect to such Bond, or if so designated in writing by a Participant, the Beneficial Owner of such Bond.

“*Costs of Issuance Fund*” means the “Raindance Metropolitan District No. 2 Limited Tax General Obligation Refunding Bonds, Series 2024, Costs of Issuance Fund,” established by Section 3.02 hereof.

“*Counsel*” means a person, or firm of which such person is a member, authorized in any state to practice law.

“*County*” means Weld County, Colorado.

“*C.R.S.*” means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

“*Depository*” means any securities depository that the District may provide and appoint, in accordance with the guidelines of the Securities and Exchange Commission, which shall act as securities depository for the Bonds.

“*District*” means Raindance Metropolitan District No. 2, Town of Windsor, Colorado.

“*District No. 2 Bonds*” means, collectively: (i) Limited Tax General Obligation Bonds, Series 2019A, issued in the aggregate principal amount of \$19,310,000, pursuant to an Indenture of Trust (Senior) dated as of December 1, 2019, by and between the District and U.S. Bank National Association, as trustee, which District No. 2 2019A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2019B, issued in the aggregate principal amount of \$4,575,000, pursuant to an Indenture of Trust (Subordinate) dated as of December 1, 2019, by and between the

District and U.S. Bank National Association, as trustee, which District No. 2 2019B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

“*District No. 2 Escrow Account*” means the “Escrow Account” established by and held in accordance with the District No. 2 Escrow Agreement.

“*District No. 2 Escrow Agent*” means U.S. Bank National Association, in its capacity as escrow agent under the District No. 2 Escrow Agreement.

“*District No. 2 Escrow Agreement*” means the Refunding Escrow Agreement dated September __, 2024, between the District and U.S. Bank National Association, in its capacity as escrow agent under the District No. 2 Escrow Agreement.

“*District No. 3*” means Raindance Metropolitan District No. 3, Town of Windsor, Colorado.

“*District No. 3 Bonds*” means, collectively: (i) Limited Tax General Obligation Bonds, Series 2018A, issued in the aggregate principal amount of \$16,450,000, pursuant to an Indenture of Trust (Senior) dated as of May 1, 2018, by and between District No. 3 and U.S. Bank National Association, as trustee, which District No. 3 2018A Senior Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and (ii) Subordinate Limited Tax General Obligation Bonds, Series 2018B, issued in the aggregate principal amount of \$2,840,000, pursuant to an Indenture of Trust (Subordinate) dated as of May 1, 2018, by and between District No. 3 and UMB Bank, n.a., as trustee, which District No. 3 2018B Subordinate Bonds are presently outstanding in the aggregate principal amount of \$[_____]; and

“*District No. 3 Escrow Account*” means the “Escrow Account” established by and held in accordance with the District No. 3 Escrow Agreement.

“*District No. 3 Escrow Agent*” means [U.S. Bank National Association][**CONFIRM**], in its capacity as escrow agent under the District No. 3 Escrow Agreement.

“*District No. 3 Escrow Agreement*” means the Refunding Escrow Agreement dated September __, 2024, between the District, District No. 3 and [U.S. Bank National Association], in its capacity as escrow agent under the District No. 3 Escrow Agreement.

“*District Representative*” means the District President or the person or persons at the time designated to act on behalf of the District by the Bond Resolution or as designated by written certificate furnished to the Trustee containing the specimen signatures of such person or persons and signed on behalf of the District by its President and attested by its Secretary, and any alternate or alternates designated as such therein.

“*DTC*” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns. References herein to DTC shall include any nominee of DTC in whose name any Bonds are then registered.

“*Election*” means the election held within the District on Tuesday, May 6, 2014.

“*Event of Default*” means any one or more of the events set forth in Section 8.01 hereof.

“*Facilities*” means public facilities the debt for which was approved at an election of eligible electors of the District and District No. 3, including without limitation necessary or appropriate equipment.

“*Federal Securities*” means direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“*Final Assessed Valuation*” means the final certified assessed valuation of all taxable property of the District and District No. 3, as applicable, as calculated and recorded by the County Assessor on or about December 10 of each year, or on such other date as may be established by law for the annual final certification of assessed valuation.

“*Fiscal Year*” means the 12-month period ending December 31 of each calendar year.

“*Indenture*” means this Indenture of Trust as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

“*Interest Payment Date*” means June 1 and December 1 of each year, commencing December 1, 2024, and continuing for so long as the Bonds are Outstanding.

“*Letter of Representations*” means the Blanket District Letter of Representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC.

“*Outstanding*” or “*Outstanding Bonds*” means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation because of payment at maturity or prior redemption;

(b) Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been theretofore deposited with the Trustee, or Bonds for the payment or redemption of which moneys or Federal Securities in an amount sufficient (as determined pursuant to Section 7.01(b) hereof) shall have been placed in escrow and in trust; and

(c) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to Section 2.06 or Section 2.09 hereof.

“*Owner(s)*” or “*Owner(s) of Bonds*” means the registered owner(s) of any Bond(s) as shown on the registration books maintained by the Trustee, including the Depository for the Bonds, if any, or its nominee.

“*Parity Bonds*” means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof on parity with the lien

thereon of the Bonds, and any other obligation secured by a lien on any ad valorem property taxes of a Taxing District and designated by the District, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Parity Bond hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04 hereof. Any Parity Bonds hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District, and shall be designated in such resolutions, indentures or other documents as constituting Parity Bonds hereunder.

“*Parity Bonds Reserve Requirement*” means, with respect to any particular series of Parity Bonds, an amount set forth in the documents authorizing such Parity Bonds, but not less than the least of the following (calculated as of the date of issuance of such Parity Bonds): (a) 10% of the principal amount of such Parity Bonds; (b) the maximum annual debt service in any calendar year on such Parity Bonds; or (c) 125% of the average annual debt service on such Parity Bonds; provided, however, that the Parity Bonds Reserve Requirement may be reduced if, in the opinion of Bond Counsel, the funding or maintenance of it at the level otherwise determined pursuant to this definition will adversely affect the exclusion from gross income for federal income tax purposes of interest on any of the Bonds or Parity Bonds.

“*Participants*” means any broker-dealer, bank, or other financial institution from time to time for which DTC or another Depository holds the Bonds.

“*Permitted Investments*” means any investment or deposit the District is permitted to make under then applicable law.

“*Pledge Agreement*” means the Capital Pledge Agreement dated as of [September] 1, 2024, by and among the District, District No. 3 and the Trustee, as the same may be amended or supplemented from time to time.

“*Pledged Revenue*” means the following:

- (a) all Property Tax Revenues;
- (b) all Specific Ownership Tax Revenues; and
- (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

“*Policy Costs*” means repayment of draws under the Reserve Policy, if any, plus all related expenses incurred by the Bond Insurer, plus accrued interest thereon, all to the extent payable by the District in accordance with the provisions herein.

“*Property Tax Revenues*” means all moneys derived from imposition of the Required Mill Levy by the Taxing Districts. 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, Property Tax Revenues do not include specific ownership tax revenues.)

“*Record Date*” means the 15th day of the calendar month next preceding each Interest Payment Date.

“*Refunded Bonds*” means, collectively, the District No. 2 Bonds and the District No. 3 Bonds.

“*Refunding Parity Bonds*” means Parity Bonds issued solely for the purpose of refunding all or any portion of the Bonds, any other Parity Bonds, or Subordinate Obligations; provided, however, that proceeds of such Parity Bonds may also be applied to pay all expenses in connection with such refunding, to fund reserve funds and capitalized interest, and to pay the costs of letters of credit, credit facilities, interest rate exchange agreements, bond insurance, or other financial products pertaining to such refunding.

“*Required Mill Levy*” has the meaning assigned it in the Pledge Agreement.

“*Reserve Fund*” means the “Raindance Metropolitan District No. 2 Limited Tax General Obligation Refunding Bonds, Series 2024, Reserve Fund,” established by Section 3.02 hereof.

“*Reserve Policy*” means the [Municipal Bond Debt Service Reserve Insurance Policy] issued by the Bond Insurer providing for the funding of the Reserve Requirement for the Bonds.

“*Reserve Requirement*” means \$[_____].

“*Senior Debt*” means, for any particular calculation date, the aggregate outstanding principal amount (or, if issued as capital appreciation bonds, the then accreted value), as of such calculation date, of the Bonds and any Parity Bonds. (For the avoidance of doubt, any Subordinate Obligations issued in accordance with the provisions of Section 4.04(d) hereof do not constitute Senior Debt.)

“*Senior Debt to Assessed Ratio*” means, as of any date of calculation, the ratio derived by dividing the then-outstanding principal amount of Senior Debt by the most recent Final Assessed Valuation of the Taxing Districts, which ratio calculation shall be set forth in a written certificate of the District Representative provided to the Trustee; provided, however, that the Final Assessed Valuation of District No. 3 shall be included in such calculation only if all of the Senior Debt is then secured by the Pledge Agreement or District No. 3 is otherwise obligated to impose ad valorem property taxes for the payment thereof.

“*Service Plan*” means the Service Plan for the Raindance Districts approved by Town Board of the Town of Windsor, Colorado on March 24, 2014, as may be amended or restated from time to time.

“*Special Record Date*” means the record date for determining Bond ownership for purposes of paying unpaid interest, as such date may be determined pursuant to this Indenture.

“*Specific Ownership Tax Revenues*” means the specific ownership taxes remitted to the Taxing Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of its imposition of the Required Mill Levy.

“*State*” means the State of Colorado.

“*Subordinate Obligations*” means any bonds, notes, debentures, or other multiple fiscal year financial obligations having a lien upon the Pledged Revenue or any part thereof junior and subordinate to the lien thereon of the Bonds, and any other obligation secured by a lien on any ad valorem property taxes of a Taxing District and designated by the District, in the resolutions, indentures, or other documents pursuant to which such obligations are issued, as constituting a Subordinate Obligation hereunder, provided that such obligations are required to be issued in accordance with the provisions of Section 4.04(d) hereof. Any Subordinate Obligations hereafter issued may be issued pursuant to such resolutions, indentures, or other documents as may be determined by the District.

“*Supplemental Act*” means the “Supplemental Public Securities Act,” being Title 11, Article 57, Part 2, C.R.S., as amended.

“*Tax Certificate*” means the certificate to be signed by the District relating to the requirements of Sections 103 and 141-150 of the Code, and any amendment or modification of any such certificate, instrument or instructions that is accompanied by an opinion of Bond Counsel stating that the amendment or modification will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

“*Taxing Districts*” means, collectively, the District and District No. 3.

“*Trust Estate*” means the moneys, securities, revenues, receipts, and funds transferred, pledged, and assigned to the Trustee pursuant to the Granting Clauses hereof.

“*Trustee*” means U.S. Bank National Association, Denver, Colorado, in its capacity as trustee hereunder, or any successor Trustee, appointed, qualified, and acting as trustee, paying agent, and bond registrar under the provisions of this Indenture.

“*Trustee Fees*” means the amount of the fees and expenses of the Trustee charged or incurred in connection with the performance of its ordinary services and duties hereunder (and under any other indenture entered into by the District in connection with Parity Bonds or Subordinate Obligations), as the same become due and payable, as described in Section 9.02(a) hereof, but not in excess of \$4,000 annually per bond issue then outstanding; provided, however, that this definition does not include expenses incurred by the Trustee in connection with the performance of extraordinary services and duties as described in Section 9.02(b) hereof, which expenses shall be payable by the District in accordance with the provisions thereof. [CONFIRM]

“*Underwriter*” means RBC Capital Markets LLC, Denver, Colorado, the original purchaser of the Bonds.

Section 1.02 Interpretation. In this Indenture, unless the context otherwise requires:

(a) the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof,” and any similar term, refer to this Indenture as a whole and not to any particular article, section, or subdivision hereof; the term “heretofore” means before the date of execution of this Indenture, the term “now” means at the date of execution of this Indenture, and the term “hereafter” means after the date of execution of this Indenture;

(b) words of the masculine gender include correlative words of the feminine and neuter genders; words importing the singular number include the plural number and vice versa; and the word “person” or similar term includes, but is not limited to, natural persons, firms, associations, corporations, partnerships, and public bodies;

(c) the captions or headings of this Indenture, and the table of contents appended to copies hereof, are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Indenture;

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles;

(e) in no event shall the term “available” when used to modify revenue described herein be interpreted to mean that the Trustee or the District has any discretion to determine that only a portion of such revenue shall be applied as provided herein; and

(f) all exhibits referred to herein are incorporated herein by reference.

Section 1.03 Computations. Unless the facts shall then be otherwise, all computations required for the purposes of this Indenture shall be made on the assumption that: (a) the principal of and interest on all Bonds shall be paid as and when the same become due as therein and herein provided; and (b) all credits required by this Indenture to be made to any fund shall be made in the amounts and at the times required.

Section 1.04 Exclusion of Bonds Held By The District. In determining whether the Consent Parties with respect to the requisite principal amount of the Outstanding Bonds have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Bonds for which the District is the Consent Party shall be disregarded and deemed not to be Outstanding.

Section 1.05 Certificates and Opinions.

(a) Except as otherwise specifically provided in this Indenture, each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include: (i) a statement that the person making the certificate or opinion has read the covenant or condition and the definitions herein relating thereto; (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (iii) a statement that, in the opinion of such person, he has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether the covenant or condition has been complied with; (iv) a statement as to whether, in the opinion of such person, the condition or covenant has been complied with; and (v) an identification of any certificate or opinion relied on in such certificate or opinion.

(b) Any opinion of Counsel may be qualified by reference to the constitutional powers of the United States of America, the police and sovereign powers of the State, judicial discretion, bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors’ rights or municipal corporations or similar matters.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the District may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, Counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the District stating that the information with respect to such factual matters is in the possession of the District, unless such Counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

(e) When any person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments under this Indenture, such instruments may, but need not, be consolidated to form one instrument.

Section 1.06 Acts of Consent Parties.

(a) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Consent Parties may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Consent Party in person or by agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, the District. Proof of execution of any such instrument or of a writing appointing any such agent made in the manner set forth in subsection (b) hereof shall be sufficient for any purpose of this Indenture and (subject to Section 9.01 hereof) conclusive in favor of the Trustee and the District.

(b) The fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(c) Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by the Consent Parties with respect to a specified percentage or portion of the Outstanding Bonds shall be conclusive

and binding upon all present and future Owners and Consent Parties if the Consent Parties with respect to the specified percentage or portion of the Outstanding Bonds take such action in accordance herewith; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder. In addition, any request, demand, authorization, direction, notice, consent, waiver, or other action by any Consent Party (notwithstanding whether such action was also taken by any other Owner or Consent Party) shall bind the Owner and the Consent Party, and the Owner of and Consent Party with respect to every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the District in reliance thereon; and it shall not be necessary to make notation of such action on any Bond authenticated and delivered hereunder.

Section 1.07 Indenture to Constitute Contract. This Indenture shall constitute a contract among the District, the Trustee, the Bond Insurer, and the Owners, and shall remain in full force and effect until the Bonds are no longer Outstanding hereunder and all amounts owing to the Bond Insurer have been paid in full.

ARTICLE II THE BONDS

Section 2.01 Authorization, Terms, Payment, and Form of Bonds.

(a) In accordance with the Constitution of the State; the Supplemental Act; the Election; Title 32, Article 1, Parts 11 and 13, C.R.S.; and all other laws of the State thereunto enabling, there shall be issued the Bonds for the purposes hereinafter stated. The aggregate principal amount of the Bonds that may be authenticated and delivered under this Indenture is limited to and shall not exceed \$[_____], except as provided in Section 2.06 and Section 2.09 hereof.

(b) The Bonds shall be issued only as fully registered Bonds without coupons in Authorized Denominations. Unless the District shall otherwise direct, the Bonds shall be numbered separately from 1 upward, with the number of each Bond preceded by “R-.”

(c) The Bonds shall be dated as of the date of issuance, and shall mature on the dates and in the aggregate principal amounts, and shall bear interest at the rates per annum, set forth in the following table, such interest to be calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of Pledged Revenue available therefor semiannually on each June 1 and December 1, commencing on December 1, 2024:

<u>Principal Amount</u>	<u>Maturity Date</u> <u>(December 1)</u>	<u>Interest Rate</u>
\$		%

(d) The maximum net effective interest rate authorized for this issue of Bonds pursuant to the Election is 18% per annum, and the actual net effective interest rate of the Bonds does not exceed such maximum rate. The maximum repayment costs of the Bonds do not exceed the limitations of the Election. The maximum annual debt service on the Bonds does not exceed the maximum annual tax increases authorized in the Election.

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

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

(g) To the extent principal of any Bond is not paid when due, such principal shall remain Outstanding until paid. To the extent interest on any Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein to the contrary, the District shall not be obligated to pay more than the amount permitted by law and the Election in repayment of the Bonds, including all payments of principal, premium if any, and interest, and all Bonds will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

(h) Subject to the provisions of this Indenture, the Bonds shall be in substantially the form set forth in Exhibit A attached hereto, with such variations, omissions, and insertions as may be required by the circumstances, be required or permitted by this Indenture, or be consistent with this Indenture and necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto. The District may cause a copy of the text of the opinion of Bond Counsel to be printed on the Bonds. Pursuant to the recommendations promulgated by the Committee on Uniform Security Identification Procedures, "CUSIP" numbers may be printed on the Bonds. The Bonds may bear such other endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02 Purpose of Issuance of Bonds. The Bonds are being issued for the purpose of: (a) refunding the Refunded Bonds and (b) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds (including the premium for the Bond Insurance Policy and the Reserve Policy).

Section 2.03 Trustee as Paying Agent and Bond Registrar.

(a) The Trustee shall perform the functions of paying agent and authenticating registrar with respect to the Bonds. The Trustee shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions hereof. The District shall cause the Underwriter to provide the Trustee with an initial registry of the Owners within a reasonable time prior to delivery of the Bonds. The District shall be permitted to review the registration books at any time during the regular business hours of the Trustee and, upon written request to the Trustee, shall be provided a copy of the list of Owners of the Bonds. Upon the termination of this Indenture, the Trustee shall promptly return such registration books to the District.

(b) The Trustee shall make payments of principal and interest on the Bonds on each date established herein for payment thereof, in the manner and from the sources set forth herein.

(c) The Trustee will register, exchange, or transfer (collectively, "transfer") the Bonds in the manner provided herein. The Trustee reserves the right to refuse to transfer any Bond until it is satisfied that the endorsement on the Bond is valid and genuine, and for that purpose it may require a guarantee of signature by a firm having membership in the NYSE Chicago, New York Stock Exchange or NYSE American, or by a bank or trust

company or firm approved by it. The Trustee also reserves the right to refuse to transfer any Bond until it is satisfied that the requested transfer is legally authorized, and it shall incur no liability for any refusal in good faith to make a transfer which it, in its judgment, deems improper or unauthorized.

(d) The District shall furnish the Trustee with a sufficient supply of blank Bonds for the sole purpose of effecting transfers in accordance herewith and from time to time shall renew such supply upon the request of the Trustee. Blank Bonds shall be signed and sealed by the District in the manner set forth herein.

(e) In the event the District receives any notice or order which limits or prohibits dealing in the Bonds, it will immediately notify the Trustee of such notice or order and give a copy thereof to the Trustee.

(f) In any circumstances concerning the payment or registration of the Bonds not covered specifically by this Indenture, the Trustee shall act in accordance with federal and state banking laws and its normal procedures in such matters.

Section 2.04 Execution of Bonds; Signatures. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the President of the District, sealed with a manual impression or facsimile reproduction or electronic reproduction or inclusion of the image of its corporate seal, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the District. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the District before the Bonds have been authenticated by the Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Trustee and delivered, and may be sold by the District, as though the person or persons who signed such Bonds had remained in office.

Section 2.05 Persons Treated as Owners. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Trustee shall be affected by notice to the contrary.

Section 2.06 Lost, Stolen, Destroyed, or Mutilated Bonds. Any Bond that is lost, stolen, destroyed, or mutilated may be replaced (or paid if the Bond has matured or come due by reason of prior redemption) by the Trustee in accordance with and subject to the limitations of applicable law. The applicant for any such replacement Bond shall post such security, pay such costs, provide such indemnification satisfactory to the Trustee, and present such proof of ownership and loss as may be required by the Trustee. If lost, stolen, destroyed or mutilated, (a) the District shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same series, date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07 Delivery of Bonds. Upon the execution and delivery of this Indenture, the District shall execute the Bonds and deliver them to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to or for the account of the purchasers thereof, directed by the District and in accordance with a written certificate of the District. The Trustee shall be entitled to conclusively rely upon such direction and authorization from the District as to the names of the purchasers and the amount of such purchase price.

Section 2.08 Trustee's Authentication Certificate. The Trustee's certificate of authentication upon the Bonds shall be substantially in the form and tenor set forth in Exhibit A attached hereto. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit hereunder unless and until a certificate of authentication on such Bond substantially in such form shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09 Registration, Exchange, and Transfer of Bonds.

(a) The Trustee shall act as bond registrar and maintain the books of the District for the registration of ownership of each Bond as provided herein.

(b) Bonds may be exchanged at the designated office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. Bonds may be transferred upon the registration books upon delivery of the Bonds to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Bond shall be effective until entered on the registration books. In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the registration books, and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions hereof.

(c) The Trustee shall charge the Owner of such Bond for every such transfer or exchange of a Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(d) The District and Trustee shall not be required to issue or transfer any Bonds: (i) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date, or (ii) during the period beginning at the opening of business on a date 45 days prior to the

date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

(e) New Bonds delivered upon any transfer or exchange shall be valid obligations of the District, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.10 Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture and upon payment of the principal amount, premium if any, and interest due thereon, or whenever any Outstanding Bond shall be delivered to the Trustee for transfer pursuant to the provisions hereof, such Bond shall be cancelled by the Trustee in accordance with the customary practices of the Trustee and applicable retention laws.

Section 2.11 Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the District nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The District and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the District pursuant to this Indenture.

(c) Notwithstanding any provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede, all payments with respect to the principal of and interest on such Bond shall be made as provided in the Letter of Representations.

(d) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the District or, if the District determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the District that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III REVENUES AND FUNDS

Section 3.01 Source of Payment of Bonds. The Bonds shall constitute limited tax general obligations of the District payable from the Pledged Revenue as provided herein. Principal of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of the Pledged Revenue, including all moneys and earnings thereon held in the funds and accounts herein created, and the Pledged Revenue is hereby pledged to the payment of the Bonds. The Bonds shall constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive lien. The Bonds are secured by a lien on the Pledged Revenue on parity with the lien thereon of any Parity Bonds issued hereafter.

Section 3.02 Creation of Funds and Accounts. There are hereby created and established the following funds and accounts, which shall be established with the Trustee and maintained by the Trustee in accordance with the provisions of this Indenture:

- (a) the Bond Fund;
- (b) the Reserve Fund; and
- (c) the Costs of Issuance Fund.

Section 3.03 Initial Credits. Immediately upon issuance of the 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, of \$[_____] to the Bond Insurer for payment of the premium for the issuance of the Bond Insurance Policy and \$[_____] to the Bond Insurer for payment of the premium for the issuance of the Reserve Policy), the Trustee shall make the following credits or transfers and deposits:

- (a) To the District No. 2 Escrow Agent, the amount of \$[_____] for deposit to the District No. 2 Escrow Account and subsequent application, together with \$[_____] of legally available monies of the District deposited thereto, to redemption of the District No. 2 2019A Senior Bonds on December 1, 2024, and redemption of the District No. 2 2019B Subordinate Bonds on December 1, 2024; and

(b) To the District No. 3 Escrow Agent, the amount of \$[_____] for deposit to the District No. 3 Escrow Account and subsequent application, together with \$[_____] of legally available monies of District No. 3 deposited thereto, to redemption of the District No. 3 2018A Senior Bonds on December 1, 2024, and redemption of the District No. 3 2018B Subordinate Bonds on December 15, 2024; and

(c) to the Costs of Issuance Fund, the amount of \$[_____].

Section 3.04 Application of Pledged Revenue. The District is to transfer all amounts comprising 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 Pledged Revenue received by the District in a calendar month is less than \$50,000, the 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 Pledged Revenue received in January, February or March, no later than July 15th for Pledged Revenue received in April, May or June, no later than October 15th for Pledged Revenue received in July, August or September, and no later than January 15th for Pledged Revenue received in October, November or December). **IN NO EVENT IS THE DISTRICT PERMITTED TO APPLY ANY PORTION OF THE PLEDGED REVENUE TO ANY OTHER PURPOSE, OR TO WITHHOLD ANY PORTION OF THE PLEDGED REVENUE.** The Trustee shall credit all Pledged Revenue as received in the following order of priority (excluding the Pledged Revenue described in clause (c) of the definition thereof, which is to be deposited directly to the Bond Fund). 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 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 this 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 Bond Fund, the amounts required by Section 3.05 hereof entitled “Bond Fund,” 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 Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds for the then current Bond Year;

THIRD: To the Bond Insurer, any Policy Costs then owing to it in connection with the Reserve Policy, in accordance with Section 3.06 hereof, and to the credit of any other similar fund or account established to secure payment of the principal of, premium if any,

and interest on any Parity Bonds, the amounts required by the resolution or other enactment authorizing issuance of the Parity Bonds;

FOURTH: To the Bond Insurer, for any amounts not payable pursuant to SECOND or THIRD above;

FIFTH: 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 Pledged Revenue received for the remainder of the 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 FIFTH, shall be released from the lien hereof and shall thereafter no longer constitute "Pledged Revenue" hereunder).

In the event that any Pledged Revenue is available to be disbursed in accordance with clause FIFTH 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 Pledged Revenue available for disbursement pursuant to FIFTH above, the Pledged Revenue applied in FIRST through FOURTH above shall be deemed to be funded, first, from Property Tax Revenues resulting from imposition of the Required Mill Levy, and second, from Specific Ownership Tax Revenues resulting from imposition of the Required Mill Levy.

The District covenants 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 Tax Revenues in any Bond Year to pay annual debt service on the Bonds (including any Bond Insurer Reimbursement Amounts) and any Parity Bonds and to fund such funds and accounts as are required in accordance with the terms hereof and the resolution, indenture or other enactment authorizing such Parity Bonds (including to replenish the Reserve Fund to the Reserve Requirement, to pay any Policy Costs due to the Bond Insurer as a result of a draw on the Reserve Policy, and to replenish any similar fund or account securing Parity Bonds to the Parity Bonds Reserve Requirements or pay any similar policy costs, if needed), and only after the funding of such payments and accumulations required in such 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 Bond Year after first providing for the full payment and accumulation of all amounts due on the Bonds and any Parity Bonds in such Bond Year. Property tax revenues from or relating to a debt service mill levy received by or on behalf of the District from District No. 3 shall similarly be designated, first, as Property Tax Revenues payable under the Pledge Agreement until the funding and accumulation of amounts required with respect to the Bonds and Parity Bonds in the applicable Bond Year, and the debt service property tax levy imposed by District No. 3 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 Bond Year after first providing for the full payment and accumulation of all amounts due on the Bonds and any Parity Bonds in such Bond Year.

Section 3.05 Bond Fund. There shall be credited to the Bond Fund each Bond Year an amount of Pledged Revenue which, when combined with other legally available moneys in the Bond Fund (not including moneys deposited thereto from other funds pursuant to the terms hereof), will be sufficient to pay the principal of, premium if any, and interest on the Bonds which has or will become due in the Bond Year in which the credit is made, including as a result of mandatory sinking fund redemption in accordance with Section 5.01(b) hereof.

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

FIRST: to the payment of interest due in connection with the 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 Bond Fund after the payment of such interest, to the payment of the principal of and premium, if any, on the Bonds, whether due at maturity or upon prior redemption.

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

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

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

Moneys credited to the Bond Fund may be invested or deposited as provided in Section 6.01 hereof.

Section 3.06 Reserve Fund; Reserve Policy Provisions.

(a) **[ALL RESERVE POLICY PROVISIONS TO BE CONFORMED TO REQUIREMENTS OF BOND INSURER COMMITMENT, WHEN AGREED UPON]** On the date of issuance of the Bonds, there shall be deposited into the Reserve Fund the Reserve Policy, in satisfaction of the Reserve Requirement. Moneys in the Reserve Fund (comprised of amounts drawn on the Reserve Policy) shall be used solely for the purpose of paying the principal of and interest on the Bonds to the extent the moneys in the Bond Fund are insufficient for such purpose. The Trustee shall transfer moneys from the Reserve Fund to the Bond Fund (from amounts drawn on the Reserve Policy) to pay the principal of or interest on the Bonds to the extent moneys on deposit in the Bond Fund

are insufficient therefor on any Interest Payment Date. Under no circumstances is the District obligated to replace the Reserve Policy with cash to fund the Reserve Requirement. The remaining provisions of the Section 3.06 apply with respect to the Reserve Policy, notwithstanding any other provision contained in this Indenture.

- (b) (i) The District shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer and shall pay interest thereon from the date of payment by the Bond Insurer at the Reserve Policy Late Payment Rate. “Reserve Policy Late Payment Rate” means the lesser of (x) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then-applicable highest rate of interest on the Bonds and (y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Reserve Policy Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Bond Insurer shall specify. If the interest provisions of this subparagraph (i) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, including the electoral authorization of the Election, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Bond Insurer, with the same force and effect as if the District had specifically designated such extra sums to be so applied and the Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.
- (ii) Repayment of Policy Costs at the Reserve Policy Late Payment Rate 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 Policy Costs related to such draw.
- (iii) The District shall repay any draws under the Reserve Policy and pay all other Policy Costs required as set forth above solely from the Pledged

Revenue as Pledged Revenue is available therefor in accordance with Section 3.04 hereof.

(iv) Amounts in respect of Policy Costs paid to the 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 Bond Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. The obligation to pay Policy Costs, shall be secured by a valid lien on all revenues and other collateral pledged as security for the Bonds (subject only to the priority of payment provisions set forth under the Indenture).

(v) All cash and investments in the Reserve Fund shall be transferred to the Bond Fund for payment of debt service on Bonds before any drawing may be made on the Reserve Policy or any other credit instrument credited to the Reserve Fund in lieu of cash (herein, a "Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the 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 Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. Repayment of all Policy Costs and the replenishment of the Reserve Fund shall be made on a pari passu basis with payments and replenishments required to be made under the Indenture with respect to reserve funds, if any, securing any outstanding parity obligations. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument 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.

(c) If the District shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (b) hereof, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than remedies which would adversely affect owners of the Bonds.

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

(e) The District shall include any Policy Costs then due and owing the Bond Insurer in the calculation of the Additional Obligations (see Section 4.04 herein) and the Required Mill Levy (see Section 4.02 herein) hereunder.

(f) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of subparagraph (b) hereof and provide notice to the Bond Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the District with the Trustee to the Bond Fund for the Bonds more often than semi-annually, the Trustee shall give notice to the Bond Insurer of any failure of the District to make timely payment in full of such deposits within two Business Days of the date due.

(g) Notwithstanding anything to the contrary herein, the obligations of the District with respect to the Reserve Policy shall be governed by this Section 3.06.

Section 3.07 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, which may take the form of a closing memorandum prepared by the Underwriter which includes a summary of approved costs of issuance, to the payment of costs in connection with the issuance of the 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 Bonds. The Trustee may rely conclusively on any such direction and shall not be required to make any independent investigation in connection therewith. Any amounts remaining in the Costs of Issuance Fund on the date that is 90 days after the date of issuance of the Bonds shall be transferred by the Trustee into the Bond Fund.

Section 3.08 Trustee's Fees, Charges, and Expenses. The District shall pay the Trustee's fees for services rendered hereunder in accordance with its then-current schedule of fees and reimburse the Trustee for all advances, legal fees, and other expenses reasonably or necessarily made or incurred by, in, or about the execution of the trust created by this Indenture and in or about the exercise and performance of the powers and duties of the Trustee hereunder and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever, unless such liabilities resulted from the negligence or willful misconduct of the Trustee.

Section 3.09 Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and except for amounts due and owing to the Trustee for its fees and expenses in performance of its duties hereunder, shall constitute part of the Trust Estate and be subject to the lien hereof. Except to the extent otherwise specifically provided in Article VII and Section 8.05 hereof, and except with respect to Pledged Revenue to be disbursed to the District as provided in clause FIFTH of Section 3.04 hereof, the District shall have no claim to or rights in any moneys deposited with or paid to the Trustee hereunder.

Section 3.10 Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of Pledged Revenue and funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, and the Bond Resolution. The Pledged Revenue pledged to the payment of the Bonds shall

immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall be on parity with the lien thereon of the Parity Bonds (if any), excluding the Pledged Revenue described in clause (c) of the definition thereof. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

ARTICLE IV COVENANTS OF DISTRICT

Section 4.01 Performance of Covenants, Authority. The District covenants that it will faithfully perform and observe at all times any and all covenants, undertakings, stipulations, and provisions contained in the Bond Resolution, this Indenture, the Bonds, and all its proceedings pertaining hereto. The District covenants that it is duly authorized under the constitution and laws of the State, including, particularly and without limitation, the Act, to issue the Bonds and to execute this Indenture and that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds are and will be valid and enforceable obligations of the District according to the terms thereof.

Section 4.02 Covenant to Impose Required Mill Levy. For the purpose of paying the principal of, premium if any, and interest on the Bonds (including Bond Insurer Reimbursement Amounts) and, if necessary, replenishing the Reserve Fund to the Reserve Requirement (or repaying the Bond Insurer for Policy Costs related to the Reserve Policy, as applicable), the Board has covenanted, and hereby covenants, to impose the Required Mill Levy as provided in the Pledge Agreement.

Section 4.03 Instruments of Further Assurance. The District covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, and pledging unto the Trustee all and singular the Trust Estate.

Section 4.04 Additional Obligations.

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

(b) Any Additional Obligations secured by a lien on ad valorem property taxes of the District shall be issued as either Parity Bonds or Subordinate Obligations. The District shall not issue or incur any other Additional Obligations except as provided in subparagraph (c) of this Section with respect to Parity Bonds and in subparagraph (d) of this Section with respect to Subordinate Obligations, unless such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding.

(c) The District may issue Additional Obligations constituting Parity Bonds without the consent of the Consent Parties if each of the following conditions is met as of the date of issuance of such Additional Obligations:

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

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

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

(iv) In the event that the Parity Bonds are secured by a lien on ad valorem property taxes of the District or any other Taxing District, then (A) the maximum ad valorem mill levy (if any) pledged to the payment of the Parity Bonds, together with the Required Mill Levy required to be imposed hereunder and under the Pledge Agreement, shall be not higher than the maximum mill levy set forth in the definition of Required Mill Levy in the Pledge Agreement, and (B) the resolution, indenture or other document pursuant to which the Parity Bonds are issued shall provide that any ad valorem property taxes imposed for the payment of such Parity Bonds shall be applied in the same manner and priority as provided in Section 3.04 hereof with respect to the Pledged Revenue; and

(v) One of the following two conditions shall be satisfied:

(A) upon issuance of the Parity Bonds, the Senior Debt to Assessed Ratio of the District will be 50% or less; OR

(B) the proposed 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 Bonds and any other 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 Bonds and 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 Bonds or Parity Bonds outstanding immediately prior to the issuance of the Refunding Parity Bonds shall be deemed to increase the District's Parity Bonds debt service and shall not be permitted by this clause (B).

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

(i) the aggregate number of mills which any Taxing District promises to impose for payment of all Subordinate Obligations (including the Subordinate Obligations proposed to be issued) does not exceed 39 mills (adjusted as described in [clause (a)] of the definition of Required Mill Levy), less the Required Mill Levy required to be imposed hereunder and the mill levy required to be imposed for the payment of any Parity Bonds;

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

(iii) the Subordinate Obligations shall be payable as to both principal and interest only after interest and principal payments on the Bonds have been funded in full for the entire Bond Year.

(e) A written certificate by the President of the District that the conditions set forth herein are met shall conclusively determine the right of the District to authorize, issue, sell, and deliver Additional Obligations in accordance herewith.

(f) Except as provided in Section 4.04(a) hereof, nothing herein shall affect or restrict the right of the District to issue or incur additional debt or other financial obligations that are not Additional Obligations hereunder.

(g) Notwithstanding any other provision contained herein, under no circumstances shall the District issue 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.

Section 4.05 Additional Covenants and Agreements. The District hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the 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 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 Pledged Revenue is released to the District as provided in FIFTH of Section 3.04 hereof, 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.

(b) Subject to the Owners of a majority in aggregate principal amount of the Bonds assuming control of the enforcement of remedies upon default [ADD BOND INSURER AS APPLICABLE], the District will enforce the collection of all amounts payable to it under the Pledge Agreement in such time and manner as the District reasonably determines will be most efficacious in collecting the same and will diligently pursue all reasonable remedies available to the District with regard to such enforcement, whether at law or in equity. The District will not take any of the following actions without the prior written consent of the Consent Parties with respect to not less than a majority in aggregate principal amount of the Bonds then Outstanding: (i) reduce the amounts due to the District (or to the Trustee on behalf of the District) under the Pledge Agreement, (ii) amend or supplement the Pledge Agreement in any way which would materially adversely affect the amount of revenues to be paid to or on behalf of the District thereunder, or (iii) consent to the issuance of bonds, notes, or other obligations by District No. 3 (in the event such consent of the District is required under the Pledge Agreement).

**ARTICLE V
PRIOR REDEMPTION**

Section 5.01 Redemption.

(a) *Optional Redemption.* The Bonds maturing on and after December 1, 20[___] are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity, and in whole or partial maturities (and if in part in such order of maturities as the District shall determine and by lot within maturities), on December 1, 20[___] and on any date thereafter, upon payment of par plus accrued interest, with no redemption premium.

(b) *Mandatory Sinking Fund Redemption.* The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
	\$

*

* final maturity, not a sinking fund redemption

The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount
	\$

*

* final maturity, not a sinking fund redemption

The 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 Bonds, upon payment of par and accrued interest, without redemption premium, in the annual amounts set forth below:

Year of Redemption (December 1)	Redemption Amount \$
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*

* 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 Bonds, a principal amount of such Bonds equal to the applicable sinking fund installment. The amount of the applicable sinking fund installment for any particular date shall be reduced by the principal amount of any Bonds which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against a sinking fund installment. Such reductions shall be applied in such year or years as may be determined by the District. In the event that there are not sufficient moneys in the Bond Fund to pay the full amount due in accordance with the foregoing on any sinking fund installment date, the Trustee shall redeem as many Bonds as possible on such date in integral multiples of \$1,000, and any redemption amount for which funds are not available to redeem Bonds shall be added to the redemption amount for the immediately succeeding sinking fund installment date.

Section 5.02 Redemption Procedure and Notice.

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

(b) In the event any of the Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Bonds or portions thereof to be redeemed will be given by the Trustee by mailing a copy of the redemption notice by first-class mail (postage prepaid) or by electronic means to DTC or its successors, not less than 20 days prior to the redemption date to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by or on behalf of the District by the Trustee. Failure to give such notice by mailing to any Owner or by electronic means to DTC or its successors, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Bonds as to which no such failure or defect exists. The redemption of the Bonds may be contingent or subject to such conditions as may be

specified in the notice, and if funds for the redemption are not irrevocably deposited with the Trustee or otherwise placed in escrow and in trust prior to the giving of notice of redemption, the notice shall be specifically subject to the deposit of funds by the District. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

ARTICLE VI INVESTMENTS

Section 6.01 Investments.

(a) All moneys held by the Trustee in any of the funds or accounts created hereby shall be promptly invested or reinvested by the Trustee, upon receipt by the Trustee of written direction of the District Representative, in Permitted Investments only. The Trustee may conclusively rely upon the District Representative's written instruction as to both the suitability and legality of the directed investments. If the District fails to provide written directions concerning investment of moneys held by the Trustee, the Trustee shall, in accordance with this subsection, invest and reinvest the moneys in a money market fund which is a Permitted Investment, subject to any other requirements of this Section 6.01. Any such investments shall mature, be redeemable at the option of the owner thereof, pay interest or, in the case of money market funds, shall be available for withdrawal, no later than the respective dates when moneys held for the credit of such fund or account will be required for the purposes intended. The interest income derived from the investment and reinvestment of any moneys in any fund or account held by the Trustee under this Indenture shall be credited to the fund or account from which the moneys invested were derived.

(b) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. The Trustee is not required to issue confirmations of Permitted Investments for any month in which a monthly statement is rendered by the Trustee. The Trustee will not issue a monthly statement for any fund or account if no activity occurred in such fund or account during such month. Unless otherwise confirmed or directed in writing, an account statement delivered periodically by the Trustee to the District Representative shall confirm that the investment transactions identified therein accurately reflect the investment directions of the District Representative, unless the District Representative notified the Trustee in writing to the contrary within 30 days of the date of such statement. The Trustee is specifically authorized to purchase or invest in shares of any investment company that (i) is registered under the Investment Company Act of 1940, as amended (including both corporations and Massachusetts business trusts, and including companies for which the Trustee may provide advisory, administrative, custodial, or other services for compensation); (ii) invests substantially all of its assets in short-term high-quality money-market instruments, limited to obligations issued or guaranteed by the United States; and (iii) maintains a constant asset value per share. The Trustee is specifically authorized to implement its automated cash investments system to assure that cash on hand is invested and to charge reasonable cash management fees, which may be deducted from income earned on investments.

(c) Any and all such investments shall be subject to full and complete compliance at all times with the covenants and provisions of Section 6.02 hereof.

Section 6.02 Tax Matters.

(a) The District shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall, for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The District shall not use or permit the use of any proceeds of Bonds or any funds of the District, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause any Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder and under Section 103(b) of the Code, and the District shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The District shall comply with all requirements of Sections 148 and 149(d) of the Code to the extent applicable to the Bonds. In the event that at any time the District is of the opinion that for purposes of this paragraph it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee or held by the District under this Indenture, the District shall so restrict or limit the yield on such investment or shall so instruct the Trustee in a detailed certificate, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) The District specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(d) The covenants contained in this Section shall continue in effect until all Bonds are fully paid, satisfied, and discharged.

**ARTICLE VII
DISCHARGE OF LIEN**

Section 7.01 Discharge of the Lien of this Indenture.

(a) If the District shall pay or cause to be paid to the Trustee, for the Owners of the Bonds, the principal of and interest to become due thereon at the times and in the manner stipulated herein, and if the District shall keep, perform, and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed to be kept, performed, and observed by it or on its part, and if all fees and expenses of the Trustee required by this Indenture to be paid shall have been paid, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the District such instruments in writing as shall be required to satisfy the lien hereof, and assign and deliver to the District any property at the time subject to the lien of this Indenture which may then be in its possession, and deliver any amounts required to be paid to the District

under Section 8.05 hereof, except for moneys and Federal Securities held by the Trustee for the payment of the principal of, premium if any, and interest on the Bonds.

(b) Any Bond shall, prior to the maturity or prior redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section 7.01 if, for the purpose of paying such Bond (i) there shall have been deposited with the Trustee an amount sufficient, without investment, to pay the principal of, premium if any, and interest on such Bond as the same becomes due at maturity or upon one or more designated prior redemption dates, or (ii) there shall have been placed in escrow and in trust with a commercial bank exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount may be invested) to pay the principal of, premium if any, and interest on such Bond, as the same becomes due at maturity or upon one or more designated prior redemption dates. The Federal Securities in any such escrow shall not be subject to redemption or prepayment at the option of the issuer, and shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and such bank at the time of the creation of the escrow, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule. The sufficiency of any such escrow funded with Federal Securities shall be determined by a Certified Public Accountant.

(c) Neither the Federal Securities, nor moneys deposited with the Trustee or placed in escrow and in trust pursuant to this Section 7.01, nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on the Bonds; provided however, that any cash received from such principal or interest payments on such Federal Securities, if not then needed for such purpose, shall, to the extent practicable, be reinvested subject to the provisions of Article VI hereof in Federal Securities maturing at the times and in amounts sufficient to pay, when due, the principal of and interest on the Bonds.

(d) Prior to the investment or reinvestment of such moneys or such Federal Securities as herein provided, the Trustee shall receive and may rely upon: (i) an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code, that such investment or reinvestment does not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds; and (ii) a report of a Certified Public Accountant that the moneys or Federal Securities will be sufficient to provide for the payment of the principal of and interest on the Bonds when due.

(e) The release of the obligations of the District under this Section shall be without prejudice to the rights of the Trustee to be paid reasonable compensation by the District for all services rendered by it hereunder and all its reasonable expenses, charges, and other disbursements incurred in the administration of the trust hereby created, the exercise of its powers, and the performance of its duties hereunder.

(f) Notwithstanding the foregoing, in the event that the principal of and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance

Policy, such Bonds shall remain Outstanding for all purposes, shall not be deemed to be defeased or otherwise satisfied, and shall not be considered paid by the District.

Section 7.02 Continuing Role as Bond Registrar and Paying Agent. Notwithstanding the defeasance of the Bonds prior to maturity and the discharge of this Indenture as provided in Section 7.01 hereof, the Trustee shall continue to fulfill its obligations under Section 2.03 hereof until the Bonds are fully paid, satisfied, and discharged.

ARTICLE VIII DEFAULT AND REMEDIES

Section 8.01 Events of Default. The occurrence of any one or more of the following events or the existence of any one or more of the following conditions shall constitute an Event of Default under this Indenture (whatever the reason for such event or condition and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree, rule, regulation, or order of any court or any administrative or governmental body), and there shall be no default or Event of Default hereunder except as provided in this Section:

(a) The District fails or refuses to impose the applicable Required Mill Levy or to apply the Pledged Revenue as required by this Indenture and the Pledge Agreement, or District No. 3 fails or refuses to impose the applicable Required Mill Levy or to apply the revenues resulting therefrom or any other portion of the Pledged Revenue received by District No. 3 as required by the Pledge Agreement;

(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 this Indenture or the Bond Resolution and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof, or District No. 3 defaults in the performance or observance of any other of the covenants, agreements, or conditions on the part of District No. 3 in the Pledge Agreement and fails to remedy the same after notice thereof pursuant to Section 8.12 hereof; 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 Bonds.

WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, THE DISTRICT ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF ANY PORTION OF THE PLEDGED REVENUE TO ANY PURPOSE OTHER THAN DEPOSIT WITH THE TRUSTEE IN ACCORDANCE WITH THE PROVISIONS HEREOF CONSTITUTES A VIOLATION OF THE TERMS OF THIS INDENTURE AND A BREACH OF THE COVENANTS MADE HEREUNDER FOR THE BENEFIT OF THE OWNERS OF THE BONDS, WHICH SHALL ENTITLE THE TRUSTEE TO PURSUE, ON BEHALF OF THE OWNERS OF THE BONDS, ALL AVAILABLE ACTIONS AGAINST THE DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THIS ARTICLE VIII. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES THAT THE APPLICATION OF PLEDGED REVENUE IN VIOLATION OF THE COVENANTS HEREOF WILL RESULT IN IRREPARABLE HARM TO THE OWNERS OF

THE BONDS. IN NO EVENT SHALL ANY PROVISION HEREOF BE INTERPRETED TO PERMIT THE DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

It is acknowledged that due to the limited nature of the Pledged Revenue, the failure to pay the principal of or interest on the Bonds when due shall not, of itself, constitute an Event of Default hereunder.

Section 8.02 Remedies on Occurrence of Event of Default.

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

(i) *Receivership.* Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the Trust Estate, and of the revenues, income, product, and profits thereof pending such proceedings, subject however, to constitutional limitations inherent in the sovereignty of the 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 this Indenture to, the Trustee.

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

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

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

(c) If any Event of Default under Section 8.01(a) shall have occurred and if requested by the Owners of 25% in aggregate principal amount of the Bonds then Outstanding, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 8.02 as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Owners, subject to Section 8.03 hereof; provided that the Trustee at its option shall be indemnified as provided in Section 9.01(m) hereof. For purposes of the foregoing, so long as no Bond Insurer Default exists, upon the occurrence and continuation of an Event of Default, the Bond Insurer shall be deemed to be the Owner of the Bonds insured by the Bond Insurance Policy.

(d) Notwithstanding anything herein to the contrary, acceleration of the Bonds shall not be an available remedy for an Event of Default.

Section 8.03 Bond Insurer or Majority of Consent Parties May Control Proceedings.

So long as no Bond Insurer Default exists, it shall have the right to control and direct the enforcement of all remedies upon an Event of Default. Except as provided in the preceding sentence, the Consent Parties of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions hereof; and provided further that at its option the Trustee shall be indemnified as provided in Section 9.01(m) hereof.

Section 8.04 Rights and Remedies of Owners. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 9.01(h) hereof, or of which under that Section it is deemed to have notice; (b) such default shall have become an Event of Default; (c) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, and, so long as no Bond Insurer Default exists, the Bond Insurer, shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit, or proceedings in their own name, and shall have also offered to the Trustee indemnity as provided in Section 9.01(m) hereof; and (d) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; such notification, request, and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his, her, its, or their action, or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding.

Section 8.05 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article and any other moneys held as part of the Trust Estate, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the fees (including attorneys' fees and costs of any other professionals hired by the Trustee hereunder), expenses, liabilities, and advances incurred or made by the Trustee, shall be deposited in the appropriate accounts or accounts created hereunder in the same manner as is provided for deposits of other revenue and used for the purposes thereof, until the principal of, premium if any, and interest on all of the Bonds has been paid in full. Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section 8.05 and all expenses and fees of the Trustee have been paid, and any amounts owing to the Bond Insurer

have been paid, any balance remaining in any of the funds held hereunder shall be paid to the District.

Section 8.06 Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding hereunder may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 8.07 Trustee to File Proofs of Claim in Receivership, Etc. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the District, the Trustee shall, to the extent permitted by law, file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Trustee and of the Owners allowed in such proceedings, without prejudice, however, to the right of any Owner to file a claim in his own behalf.

Section 8.08 Delay or Omission No Waiver. No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09 No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any default hereunder, whether by the Trustee or the Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Trustee and the Owners provided herein shall be cumulative and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

Section 8.10 Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the District and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 8.11 Waivers of Events of Default. The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Consent Parties with respect to a majority in aggregate principal amount of all the Bonds then Outstanding; provided however, that there shall not be waived without the consent of the Consent Parties with respect to 100% of the Bonds then Outstanding as to which the Event of Default exists any Event of Default under Section 8.01(a) hereof and, provided further, that so long as no Bond Insurer Default exists, neither the Trustee nor any other person shall waive any Event of Default without the Bond Insurer's prior written consent. In case of any such waiver, or in case any

proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then in every such case the District, the Trustee, and the Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12 Notice of Default; Opportunity to Cure Defaults.

(a) The Trustee shall give to the Owners of all Bonds notice by mailing to the address shown on the registration books maintained by the Trustee or by electronic means to DTC or its successors, of all Events of Default of which the Trustee is by Section 9.01(h) required to take notice, or if notice of an Event of Default is given as provided in said section, within 90 days after the Trustee has knowledge of the occurrence of such default or Event of Default unless such default or Event of Default shall have been cured before the giving of such notice; provided that, the Trustee shall be protected in withholding such notice if and so long as a committee of its corporate trust department in good faith determines that the withholding of such notice is not detrimental to the interests of the Owners.

(b) No default under subsection 8.01(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given by the Trustee, the Bond Insurer or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the District (or District No. 3, as applicable), and the District (or District No. 3, as applicable) shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted within the applicable period and diligently pursued thereafter until the default is corrected.

ARTICLE IX CONCERNING TRUSTEE

Section 9.01 Acceptance of Trusts and Duties of Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of any Event of Default which may have occurred, shall undertake to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising the rights or remedies or performing any of its duties hereunder.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified in Section 9.01(g) hereof, and shall be entitled to act upon the advice or an opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay (and be reimbursed as provided in Section 9.02 hereof) such compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the advice or an opinion of Counsel, but the Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon the advice or an opinion of Counsel chosen with due care.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, or for the validity of the execution by the District of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the recording or rerecording, filing or refiling of this Indenture or any security agreement in connection therewith (excluding the continuation of originally filed Uniform Commercial Code financing statements) and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the District, except as herein set forth; but the Trustee may require of the District such information and advice as may be reasonable to determine the performance of the covenants, conditions, and agreements aforesaid. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Article VI hereof.

(d) The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof (except for funds or investments held by the Trustee) or as to the validity or sufficiency of this Indenture, the Pledge Agreement or the Bonds. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee, in its individual capacity or any other capacity, may become the Owner of the Bonds with the same rights which it would have if not the Trustee. The Trustee shall not be accountable for the use or application by the District of the proceeds of any of the Bonds or of any money paid to or upon the order of the District under any provision of this Indenture.

(e) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee may rely conclusively on any such certificate or other paper or document and shall not be required to make any independent investigation in connection therewith. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, or whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the District by the District Representative or the District's President or such other person as may be designated for such purpose as provided hereunder or by a certified resolution of the District as sufficient evidence of the facts therein contained, and, prior to the occurrence of a default of which the Trustee has been notified as provided in Section 9.01(h) hereof or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made of any of the payments to the Trustee required to be made hereby, unless the Trustee shall be specifically notified in writing of such default by the District or by the Owners of at least 25% in aggregate principal amount of Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or by law. The Trustee shall not be under any liability to invest any moneys received hereunder except as provided in Article VI hereof.

(j) At any and all reasonable times the Trustee or its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all books, papers, and records of the District pertaining to the Bonds and the Pledged Revenue, and to take such memoranda from and in regard thereto as may be desired.

(k) Notwithstanding anything in this Indenture to the contrary, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee, as may be deemed desirable for the purpose of establishing the right of the District to the authentication of any Bonds, or the taking of any other action by the Trustee.

(l) All records of the Trustee pertaining to the Bonds shall be open during reasonable times for inspection by the District.

(m) The Trustee shall not be required to advance its own funds, and before taking any action under this Indenture, other than the payment of monies on deposit in any of the funds as provided for herein, the Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all costs and expenses which it may incur, including attorneys' fees, and to protect it against all liability, except liability which has been adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum, remarketing circular or other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal laws in connection with the Bonds.

(p) The Trustee makes no representations as to the validity or sufficiency of this Indenture, the Pledge Agreement or the Bonds, assumes no responsibility for the correctness of the same, and shall incur no responsibility in respect to such validity or sufficiency.

(q) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(r) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control which result in the suspension of operations of the Trustee, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that in such an event, the Trustee shall: (i) use its best efforts to resume and perform its obligations hereunder at the earliest practicable time; and (ii) use its best efforts to provide the District with prompt written notice of any delay or failure to perform that occurs by reason of force majeure.

Section 9.02 Fees and Expenses of the Trustee.

(a) The Trustee shall be entitled to payment and reimbursement of its fees and expenses for ordinary services rendered hereunder as and when the same become due (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances and expenses reasonably and necessarily made or incurred by the Trustee in connection with such ordinary services,

including legal fees and expenses. The Trustee reserves the right to renegotiate its current fees for ordinary services to correspond with changing economic conditions, inflation, and changing requirements relating to the Trustee's ordinary services. In no event shall the Trustee be obligated to advance its own funds in order to take any action hereunder.

(b) In the event that it should become necessary for the Trustee to perform extraordinary services, the Trustee shall be entitled to reasonable additional compensation therefor and to reimbursement for reasonable and necessary extraordinary expenses in connection therewith; provided that if such extraordinary services or extraordinary expenses are occasioned by the negligence or willful misconduct of the Trustee it shall not be entitled to compensation or reimbursement therefor.

(c) The Trustee shall have a first lien upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, costs and expenses incurred and unpaid, but subject to the right of prior payment of the principal and interest on the Bonds when due; provided, however, that the payment of principal and interest on the Bonds shall not have priority over the Trustee Fees payable in accordance with clause FIRST of Section 3.05 hereof. The Trustee's right to compensation and indemnification shall survive the satisfaction and discharge of this Indenture or the Trustee's resignation or removal hereunder and payment in full of the Bonds.

Section 9.03 Resignation or Replacement of Trustee.

(a) The Trustee may resign, subject to the appointment of a successor, by giving 30 days' notice of such resignation to the District and to all Owners of Bonds specifying the date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice unless a successor shall have been previously appointed as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor. The Trustee may petition the courts to appoint a successor in the event no such successor shall have been previously appointed. The Trustee may be removed at any time by an instrument in writing, executed by a majority of the Owners in aggregate principal amount of the Bonds then Outstanding; provided that so long as no Bond Insurer Default exists, the Trustee may not be removed without the Bond Insurer's prior written consent. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

(b) In case the Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the District so long as the District is not in default hereunder; otherwise by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Owners, or their attorneys-in-fact appointed; provided however, that even if the District is in default hereunder it may appoint a successor until a new successor shall be appointed by the District or the Owners as herein authorized; and provided further that so long as no Bond Insurer Default exists, a successor Trustee may not be appointed without the prior written consent of the Bond Insurer. The District, upon making such appointment, shall forthwith give notice thereof to the Owners by mailing to

the address shown on the registration books maintained by the Trustee, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the District shall immediately and without further act be superseded by a successor appointed in the manner above provided by the District or the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, as applicable.

(c) Every successor Trustee shall always be a commercial bank or trust company in good standing, qualified to act hereunder, and having a capital surplus of not less than \$50,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms. Any successor appointed hereunder shall execute, acknowledge, and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as the Trustee hereunder and thereupon the duties and obligations of the predecessor shall cease and terminate; but the Trustee retiring shall, nevertheless, on the written demand of its successor and upon payment of the fees and expenses owed to the predecessor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall duly assign, transfer, and deliver to the successor all properties and moneys held by it under this Indenture. If any instrument from the District is required by any successor for more fully and certainly vesting in and confirming to it the estates, properties, rights, powers, and trusts of the predecessor, those instruments shall be made, executed, acknowledged, and delivered by the District on request of such successor.

(d) The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be filed or recorded by the successor Trustee in each recording office, if any, where this Indenture shall have been filed or recorded.

Section 9.04 Conversion, Consolidation, or Merger of Trustee. Anything herein to the contrary notwithstanding, any bank or trust company or other person into which the Trustee or its successor may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business as a whole, shall be the successor of the Trustee under this Indenture with the same rights, powers, duties, and obligations, and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, provided that such bank, trust company, or other person is legally empowered to accept such trust.

Section 9.05 Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates, and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and the Trustee shall not be required to make any independent investigation in connection therewith. Such resolutions, opinions, certificates, and other instruments shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder. Except as provided herein, the Trustee shall not be under any responsibility to seek the approval of any expert for any

of the purposes expressed in this Indenture; provided however, that nothing contained in this Section shall alter the Trustee's obligations or immunities provided by statutory, constitutional, or common law with respect to the approval of independent experts who may furnish opinions, certificates, or opinions of Counsel to the Trustee pursuant to any provisions of this Indenture.

ARTICLE X SUPPLEMENTAL INDENTURES

Section 10.01 Supplemental Indentures Not Requiring Consent. Subject to the provisions of this Article, the District and the Trustee may, without the consent of or notice to the Consent Parties, enter into such indentures supplemental hereto, which supplemental indentures shall thereafter form a part hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity, to cure, correct, or supplement any formal defect or omission or inconsistent provision contained in this Indenture, to make any provision necessary or desirable due to a change in law, to make any provisions with respect to matters arising under this Indenture, or to make any provisions for any other purpose if such provisions are necessary or desirable and do not in the opinion of Bond Counsel materially adversely affect the interests of the Owners of the Bonds;
- (b) To subject to this Indenture additional revenues, properties, or collateral;
- (c) To grant or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Owners or the Trustee; and
- (d) To qualify this Indenture under the Trust Indenture Act of 1939.

Section 10.02 Supplemental Indentures Requiring Consent.

(a) Except for supplemental indentures delivered pursuant to Section 10.01 hereof, and subject to the provisions of this Article, either (i) the Consent Parties with respect to not less than a majority (or for modifications of provisions hereof which require the consent of a percentage of Owners or Consent Parties higher than a majority, such higher percentage) in aggregate principal amount of the Bonds then Outstanding, or (ii) the Bond Insurer, acting alone, shall have the right, from time to time, to consent to and approve the execution by the District and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the District for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby and the Bond Insurer, nothing herein contained shall permit, or be construed as permitting:

- (i) a change in the terms of the maturity of any Outstanding Bond, in the principal amount of any Outstanding Bond, in the optional or mandatory redemption provisions applicable thereto, or the rate of interest thereon;

(ii) an impairment of the right of the Owners to institute suit for the enforcement of any payment of the principal of or interest on the Bonds when due;

(iii) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or

(iv) a reduction in the percentage in principal amount of the Outstanding Bonds, the consent of whose Owners or Consent Parties is required for any such supplemental indenture.

(b) If at any time the District shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be given by mailing such notice by certified or registered first class mail to each Owner of a Bond to the address shown on the registration books of the Trustee or by electronic means to DTC or its successors, and the Bond Insurer, at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners. If, within 60 days or such longer period as shall be prescribed by the District following the giving of such notice, the Consent Parties with respect to not less than the required percentage in aggregate principal amount of the Bonds then Outstanding at the time of the execution of any such supplemental indenture, or the Bond Insurer, as the case may be, shall have consented to and approved the execution thereof as herein provided, the District may execute and deliver such supplemental indenture and no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the District from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03 Execution and Effect of Supplemental Indenture.

(a) The Trustee is authorized to join with the District in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein; provided that, prior to the execution of any such supplemental indenture (whether under Section 10.01 or 10.02 hereof) the Trustee and the District shall receive and shall be fully protected in relying upon an opinion of Bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the District, to the effect that: (a) the supplement will not adversely affect the exclusion from gross income for federal income tax purposes, of the interest paid or to be paid on the Bonds; (b) the District is permitted by the provisions hereof to enter into the supplement; and (c) the supplement is a valid and binding obligation of the District, enforceable in accordance with its terms, subject to matters permitted by Section 1.05 hereof.

(b) Upon the execution of any supplemental indenture pursuant to the provisions of this Article X, this Indenture shall be deemed to be modified and amended in

accordance therewith, and the respective rights, duties, and obligations under this Indenture of the District, the Trustee, the Bond Insurer, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

ARTICLE XI MISCELLANEOUS

Section 11.01 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person other than the District, the Trustee, the Bond Insurer and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition, or stipulation hereof; and all the covenants, stipulations, promises, and agreements in this Indenture by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, the Bond Insurer, and the Owners of the Bonds. Without limiting the foregoing, the Bond Insurer is a third-party beneficiary hereof and may enforce any right, remedy, or claim conferred, given, or granted hereunder.

Section 11.02 Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, the intent being that such remaining provisions shall remain in full force and effect.

Section 11.03 Governing Law. This Indenture shall be governed and construed in accordance with the laws of the State.

Section 11.04 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.05 Notices; Waiver.

(a) Except as otherwise provided herein, all notices, certificates, or other communications required to be given to any of the persons set forth below pursuant to any provision of this Indenture shall be in writing, shall be given either in person, by electronic mail, or by certified or registered mail, and if mailed, shall be deemed received three days after having been deposited in a receptacle for United States mail, postage prepaid, addressed as follows:

District:	Raindance Metropolitan District No. 2 c/o White Bear Ankele Tanaka & Waldron 2154 East Commons Avenue, Suite 2000 Centennial, Colorado 80122 Telephone: (303) 858-1800 Email: zwhite@wbapc.com Attention: Zachary White, Esq.
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Trustee:	U.S. Bank National Association
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[PLEASE PROVIDE]

Bond Insurer:

[TO COME]

(b) The persons designated above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

(c) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 11.06 Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the designated office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.07 Application of Supplemental Act. The Board specifically elects to apply all of the provisions of the Supplemental Act, to the Bonds.

Section 11.08 Pledged Revenue Subject to Immediate Lien. The creation, perfection, enforcement, and priority of the pledge of Pledged Revenue and the funds and accounts held hereunder to secure or pay the Bonds provided herein shall be governed by Section 11-57-208 of the Supplemental Act, this Indenture, the Pledge Agreement and the Bond Resolution. The Trust Estate pledged to the payment of the Bonds shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described herein. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the District irrespective of whether such persons have notice of such liens.

Section 11.09 No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the Board, or any officer or agent of the District acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest or prior redemption premiums on the Bonds. Such recourse shall not be available either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Bonds and as a part of the consideration of their sale or purchase, any person purchasing or selling such Bond specifically waives any such recourse.

Section 11.10 Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bonds shall contain a recital that they are issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 11.11 Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the authorization or issuance of the Bonds shall be commenced more than 30 days after the authorization of the Bonds.

Section 11.12 Electronic Execution and Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Without limiting the foregoing, the parties agree that any individual or individuals who are authorized to execute or consent to this Indenture or any supplement or consent relating thereto on behalf of the District, the Trustee or any Owner are hereby authorized to execute the same electronically via facsimile or email signature. This agreement by the parties to use electronic signatures is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. Any electronic signature so affixed to this Indenture or any supplement or consent relating thereto shall carry the full legal force and effect of any original, handwritten signature.

Section 11.13 Bond Insurer Terms and Conditions. [CONFORM TO REQUIREMENTS OF COMMITMENT WHEN AGREED UPON] In consideration of the Bond Insurer's issuance of the Bond Insurance Policy, the following provisions shall apply, notwithstanding any other conflicting provisions of the Indenture, so long as the Bond Insurance Policy is in effect and no Bond Insurer Default exists; provided, however, that the Bond Insurer shall retain its rights of subrogation to the extent that it has previously made payment of principal or interest on the Bonds.

(a) The Bond Insurer shall be deemed to be the sole Owner of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Bond, each Owner of the Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Bonds and agrees that the Bond Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "**Insolvency Proceeding**") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "**Claim**"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Bonds delegates and assigns to the

Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Bonds for the Bond Insurer's benefit and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(b) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(c) The Bond Insurer is a third-party beneficiary of the Indenture.

(d) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Bond so purchased is not cancelled upon purchase.

(e) Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a "**Related Document**"), that requires the consent of Owners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(f) The rights granted to the Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Bond Insurer.

(g) Only (1) cash, (2) non-callable direct obligations of the United States of America ("**Treasuries**"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Bond Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted

defeasance securities, shall be used to effect defeasance of the Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance of the Bonds, the District shall cause to be delivered to the Bond Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification”), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the District, the Trustee and the Bond Insurer. The Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(h) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(i) The District will permit the Bond Insurer to discuss the affairs, finances and accounts of the District or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the District on any Business Day upon reasonable prior notice.

(j) The Trustee shall notify the Bond Insurer of any known failure of the District to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.

(k) Notwithstanding satisfaction of the other conditions to the issuance of Additional Obligations set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Requirement upon the issuance of such Additional Obligations, in either case unless otherwise permitted by the Bond Insurer.

(l) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture, would adversely affect the

security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Bond Insurance Policy.

(m) No contract shall be entered into, or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(n) So long as any Bonds remain outstanding or any amounts are owed to the Bond Insurer by the District, the District shall not issue or incur indebtedness payable from or secured in whole or in part by the Trust Estate that (i) bears interest at other than fixed rates or (ii) permits the holder to tender such indebtedness for purchase prior to the stated maturity thereof, in either case without the prior written consent of the Bond Insurer.

(o) The District shall not enter into any interest rate exchange agreement, or any other interest rate maintenance agreement secured by and payable from the Trust Estate without the prior written consent of the Bond Insurer.

Section 11.14 Notices and Information to be Provided to the Bond Insurer.
[CONFORM TO REQUIREMENTS OF COMMITMENT WHEN AGREED UPON] So long as the Bond Insurance Policy is in effect and no Bond Insurer Default exists, the Bond Insurer shall be provided with the following information by the District or the Trustee, as the case may be:

(a) to the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the District's Continuing Disclosure Undertaking with respect to the Bonds (together with a certification of the District that it is not aware of any default or Event of Default under the Indenture), and, upon request, the District's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(b) notice of any draw upon the Reserve Fund within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(c) notice of any default or Event of Default under the Indenture known to the Trustee or the District within five (5) Business Days after knowledge thereof;

(d) prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(e) notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(f) notice of the commencement of any Insolvency Proceeding (as defined in Section 11.13 above);

(g) notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(h) full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Indenture;

(i) all reports, notices and correspondence to be delivered to Owners under the terms of the Indenture;

(j) to the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a Continuing Disclosure Undertaking, covenant or undertaking with respect to the Bonds; and

(k) such additional information as may be reasonably requested by the Bond Insurer.

Section 11.15 Concerning the Bond Insurance Policy. [CONFORM TO REQUIREMENTS OF COMMITMENT WHEN AGREED UPON] So long as the Bond Insurance Policy is in effect and no Bond Insurer Default exists, the following provisions shall govern, notwithstanding anything to the contrary in this Indenture; provided, however, that the Bond Insurer shall retain its rights of subrogation to the extent that it has previously made payment of principal or interest on the Bonds:

(a) (i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“**Payment Date**”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Bond Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner of the Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of [_____], in a principal amount equal to the amount of principal so paid (without regard to authorized

denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the District on any Bond or the subrogation rights of the Bond Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(iv) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Bonds referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners of the Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Bonds in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections of the Indenture regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the District agrees to pay to the Bond Insurer, solely from the Trust Estate (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "**Bond Insurer Advances**"); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the "**Bond Insurer Reimbursement Amounts**"). "**Late Payment Rate**" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The District hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

(v) Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Owners of the Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer

(b) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the District to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(c) The District shall pay or reimburse the Bond Insurer, solely from the Trust Estate, including the Pledged Revenues, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the District hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Bond Insurer until the date the Bond Insurer is paid in full. The obligation to reimburse the Bond Insurer shall survive discharge or termination of the Related Documents.

(d) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the District or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Requirement.

(e) The Bond Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the District (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy

(f) Notwithstanding any other provision contained herein, in no event shall the District be obligated to pay any amount to the Bond Insurer that would result in the Bonds bearing a net effective interest rate in excess of that permitted by the electoral authorization of the Election. If the interest provisions of paragraph (a) of this Section 11.15 shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, including the electoral authorization of the Election, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such

periods plus such additional interest would not exceed the limit of the usury or such other laws.

Section 11.16 Bond Insurer Consent. In addition to the other consents required herein, initiation or approval of any action which requires the consent of the Owners or Consent Parties shall require the consent of the Bond Insurer. In addition, any amendment, supplement or modification to the Indenture that adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer. The provisions of this Section shall apply so long as the Bond Insurance Policy is in effect and no Bond Insurer Default exists.

IN WITNESS WHEREOF, Raindance Metropolitan District No. 2, Town of Windsor, Colorado, has caused this Indenture to be executed on its behalf by its President and attested by its Secretary or Assistant Secretary, and to evidence its acceptance of the trusts hereby created, U.S. Bank National Association, Denver, Colorado, as Trustee, has caused this Indenture to be executed on its behalf by one of its authorized officers, all as of the date first above written.

RAINDANCE METROPOLITAN DISTRICT NO.
2, Town of Windsor, Colorado

President

ATTESTED:

Secretary or Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

Authorized Officer

EXHIBIT A
to
INDENTURE OF TRUST
[Form of Bond]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A LIMITED PURPOSE TRUST COMPANY ORGANIZED UNDER THE LAWS OF THE STATE OF NEW YORK (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF COLORADO**

No. R-___ \$_____

**RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR, COLORADO)
WELD COUNTY, COLORADO
LIMITED TAX GENERAL OBLIGATION REFUNDING BOND
SERIES 2024**

Interest Rate	Maturity Date	Original Issue Date	CUSIP
_____ %	December 1, 20__	September __, 2024	___

REGISTERED OWNER: CEDE & CO.
Tax Identification Number: 13-2555119

PRINCIPAL AMOUNT: _____ Thousand and 00/100 U.S. Dollars

Raindance Metropolitan District No. 2, a special district duly organized and operating under the constitution and laws of the State of Colorado, for value received, hereby acknowledges itself indebted and promises to pay, solely from and to the extent of the Pledged Revenue (defined below), to the registered owner named above, or registered assigns, on the maturity date specified above or on the date of prior redemption, the principal amount specified above. In like manner the District promises to pay interest on such principal amount (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated prior to December 1, 2024, in which event this Bond shall bear interest from its date of delivery, at the interest rate per annum specified above, payable semiannually on June 1 and December 1 each year, commencing on December 1, 2024, until the principal amount is paid at maturity or upon prior redemption.

To the extent principal of this Bond is not paid when due, such principal shall remain Outstanding until paid. To the extent interest on this Bond is not paid when due, such interest shall compound semiannually on each Interest Payment Date, at the rate then borne by the Bond; provided however, that notwithstanding anything herein or in the Indenture to the contrary, the District shall not be obligated to pay more than the amount permitted by law and its electoral authorization in repayment of this Bond, including all payments of principal and interest, and this Bond will be deemed defeased and no longer Outstanding upon the payment by the District of such amount.

The Bonds are issued pursuant to that certain Indenture of Trust (the “Indenture”) dated as of [September] 1, 2024, between the District and U.S. Bank National Association, as trustee (the “Trustee”). All capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Indenture.

The principal of this Bond is payable in lawful money of the United States of America to the registered owner hereof upon maturity or prior redemption and presentation at the designated office of the Trustee. Payment of each installment of interest shall be made to the registered owner hereof whose name shall appear on the registration books of the District maintained by or on behalf of the District by the Trustee at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the “Record Date”), and shall be paid by check or draft of the Trustee mailed on or before the Interest Payment Date to such registered owner at his address as it appears on such registration books. The Trustee may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the registered owner of such Bond and the Trustee as provided in the Indenture. Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (the “Special Record Date”) established for the payment of any unpaid interest. Notice of the Special Record Date and the date fixed for the payment of unpaid interest shall be given by first-class mail to the registered owner hereof as shown on the registration books on a date selected by the Trustee.

This Bond is one of a series aggregating \$[_____] par value, all of like date, tenor, and effect, issued by the Board of Directors of Raindance Metropolitan District No. 2, Town of Windsor, Colorado, for the purpose of refunding certain outstanding obligations of the District and Raindance Metropolitan District No. 3, by virtue of and in full conformity with the Constitution of the State of Colorado; Title 32, Article 1, Parts 11 and 13, C.R.S.; Title 11, Article 57, Part 2, C.R.S.; and all other laws of the State of Colorado thereunto enabling, and pursuant to the duly adopted Bond Resolution and the Indenture. Pursuant to Section 11-57-210, C.R.S., such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

It is hereby recited, certified, and warranted that all of the requirements of law have been fully complied with by the proper officers in issuing this Bond. It is hereby further recited, certified, and warranted that the total indebtedness of the District, including that of this Bond, does not exceed any limit prescribed by the constitution or laws of the State of Colorado, and that at the election lawfully held on May 6, 2014 within the District, the issuance of this Bond was duly authorized by a majority of the electors of the District qualified to vote and voting at said election.

All of the Bonds, together with the interest thereon and any premium due in connection therewith, shall be payable from and to the extent of certain moneys held under the Indenture and the "Pledged Revenue," as defined by the Indenture. The Bonds constitute an irrevocable lien upon the Pledged Revenue, but not necessarily an exclusive such lien. Subject to expressed conditions, obligations in addition to the Bonds of this issue may be issued and made payable from the Pledged Revenue having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of the Bonds of this issue, in accordance with the provisions of the Indenture.

Reference is hereby made to the Indenture for an additional description of the nature and extent of the security for the Bonds, the accounts and revenues pledged to the payment thereof, the rights and remedies of the registered owners of the Bonds, the manner in which the Indenture may be amended, and the other terms and conditions upon which the Bonds are issued, copies of which are on file for public inspection at the office of the District Secretary.

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan for the District. This Bond does not constitute a debt, financial obligation, or liability of the County, the State, or any political subdivision of the State (other than the District) and neither of the County, the State, or any political subdivision of the State (other than the District) is liable for payment of the principal of, premium, if any, and interest on the Bond.

The Bonds are subject to redemption prior to maturity as provided in the Indenture. The Bonds will be redeemed only in integral multiples of \$1,000. In the event a Bond is of a denomination larger than \$1,000, a portion of such Bond may be redeemed, but only in the principal amount of \$1,000 or any integral multiple thereof. Such Bond will be treated for the purposes of redemption as that number of Bonds which results from dividing the principal amount of such Bond by \$1,000. In the event a portion of this Bond is redeemed, the Trustee shall, without charge to the registered owner of this Bond, authenticate and deliver a replacement Bond or Bonds for the unredeemed portion.

Notice of prior redemption shall be given by mailing a copy of the redemption notice or by electronic means to DTC or its successors, not less than 20 days prior to the date fixed for redemption, to the registered owner of this Bond at the address shown on the registration books maintained by or on behalf of the District by the Trustee, in the manner set forth in the Indenture. The redemption of the Bonds may be contingent or subject to such conditions as may be specified in the notice. All Bonds called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The District and Trustee shall not be required to issue or transfer any Bonds: (a) during a period beginning at the close of business on the Record Date and ending at the opening of business on the first Business Day following the ensuing Interest Payment Date or (b) during the period beginning at the opening of business on a date 45 days prior to the date of any redemption of Bonds and ending at the opening of business on the first Business Day following the day on which the

applicable notice of redemption is mailed. The Trustee shall not be required to transfer any Bonds selected or called for redemption, in whole or in part.

The District and the Trustee may deem and treat the registered owner of this Bond as the absolute owner hereof for all purposes (whether or not this Bond shall be overdue), and any notice to the contrary shall not be binding upon the District or the Trustee.

This Bond may be exchanged at the designated office of the Trustee for a like aggregate principal amount of Bonds of the same maturity of other Authorized Denominations. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the designated office of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred upon the registration books upon delivery to the Trustee of this Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the owner of this Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Bond, the Trustee shall enter the transfer of ownership in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of Authorized Denominations of the same maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive at the earliest practicable time. The Trustee shall charge the owner of this Bond for every such transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in the Indenture, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the designated office of the Trustee is located are authorized or required by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required by law to remain closed, with the same force and effect as if done on the nominal date provided in the Indenture.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

IN TESTIMONY WHEREOF, the Board of Directors of Raindance Metropolitan District No. 2 has caused this Bond to be signed by the manual or facsimile signature of the President of the District, sealed with a manual impression or a facsimile of the seal of the District, and attested by the manual or facsimile signature of the Secretary or Assistant Secretary thereof, all as of the Original Issue Date set forth above.

[SEAL]

RAINDANCE METROPOLITAN DISTRICT
NO. 2

By _____
President

Attested:

By _____
Secretary or Assistant Secretary

CERTIFICATE OF AUTHENTICATION

Date of Registration and Authentication:

This Bond is one of the Bonds of the issue described in the within mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By _____
Authorized Signatory

STATEMENT OF INSURANCE

[TO COME]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____
_____ (Social Security or Federal Employer Identification Number
of Assignee) _____ (Name and Address of Assignee) the
within Bond and does hereby irrevocably constitute and appoint _____,
attorney, to transfer said Bond on the books kept for registration thereof with full power of
substitution in the premises.

SIGNATURE OF REGISTERED OWNER:

Dated: _____

NOTICE: The signature to this assignment
must correspond with the name of the
registered owner as it appears upon the face
of the within Bond in every particular,
without alteration or enlargement or any
change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm)

REFUNDING ESCROW AGREEMENT

Dated as of September [__], 2024

Between

RAINDANCE METROPOLITAN DISTRICT NO. 2
IN THE TOWN OF WINDSOR,
WELD COUNTY, COLORADO

and

U.S. BANK NATIONAL ASSOCIATION,

Relating to

Limited Tax General Obligation Bonds, Series 2019A

and

Subordinate Limited Tax General Obligation Bonds, Series 2019B

REFUNDING ESCROW AGREEMENT

THIS REFUNDING ESCROW AGREEMENT (this “**Agreement**”) dated as of September [___], 2024 between RAINDANCE METROPOLITAN DISTRICT NO. 2, in the Town of Windsor, Weld County, Colorado, a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “**District**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the “**Escrow Agent**”).

WITNESSETH:

WHEREAS, the District previously issued its Limited Tax General Obligation Bonds, Series 2019A, originally issued and presently outstanding in the aggregate principal amount of \$19,310,000 (the “**Series 2019A Senior Bonds**”) and its Subordinate Limited Tax General Obligation Bonds, Series 2019B, originally issued and presently outstanding in the aggregate principal amount of \$4,575,000 (the “**Series 2019B Subordinate Bonds**”) and, collectively with the Series 2019A Senior Bonds, the “**Refunded Bonds**”); and

WHEREAS, the Series 2019A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust dated as of December 1, 2019 (the “**2019A Indenture**”), the Series 2019B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**2019B Indenture**”) and together with the 2019A Indenture, the “**Refunded Bonds Indentures**”), each by and between the District and U.S. Bank National Association, as trustee (the “**Trustee**”); and

WHEREAS, the District is issuing its Limited Tax General Obligation Refunding Bonds, Series 2024, in the aggregate principal amount of \$[PAR] (the “**Series 2024 Bonds**”); and

WHEREAS, the Series 2024 Bonds are issued pursuant to an Indenture of Trust dated as of September 1, 2024 (the “**Indenture**”), by and between the District and the Trustee; and

WHEREAS, the net proceeds of the Series 2024 Bonds will be used to (a) redeem the Series 2019A Senior Bonds on [_____, 2024] (the “**Redemption Date**”), (b) redeem the Series 2019B Subordinate Bonds on the Redemption Date, (c) pay, on the date hereof, past due interest on the Series 2019B Subordinate Bonds, and (d) [pay, when due, debt service on the Series 2019A Senior Bonds on [_____, 2024]]; and

[DETERMINE TIMING OF REDEMPTION BASED ON WHEN NOTICES TO BE SENT]

WHEREAS, the parties hereto desire to enter into this Agreement to provide for the defeasance and redemption of the Refunded Bonds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. There is hereby created and established with the Escrow Agent the special and irrevocable Escrow Account designated “RainDance Metropolitan District No. 2 Series 2019 Bonds Escrow Account” (the “**Escrow Account**”), which shall be held as a separate account by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds and which shall be accounted for separately from other accounts of the District or the Escrow Agent.

Section 2. The Escrow Agent hereby acknowledges receipt of the sum of \$[_____] (representing \$[_____] from the proceeds of the Series 2024 Bonds and \$[_____] of legally available monies of the District).¹ The Escrow Agent shall apply such amount as follows:

(a) \$[_____] shall be used to purchase certain Demand Deposit State and Local Government Securities (the “**Federal Securities**”); and

(b) \$[_____] shall be held uninvested in the Escrow Account as a beginning cash balance.

Section 3. [Causey Demgen & Moore P.C., Denver, Colorado], certified public accountants, in the special report of a certified public accountant (the “**Sufficiency Report**”), attached hereto as Exhibit A and made a part hereof, has verified the mathematical computations performed by RBC Capital Markets, LLC, Denver, Colorado, the underwriter for the Series 2024 Bonds, which demonstrate that the cash held in the Escrow Account will provide sufficient funds to:

(a) pay, on the date hereof, (i) past due interest on the Series 2019B Subordinate Bonds (which became payable on or before [_____, 2024]) in the amount of \$[_____] and (ii) accrued interest on the Series 2019B Subordinate Bonds in the amount of \$[_____];

(b) pay, on the Redemption Date, the aggregate principal amount of the Series 2019A Senior Bonds being redeemed on the Redemption Date (\$[_____]), plus interest (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]) (collectively, the “**2019A Redemption Price**”), as set forth on [Exhibit B-1] to the Sufficiency Report;

(c) pay, on the Redemption Date, the aggregate principal amount of the Series 2019B Subordinate Bonds being redeemed on the Redemption Date (\$[_____]), plus interest (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]) (collectively, the “**2019B Redemption Price**” and together with the 2019A Redemption Price and the 2019B Redemption Price, the “**Series 2019 Redemption Prices**”), as set forth on [Exhibit B-2] to the Sufficiency Report.

¹ Notwithstanding the foregoing, it is acknowledged that the proceeds of the Bonds and other legally available moneys of the District are deemed to be applied to funding of the Escrow Account as more particularly provided in the delivery certificate executed by the District on the date hereof.

Section 4.

(a) The Escrow Agent agrees that, as provided herein, the moneys and Federal Securities deposited in the Escrow Account pursuant to Section 2 hereof will be held in trust for the holders of the Refunded Bonds in accordance with Section 3 hereof. The Escrow Agent shall apply money and the maturing Federal Securities and interest to accrue thereon in the Escrow Account in accordance with the District's instructions set forth in subsection (b) of this Section 4.

(b) The District hereby irrevocably instructs the Escrow Agent, in its capacity as the Trustee, from amounts on deposit in the Escrow Account to (i) pay, on the date hereof, past due interest on the Series 2019B Subordinate Bonds; (ii) redeem on the Redemption Date, at the 2019A Redemption Price, the Series 2019A Senior Bonds; and (iii) redeem on the Redemption Date, at the 2019B Redemption Price, the Series 2019B Subordinate Bonds. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of the Federal Securities in accordance with the maturity schedules described in the Sufficiency Report attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Federal Securities in the Escrow Account.

(c) The Series 2019A Senior Bonds will be called for redemption on the Redemption Date, at the 2019A Redemption Price. The Series 2019B Subordinate Bonds will be called for redemption on the Redemption Date, at the 2019B Redemption Price.

(d) The District hereby directs the Escrow Agent and the Escrow Agent agrees to deliver notices of defeasance of the Refunded Bonds to the registered owners of the Refunded Bonds and to file such notices with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA), in the forms attached as Exhibit B hereto.

(e) The District hereby confirms irrevocable instructions previously provided to the Escrow Agent, in its capacity as the Trustee, to provide the notice required by the 2019A Indenture to redeem the Series 2019A Senior Bonds on the Redemption Date, and the Escrow Agent confirms that such notice has been provided in accordance with Section 5.02 of the 2019A Indenture. The District hereby irrevocably waives any rights under the Series 2019A Senior Bonds or the 2019A Indenture to redeem the Series 2019A Senior Bonds at a date prior to the Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2019A Senior Bonds.

(f) The District hereby confirms irrevocable instructions previously provided to the Escrow Agent, in its capacity as the Trustee, to provide the notice required by the 2019B Indenture to redeem the Series 2019B Subordinate Bonds on the Redemption Date and the Escrow Agent confirms that such notice has been provided in accordance with Section 5.02 of the 2019B Indenture. The District hereby irrevocably waives any rights under the Series 2019B Subordinate Bonds or the 2019B Indenture to redeem the Series 2019B Subordinate Bonds at a date prior to the Redemption Date. The District shall not

exercise or reserve any other right to optionally redeem the Series 2019B Subordinate Bonds.

Section 5.

(a) Except as provided in Section 2 and Section 6 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Federal Securities.

(b) All uninvested money held at any time in the Escrow Account shall be continuously secured by a pledge of such securities as are permitted by Section 9.10 of Title 12 of the Code of Federal Regulations.

(c) The District hereby agrees that it shall not have any control over the proceeds of the Series 2024 Bonds to be deposited to the Escrow Account (whether before or after such proceeds are deposited in the Escrow Account), the Escrow Account, any cash held at any time in the Escrow Account, the Federal Securities or the application thereof.

(d) The Escrow Agent shall immediately notify the District by first class United States mail, postage prepaid and email, whenever, for any reason, it learns that the funds on hand in the Escrow Account, plus the Federal Securities therein and interest on said Federal Securities, as the same accrues, will be insufficient to pay the Series 2019 Redemption Prices or principal of and interest on the Refunded Bonds, as applicable, in accordance with this Agreement.

Section 6.

(a) At the direction of the District, the Escrow Agent shall sell or redeem the Federal Securities or any portion thereof and reinvest or release the proceeds thereof in different Federal Securities (as defined in the Refunded Bonds Indentures), together with other moneys held in the Escrow Account (any such direction to sell, redeem, invest or disburse to be referred to as a “**Subsequent Action**”), provided that the District delivers to the Escrow Agent the following:

(1) A certified copy of the proceedings of the District authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the District.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the Series 2024 Bonds or the Refunded Bonds to become includable in gross income for Federal income tax purposes.

(3) An independent report of certified public accountants addressed to the District and the Escrow Agent to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full

faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal of and interest on the Refunded Bonds, as applicable, after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) of this Section and Section 18 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 7. On or after the Redemption Date, after payment of the Series 2019 Redemption Prices of and debt service due on all of the Refunded Bonds, any remaining moneys in the Escrow Account not needed to make such payments shall be transferred by the Escrow Agent to the District.

Section 8. The Escrow Account created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Account, including the Federal Securities, until used and applied in accordance herewith.

Section 9. The District acknowledges and agrees to continue to comply with the provisions of the Refunded Bonds Indentures, as applicable, relative to matters relating to the tax-exempt nature of interest on the Refunded Bonds until the Refunded Bonds are paid in full, including without limitation payment of all rebate amounts which become due and owing to the federal government under the Code, if any.

Section 10. The District shall have the right, during business hours and after reasonable notice, to examine all the Escrow Agent's records regarding the status of the funds or accounts created pursuant to this Agreement and the details of all income, investments, reinvestments, redemptions and withdrawals therefrom with respect to the funds or accounts created pursuant to this Agreement.

Section 11. As full consideration for all services to be performed by the Escrow Agent under this Agreement, the District agrees that it shall cause to be paid to the Escrow Agent and the Escrow Agent will receive the sum of \$[_____]. The Escrow Agent expressly waives any lien upon or claim against the moneys in the Escrow Account. The obligations of the Escrow Agent hereunder are absolute and unconditional notwithstanding any failure of the District to pay the fees and expenses of the Escrow Agent.

Section 12. This Agreement shall terminate when the debt service on the Refunded Bonds due on or prior to the Redemption Date and the Series 2019 Redemption Prices have been paid and any remaining moneys have been transferred as provided in Section 7 hereof. The Escrow Agent shall thereupon be released and discharged from its obligations hereunder.

Section 13. This Agreement shall be binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. Any corporation or association into which the Escrow Agent may be merged or any corporation or association

resulting from any consolidation to which the Escrow Agent shall be a party or any corporation or association to which the Escrow Agent sells or transfers its corporate trust business as a whole or substantially as a whole, shall be the successor under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or non-performance by the District or any paying agent of any of the District's or paying agent's obligations, or to protect any of the District's rights under any bond documents or any of the District's other contracts with or franchises or privileges from any state, county, municipality, or other governmental agency, or with any corporation or individual; and the Escrow Agent shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or willful misconduct in the performance of any obligations imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Series 2024 Bonds or the Refunded Bonds or any proceedings taken in connection therewith, but they are made solely by the District. The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the District to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 15. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 16. This Agreement shall, to the fullest extent permitted by law, be interpreted, construed and enforced pursuant to the laws of the State of Colorado.

Section 17. This Agreement is made for the sole and exclusive benefit of the parties hereto and the holders of the Refunded Bonds. Nothing contained in this Agreement expressed or implied is intended or shall be construed to confer upon any person, or to give any person other than the parties hereto and the holders of the Refunded Bonds, any right, remedy or claim under or by reason of this Agreement.

Section 18. This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of all of the holders of the unpaid Refunded Bonds at the time such election is made; provided, however, that this Agreement may be amended by the parties without the consent of the holders of the Refunded Bonds, to correct, cure or supplement any ambiguous or defective provision in a manner not inconsistent with the security of the holders of the Refunded Bonds. The Escrow Agent shall be entitled to receive and rely upon an opinion of counsel to the effect that such amendment complies with the provisions of this Section 18.

Section 19. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 20. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts together shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

RAINDANCE METROPOLITAN DISTRICT
NO. 2, in the Town of Windsor, Weld County,
Colorado

Attest:

Secretary

By _____
President

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By _____
Authorized Officer

EXHIBIT A

Attach Sufficiency Report

EXHIBIT B

Form of Notice of Defeasance Series 2019A Senior Bonds

**RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO**

**LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2019A**

NOTICE IS HEREBY GIVEN, that in accordance with an Indenture of Trust dated as of December 1, 2019 (the “**2019A Indenture**”) with U.S. Bank National Association, as trustee (the “**Series 2019A Bonds Trustee**”), RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 7.01(b) of the 2019A Indenture to place into escrow with U.S. Bank National Association, in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Limited Tax General Obligation Bonds, Series 2019A, dated December 20, 2019, originally issued and presently outstanding in the aggregate principal amount of \$19,310,000 (the “**Series 2019A Senior Bonds**”) on [_____, 2024] (the “**Redemption Date**”). The Series 2019A Senior Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 1, 2039	\$ 6,880,000	5.000%	75087F AA2
December 1, 2049	12,430,000	5.000	75087F AB0

Such Series 2019A Senior Bonds have been defeased in accordance with Article Seven of the 2019A Indenture and as set forth in a Refunding Escrow Agreement dated as of September [___], 2024 (the “**Escrow Agreement**”) between the District and the Escrow Agent.

On [_____, 2024], the Redemption Date, the Series 2019A Senior Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2019A Senior Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]). An additional principal amount of the Series 2019A Senior Bonds in the amount of \$[_____], plus interest (\$[_____]), will be paid on [_____, 2024] as a result of mandatory sinking fund redemption. Accrued and unpaid interest on the Series 2019A Senior Bonds in the amount of \$[_____] will be paid to the Redemption Date. FROM AND AFTER [_____, 2024], INTEREST ON THE SERIES 2019A SENIOR BONDS WILL CEASE TO ACCRUE.

The District and the Series 2019A Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2019A Senior Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2019A Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2024

U.S. BANK NATIONAL ASSOCIATION,
as Series 2019A Bonds Trustee

By: _____
Authorized Signatory

Form of Notice of Defeasance Series 2019B Subordinate Bonds

**RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR)
WELD COUNTY, COLORADO**

**SUBORDINATE LIMITED TAX GENERAL OBLIGATION
BONDS, SERIES 2019B**

NOTICE IS HEREBY GIVEN, that in accordance with an Indenture of Trust (Subordinate) dated as of December 1, 2019 (the “**2019B Indenture**”) with U.S. Bank National Association, as trustee (the “**Series 2019B Bonds Trustee**”), RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 7.01(b) of the 2019B Indenture to place into escrow with U.S. Bank National Association, in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Subordinate Limited Tax General Obligation Bonds, Series 2019B, dated December 20, 2019, originally issued and presently outstanding in the aggregate principal amount of \$4,575,000 (the “**Series 2019B Subordinate Bonds**”) on [_____, 2024] (the “**Redemption Date**”). The Series 2019B Subordinate Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 15, 2049	\$4,575,000	7.500%	75087F AC8

Such 2019B Subordinate Bonds have been defeased in accordance with Article Seven of the 2019B Indenture and as set forth in a Refunding Escrow Agreement dated as of September [___], 2024 (the “**Escrow Agreement**”) between the District and the Escrow Agent.

On [_____, 2024], the Redemption Date, the Series 2019B Subordinate Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2019B Subordinate Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]). Accrued and unpaid interest on the Series 2019B Subordinate Bonds in the amount of \$[_____] will be paid to the Redemption Date. (All previously accrued and unpaid interest on the Series 2019B Subordinate Bonds to [_____, 2024] was paid on September [___], 2024.) FROM AND AFTER [_____, 2024], INTEREST ON THE SERIES 2019B SUBORDINATE BONDS WILL CEASE TO ACCRUE.

The District and the Series 2019B Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2019B Subordinate Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2019B Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2024

U.S. BANK NATIONAL ASSOCIATION,
as Series 2019B Bonds Trustee

By: _____
Authorized Signatory

REFUNDING ESCROW AGREEMENT

Dated as of September [__], 2024

Between

RAINDANCE METROPOLITAN DISTRICT NO. 3
IN THE TOWN OF WINDSOR,
WELD COUNTY, COLORADO

and

RAINDANCE METROPOLITAN DISTRICT NO. 2
IN THE TOWN OF WINDSOR,
WELD COUNTY, COLORADO

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

and

UMB BANK, N.A., as Refunded Bonds Trustee

Relating to

Limited Tax General Obligation Bonds, Series 2018A

and

Subordinate Limited Tax General Obligation Bonds, Series 2018B

REFUNDING ESCROW AGREEMENT

THIS REFUNDING ESCROW AGREEMENT (this “**Agreement**”) dated as of September [___], 2024 between RAINDANCE METROPOLITAN DISTRICT NO. 3, in the Town of Windsor, Weld County, Colorado, a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “**District**”), RAINDANCE METROPOLITAN DISTRICT NO. 2, in the Town of Windsor, Weld County, Colorado, a quasi-municipal corporation and political subdivision duly organized and existing as a metropolitan district under the constitution and laws of the State of Colorado (the “**District No. 2**”), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as escrow agent (the “**Escrow Agent**”) and UMB BANK, N.A., a national banking association organized and existing under the laws of the United States of America, as trustee under the Refunded Bonds Indentures (defined below) (the “**Refunded Bonds Trustee**”).

WITNESSETH:

WHEREAS, the District previously issued its Limited Tax General Obligation Bonds, Series 2018A, originally issued and presently outstanding in the aggregate principal amount of \$16,450,000 (the “**Series 2018A Senior Bonds**”) and its Subordinate Limited Tax General Obligation Bonds, Series 2018B, originally issued and presently outstanding in the aggregate principal amount of \$2,840,000 (the “**Series 2018B Subordinate Bonds**” and, collectively with the Series 2018A Senior Bonds, the “**Refunded Bonds**”); and

WHEREAS, the Series 2018A Senior Bonds were issued pursuant to and are secured by an Indenture of Trust dated as of May 1, 2018 (the “**2018A Indenture**”), the Series 2018B Subordinate Bonds were issued pursuant to and are secured by an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**2018B Indenture**” and together with the 2018A Indenture, the “**Refunded Bonds Indentures**”), each by and between the District and the Refunded Bonds Trustee; and

WHEREAS, District No. 2 is issuing its RainDance Metropolitan District No. 2, Limited Tax General Obligation Refunding Bonds, Series 2024, in the aggregate principal amount of \$[PAR] (the “**Series 2024 Bonds**”); and

WHEREAS, the Series 2024 Bonds are issued pursuant to an Indenture of Trust dated as of September 1, 2024 (the “**Indenture**”), by and between District No. 2 and the Trustee; and

WHEREAS, the net proceeds of the Series 2024 Bonds will be used to (a) redeem the Series 2018A Senior Bonds on [_____, 2024] (the “**Redemption Date**”), (b) redeem the Series 2018B Subordinate Bonds on the Redemption Date, (c) pay, on the date hereof, past due interest on the Series 2018B Subordinate Bonds, and (d) [pay, when due, debt service on the Series 2018A Senior Bonds on [_____, 2024]]; and

[DETERMINE TIMING OF REDEMPTION BASED ON WHEN NOTICES TO BE SENT]

WHEREAS, the parties hereto desire to enter into this Agreement to provide for the defeasance and redemption of the Refunded Bonds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

Section 1. There is hereby created and established with the Escrow Agent the special and irrevocable Escrow Account designated “RainDance Metropolitan District No. 3 Series 2018 Bonds Escrow Account” (the “**Escrow Account**”), which shall be held as a separate account by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds and which shall be accounted for separately from other accounts of the District or the Escrow Agent.

Section 2. The Escrow Agent hereby acknowledges receipt of the sum of \$[_____] (representing \$[_____] from the proceeds of the Series 2024 Bonds and \$[_____] of legally available monies of the District).¹ The Escrow Agent shall apply such amount as follows:

(a) \$[_____] shall be used to purchase certain Demand Deposit State and Local Government Securities (the “**Federal Securities**”); and

(b) \$[_____] shall be held uninvested in the Escrow Account as a beginning cash balance.

Section 3. [Causey Demgen & Moore P.C., Denver, Colorado], certified public accountants, in the special report of a certified public accountant (the “**Sufficiency Report**”), attached hereto as Exhibit A and made a part hereof, has verified the mathematical computations performed by RBC Capital Markets, LLC, Denver, Colorado, the underwriter for the Series 2024 Bonds, which demonstrate that the cash held in the Escrow Account will provide sufficient funds to:

(a) pay, on the date hereof, (i) past due interest on the Series 2018B Subordinate Bonds (which became payable on or before [_____, 2024]) in the amount of \$[_____] , and (ii) accrued interest on the Series 2018B Subordinate Bonds in the amount of \$[_____];

(b) pay, on the Redemption Date, the aggregate principal amount of the Series 2018A Senior Bonds being redeemed on the Redemption Date (\$[_____]), plus interest (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]) (collectively, the “**2018A Redemption Price**”), as set forth on [Exhibit B-1] to the Sufficiency Report;

(e) pay, on the Redemption Date, the aggregate principal amount of the Series 2018B Subordinate Bonds being redeemed on the Redemption Date (\$[_____]), plus interest (\$[_____]), plus redemption premium equal to 3.00% of the

¹ Notwithstanding the foregoing, it is acknowledged that the proceeds of the Bonds and other legally available moneys of the District are deemed to be applied to funding of the Escrow Account as more particularly provided in the delivery certificate executed by the District on the date hereof.

principal amount being redeemed on the Redemption Date (\$[_____]) (collectively, the “**2018B Redemption Price**” and together with the 2018A Redemption Price and the 2018B Redemption Price, the “**Series 2018 Redemption Prices**”), as set forth on [Exhibit B-2] to the Sufficiency Report.

Section 4.

(a) The Escrow Agent agrees that, as provided herein, the moneys and Federal Securities deposited in the Escrow Account pursuant to Section 2 hereof will be held in trust for the holders of the Refunded Bonds in accordance with Section 3 hereof. The Escrow Agent shall apply money and the maturing Federal Securities and interest to accrue thereon in the Escrow Account in accordance with the District’s instructions set forth in subsection (b) of this Section 4.

(b) The District hereby irrevocably instructs the Escrow Agent to deposit with the Refunded Bonds Trustee, from amounts on deposit in the Escrow Account to (i) pay, on the date hereof, past due interest on the Series 2018B Subordinate Bonds; (ii) redeem on the Redemption Date, at the 2018A Redemption Price, the Series 2018A Senior Bonds; and (iii) redeem on the Redemption Date, at the 2018B Redemption Price, the Series 2018B Subordinate Bonds. In order to make the payments required by this subsection (b), the Escrow Agent is hereby authorized to redeem or otherwise dispose of the Federal Securities in accordance with the maturity schedules described in the Sufficiency Report attached hereto. The liability of the Escrow Agent to make the payments required by this subsection (b) shall be limited to the cash and Federal Securities in the Escrow Account.

(c) The Series 2018A Senior Bonds will be called for redemption on the Redemption Date, at the 2018A Redemption Price. The Series 2018B Subordinate Bonds will be called for redemption on the Redemption Date, at the 2018B Redemption Price.

(d) The District hereby directs the Escrow Agent and the Escrow Agent agrees to deliver notices of defeasance of the Refunded Bonds to the registered owners of the Refunded Bonds and to file such notices with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (EMMA), in the forms attached as Exhibit B hereto.

(e) The District hereby confirms irrevocable instructions previously provided to the Refunded Bonds Trustee, to provide the notice required by the 2018A Indenture to redeem the Series 2018A Senior Bonds on the Redemption Date, and the Refunded Bonds Trustee confirms that such notice has been provided in accordance with Section 5.02 of the 2018A Indenture. The District hereby irrevocably waives any rights under the Series 2018A Senior Bonds or the 2018A Indenture to redeem the Series 2018A Senior Bonds at a date prior to the Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2018A Senior Bonds.

(f) The District hereby confirms irrevocable instructions previously provided to the Refunded Bonds Trustee, to provide the notice required by the 2018B Indenture to

redeem the Series 2018B Subordinate Bonds on the Redemption Date and the Refunded Bonds Trustee confirms that such notice has been provided in accordance with Section 5.02 of the 2018B Indenture. The District hereby irrevocably waives any rights under the Series 2018B Subordinate Bonds or the 2018B Indenture to redeem the Series 2018B Subordinate Bonds at a date prior to the Redemption Date. The District shall not exercise or reserve any other right to optionally redeem the Series 2018B Subordinate Bonds.

Section 5.

(a) Except as provided in Section 2 and Section 6 hereof, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Federal Securities.

(b) All uninvested money held at any time in the Escrow Account shall be continuously secured by a pledge of such securities as are permitted by Section 9.10 of Title 12 of the Code of Federal Regulations.

(c) The District hereby agrees that it shall not have any control over the proceeds of the Series 2024 Bonds to be deposited to the Escrow Account (whether before or after such proceeds are deposited in the Escrow Account), the Escrow Account, any cash held at any time in the Escrow Account, the Federal Securities or the application thereof.

(d) The Escrow Agent shall immediately notify the District by first class United States mail, postage prepaid and email, whenever, for any reason, it learns that the funds on hand in the Escrow Account, plus the Federal Securities therein and interest on said Federal Securities, as the same accrues, will be insufficient to pay the Series 2018 Redemption Prices or principal of and interest on the Refunded Bonds, as applicable, in accordance with this Agreement.

Section 6.

(a) At the direction of the District, the Escrow Agent shall sell or redeem the Federal Securities or any portion thereof and reinvest or release the proceeds thereof in different Federal Securities (as defined in the Refunded Bonds Indentures), together with other moneys held in the Escrow Account (any such direction to sell, redeem, invest or disburse to be referred to as a “**Subsequent Action**”), provided that the District delivers to the Escrow Agent the following:

(1) A certified copy of the proceedings of the District authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the District.

(2) An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the Subsequent Action will not cause the interest on the

Series 2024 Bonds or the Refunded Bonds to become includable in gross income for Federal income tax purposes.

(3) An independent report of certified public accountants addressed to the District and the Escrow Agent to the effect that the amounts (which will consist of cash or deposits on demand held in trust or receipts from direct full faith and credit obligations of the United States of America, not callable or redeemable at the option of the issuer thereof), available or to be available for payment of the Refunded Bonds will remain sufficient to pay when due all principal of and interest on the Refunded Bonds, as applicable, after the taking of the Subsequent Action.

(b) Except as provided in Paragraph (a) of this Section and Section 18 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 7. On or after the Redemption Date, after payment of the Series 2018 Redemption Prices of and debt service due on all of the Refunded Bonds, any remaining moneys in the Escrow Account not needed to make such payments shall be transferred by the Escrow Agent to the District.

Section 8. The Escrow Account created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Account, including the Federal Securities, until used and applied in accordance herewith.

Section 9. The District acknowledges and agrees to continue to comply with the provisions of the Refunded Bonds Indentures, as applicable, relative to matters relating to the tax-exempt nature of interest on the Refunded Bonds until the Refunded Bonds are paid in full, including without limitation payment of all rebate amounts which become due and owing to the federal government under the Code, if any.

Section 10. The District shall have the right, during business hours and after reasonable notice, to examine all the Escrow Agent's records regarding the status of the funds or accounts created pursuant to this Agreement and the details of all income, investments, reinvestments, redemptions and withdrawals therefrom with respect to the funds or accounts created pursuant to this Agreement.

Section 11. As full consideration for all services to be performed by the Escrow Agent under this Agreement, the District agrees that it shall cause to be paid to the Escrow Agent and the Escrow Agent will receive the sum of \$[_____]. The Escrow Agent expressly waives any lien upon or claim against the moneys in the Escrow Account. The obligations of the Escrow Agent hereunder are absolute and unconditional notwithstanding any failure of the District to pay the fees and expenses of the Escrow Agent.

Section 12. This Agreement shall terminate when the debt service on the Refunded Bonds due on or prior to the Redemption Date and the Series 2018 Redemption Prices have been

paid and any remaining moneys have been transferred as provided in Section 7 hereof. The Escrow Agent shall thereupon be released and discharged from its obligations hereunder.

Section 13. This Agreement shall be binding upon and shall inure to the benefit of the District and the Escrow Agent and their respective successors and assigns. Any corporation or association into which the Escrow Agent may be merged or any corporation or association resulting from any consolidation to which the Escrow Agent shall be a party or any corporation or association to which the Escrow Agent sells or transfers its corporate trust business as a whole or substantially as a whole, shall be the successor under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 14. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or non-performance by the District or any paying agent of any of the District's or paying agent's obligations, or to protect any of the District's rights under any bond documents or any of the District's other contracts with or franchises or privileges from any state, county, municipality, or other governmental agency, or with any corporation or individual; and the Escrow Agent shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing, except for its negligence or willful misconduct in the performance of any obligations imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Series 2024 Bonds or the Refunded Bonds or any proceedings taken in connection therewith, but they are made solely by the District. The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the District to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 15. Time is of the essence in the performance of the obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 16. This Agreement shall, to the fullest extent permitted by law, be interpreted, construed and enforced pursuant to the laws of the State of Colorado.

Section 17. This Agreement is made for the sole and exclusive benefit of the parties hereto and the holders of the Refunded Bonds. Nothing contained in this Agreement expressed or implied is intended or shall be construed to confer upon any person, or to give any person other than the parties hereto and the holders of the Refunded Bonds, any right, remedy or claim under or by reason of this Agreement.

Section 18. This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of all of the holders of the unpaid Refunded Bonds at the time such election is made; provided, however, that this

Agreement may be amended by the parties without the consent of the holders of the Refunded Bonds, to correct, cure or supplement any ambiguous or defective provision in a manner not inconsistent with the security of the holders of the Refunded Bonds. The Escrow Agent shall be entitled to receive and rely upon an opinion of counsel to the effect that such amendment complies with the provisions of this Section 18.

Section 19. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

Section 20. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts together shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written.

RAINDANCE METROPOLITAN DISTRICT
NO. 3, in the Town of Windsor, Weld County,
Colorado

Attest:

Secretary

By _____
President

RAINDANCE METROPOLITAN DISTRICT
NO 2, in the Town of Windsor, Weld County,
Colorado

Attest:

Secretary

By _____
President

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By _____
Authorized Officer

UMB BANK, N.A., as Refunded Bonds Trustee

By _____
Authorized Officer

EXHIBIT A

Attach Sufficiency Report

EXHIBIT B

Form of Notice of Defeasance Series 2018A Senior Bonds

**RAINDANCE METROPOLITAN DISTRICT NO. 3
IN THE TOWN OF WINDSOR, COLORADO
LIMITED TAX GENERAL OBLIGATION BONDS
SERIES 2018A**

NOTICE IS HEREBY GIVEN, that in accordance with an Indenture of Trust dated as of May 1, 2018 (the “**2018A Indenture**”) with UMB Bank, n.a. (the “**Series 2018A Bonds Trustee**”), RainDance Metropolitan District No. 3, in the Town of Windsor, Weld County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 7.01(b) of the 2018A Indenture to place into escrow with U.S. Bank National Association, in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Limited Tax General Obligation Bonds, Series 2018A, dated December 20, 2018, originally issued and presently outstanding in the aggregate principal amount of \$16,450,000 (the “**Series 2018A Senior Bonds**”) on [_____, 2024] (the “**Redemption Date**”). The Series 2018A Senior Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 1, 2047	\$ 16,450,000	5.750%	75087D AA7

Such Series 2018A Senior Bonds have been defeased in accordance with Article Seven of the 2018A Indenture and as set forth in a Refunding Escrow Agreement dated as of September [___], 2024 (the “**Escrow Agreement**”) between the District, District No. 2, the Escrow Agent and the Series 2018A Bonds Trustee.

On [_____, 2024], the Redemption Date, the Series 2018A Senior Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2018A Senior Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]). An additional principal amount of the Series 2018A Senior Bonds in the amount of \$[_____], plus interest (\$[_____]), will be paid on [_____, 2024] as a result of mandatory sinking fund redemption. Accrued and unpaid interest on the Series 2018A Senior Bonds in the amount of \$[_____] will be paid to the Redemption Date. FROM AND AFTER [_____, 2024], INTEREST ON THE SERIES 2018A SENIOR BONDS WILL CEASE TO ACCRUE.

The District and the Series 2018A Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2018A Senior Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2018A Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2024

UMB BANK, N.A., as Series 2018A Bonds Trustee

By: _____
Authorized Signatory

Form of Notice of Defeasance Series 2018B Subordinate Bonds

**RAINDANCE METROPOLITAN DISTRICT NO. 3
IN THE TOWN OF WINDSOR, COLORADO
SUBORDINATE LIMITED TAX GENERAL OBLIGATION
BONDS, SERIES 2018B**

NOTICE IS HEREBY GIVEN, that in accordance with an Indenture of Trust (Subordinate) dated as of May 1, 2018 (the “**2018B Indenture**”) with UMB Bank, n.a., as trustee (the “**Series 2018B Bonds Trustee**”), RainDance Metropolitan District No. 3, in the Town of Windsor, Weld County, Colorado (the “**District**”), has elected to exercise its rights pursuant to Section 7.01(b) of the 2018B Indenture to place into escrow with U.S. Bank National Association, in its capacity as escrow agent (the “**Escrow Agent**”) amounts sufficient to defease, pay and redeem all of the District’s Subordinate Limited Tax General Obligation Bonds, Series 2018B, dated December 20, 2018, originally issued and presently outstanding in the aggregate principal amount of \$2,840,000 (the “**Series 2018B Subordinate Bonds**”) on [_____, 2024] (the “**Redemption Date**”). The Series 2018B Subordinate Bonds more specifically include the following bonds:

<u>Maturity Date</u>	<u>Principal Amount Defeased/Paid</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
December 15, 2047	\$2,840,000	8.125%	75087D AB5

Such 2018B Subordinate Bonds have been defeased in accordance with Article Seven of the 2018B Indenture and as set forth in a Refunding Escrow Agreement dated as of September [___], 2024 (the “**Escrow Agreement**”) between the District, District No. 2, the Escrow Agent and the Series 2018A Bonds Trustee.

On [_____, 2024], the Redemption Date, the Series 2018B Subordinate Bonds will become due and payable. They can be surrendered for payment at the following address:

[INSERT ADDRESS]

The redemption price of the Series 2018B Subordinate Bonds will be equal to the principal amount thereof being redeemed on the Redemption Date (\$[_____]), plus redemption premium equal to 3.00% of the principal amount being redeemed on the Redemption Date (\$[_____]). Accrued and unpaid interest on the Series 2018B Subordinate Bonds in the amount of \$[_____] will be paid to the Redemption Date. (All previously accrued and unpaid interest on the Series 2018B Subordinate Bonds to [_____, 2024] was paid on September [___], 2024.) FROM AND AFTER [_____, 2024], INTEREST ON THE SERIES 2018B SUBORDINATE BONDS WILL CEASE TO ACCRUE.

The District and the Series 2018B Bonds Trustee shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Series 2018B Subordinate Bonds. They are included solely for the convenience of the holders.

NOTICE: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Compliance Act of 1983 unless the Series 2018B Bonds Trustee has the correct taxpayer identification (social security or employer identification number) of the payee. Please furnish a properly completed Form W-9 when presenting your securities.

Dated: _____, 2024

UMB BANK, N.A., as Series 2018B Bonds Trustee

By: _____
Authorized Signatory

**RAINDANCE METROPOLITAN DISTRICT NO. 2
IN THE TOWN OF WINDSOR
WELD COUNTY, COLORADO**

\$ _____
**LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS
SERIES 2024**

BOND PURCHASE AGREEMENT

_____, 2024

Board of Directors
Raindance Metropolitan District No. 2
Windsor, Colorado

Ladies and Gentlemen:

RBC Capital Markets, LLC (the “Underwriter”), as underwriter of the Raindance Metropolitan District No. 2, Limited Tax General Obligation Refunding Bonds, Series 2024 (the “Bonds”), to be issued by Raindance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “District”), in the aggregate principal amount of \$_____, hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the District, and upon your acceptance of this offer, this Purchase Agreement will be binding upon you and the Underwriter. This offer is made subject to your acceptance of this Purchase Agreement no later than 11:59 p.m., Denver time, on the date hereof.

The term “Official Statement” means the final official statement, offering circular, prospectus or other similar document, including any addendum thereto, authorized by the District as the official sales document(s) to be used by the Underwriter to offer the Bonds to others but does not include the Preliminary Official Statement. The term “Preliminary Official Statement” means the Preliminary Official Statement dated _____, 2024.

The issuance of the Bonds was approved by a resolution adopted by the District’s Board of Directors (the “Board”) on August 26, 2024 (the “Bond Resolution”), and the Bonds are being issued pursuant to an Indenture of Trust to be dated as of _____ 1, 2024 (the “Indenture”) by and between the District and U.S. Bank Corporate Trust, as trustee (the “Trustee”). Unless otherwise specified, capitalized terms used and not otherwise defined herein shall have the respective meanings assigned in the Official Statement.

The Underwriter is obligated under Rule G-23 of the Municipal Securities Rulemaking Board (the “MSRB”) to disclose to you the following information, which you acknowledge and agree to by signing this Purchase Agreement.

- (a) The bond purchase contemplated by this Purchase Agreement will be an arm’s length, commercial transaction between the District and the Underwriter.
- (b) The Underwriter is not acting as a municipal advisor, financial advisor or fiduciary with respect to the District.

(c) The Underwriter has not assumed any fiduciary responsibility to the District with respect to the underwriting of the Bonds, and the District has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it deems appropriate.

In addition, the District acknowledges that MSRB Rule G-17 requires the Underwriter to deal fairly at all times with both municipal issuers and investors, while recognizing that the Underwriter has financial and other interests that differ from the interests of the District. The Underwriter hereby discloses to the District that the Underwriter is not required by federal law to act in the District's best interests without regard to the Underwriter's own financial or other interests. The Underwriter does have a duty to purchase securities from the District at a fair and reasonable price, but the Underwriter must balance that duty with its duty to sell the Bonds to investors at prices that are also fair and reasonable. The Underwriter will review the Official Statement for the Bonds in accordance with and as part of its responsibilities to investors under federal securities laws, as applied to the facts and circumstances of the transaction.

1. Purchase and Sale.

(a) Upon the terms and conditions and in reliance upon the representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell to the Underwriter, all (but not less than all) of the Bonds at the purchase price of \$_____ (the "Purchase Price"), representing the par amount of the Bonds of \$_____, plus/less an original issue premium/discount of \$_____, less the Underwriter's discount on the Bonds of \$_____.

(b) The Purchase Price for the Bonds is to be paid on the Closing Date (defined below).

(c) The Bonds are limited tax general obligations of the District secured by and payable solely from and to the extent of the Pledged Revenue, consisting of moneys derived by the District and RainDance Metropolitan District No. 3 ("District No. 3") from the following sources: (a) all Property Tax Revenues (net of any costs of collection); (b) all Specific Ownership Tax Revenues; and (c) any other legally available moneys which the District determines, in its absolute discretion, to credit to the Bond Fund.

(d) The Bonds are being issued as tax-exempt bonds. The Bonds will mature, bear interest, be subject to redemption and be sold at the prices indicated in Exhibit A hereto. The terms of the Bonds otherwise shall be as described more fully in the Indenture.

(e) Proceeds from the sale of the Bonds will be used for the purposes of (i) refunding all of District No. 3's outstanding Limited Tax General Obligation Bonds, Series 2018A and Subordinate Limited Tax General Obligation Bonds, Series 2018B and the District's outstanding Limited Tax General Obligation Bonds, Series 2019A and Subordinate Limited Tax General Obligation Bonds, Series 2019B (collectively, the "Refunded Bonds"); and (ii) paying other costs in connection with the issuance of the Bonds and refunding the Refunded Bonds (including the premium for the Bond Insurance Policy and the Reserve Policy).

(f) At 9:00 a.m., Denver time, _____, 2024, or such other time and date as shall be agreed upon by the Underwriter and the District (such time and date being herein referred to as the "Closing Date"), the District will deliver the Bonds to the Trustee, for the benefit of the Underwriter, through the facilities of The Depository Trust Company ("DTC"), New York, New York, in full book-entry form, duly executed by the District; and upon authentication by the Trustee, the Underwriter will accept delivery of the Bonds and pay the Purchase Price as set forth in paragraph (a) of this Section 1, in immediately available funds. Such funds are to be applied in

accordance with this Purchase Agreement, the Indenture and a closing memorandum prepared by the Underwriter and approved by the District. The Bonds shall be registered in the name of Cede & Co., as nominee of DTC, as the securities depository for the Bonds.

(g) The Underwriter shall make a bona fide public offering of the Bonds at interest rates not in excess of the initial interest rates as described in the Official Statement.

(h) The Underwriter shall send, by first-class mail or equally prompt means, a copy of the Official Statement to the MSRB.

2. Representations and Warranties of the District. You represent and warrant to the Underwriter, as of the date hereof (and to be reaffirmed as of the Closing Date), that:

(a) The District is a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and existing under the constitution and laws of the State of Colorado, particularly Title 32, Article 1, Colorado Revised Statutes, as amended, and is authorized, among other things, (i) to issue general obligation bonds, such as the Bonds, for authorized purposes; and (ii) to secure the Bonds in the manner contemplated by the Indenture.

(b) The District has the full right, power and authority to:

(i) issue the Bonds;

(ii) adopt the Bond Resolution;

(iii) execute, deliver and perform its obligations under the Bond Resolution, the Indenture, the Pledge Agreement, the Bond Insurance Commitment between the District and the Bond Insurer (the "Commitment"), the Bonds, this Purchase Agreement and the Continuing Disclosure Agreement in substantially the form set forth as an appendix to the Preliminary Official Statement (the "Continuing Disclosure Agreement"), such documents being referred to herein collectively as the "Bond Documents";

(iv) execute and deliver such other documents and certificates as are reasonably required by this Purchase Agreement, or as may be reasonably requested by Bond Counsel (hereafter defined) or the Underwriter to effectuate the issuance of the Bonds, which documents and certificates are referred to herein collectively as the "Closing Documents"; and

(v) consummate the transactions contemplated by the Bond Documents, the Closing Documents and the Official Statement, and the District has complied with and is in compliance with all provisions of applicable law in all matters relating to such transactions.

(c) The District has duly authorized (i) the issuance, execution and delivery of the Bonds; (ii) the adoption and performance of the Bond Resolution; (iii) the distribution and use by the Underwriter of the Preliminary Official Statement, and the execution, delivery and distribution of the Official Statement; (iv) the execution, delivery and performance of the other Bond Documents and the Closing Documents; and (v) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by such instruments. All required notices have been posted and/or published and all necessary filings have been made to enable the Board to act on the matters described above. All

consents or approvals necessary to be obtained by the District in connection with the foregoing have been received and the consents or approvals so received are in full force and effect.

(d) The District has complied with and is in compliance with all provisions of applicable law in all matters relating to the performance of its obligations under the Bond Documents and the Closing Documents and consummation of the transactions contemplated by the Official Statement.

(e) The District is and expects at the Closing Date to be in material compliance with its Service Plan.

(f) The District acknowledges that pursuant to the federal securities laws it is responsible for the for the information presented in the Preliminary Official Statement. As of its date and as of the date hereof, the information contained in the Preliminary Official Statement is true and correct in all material respects, and does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Preliminary Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness, or fairness, the District has no reason to believe and does not believe that such information is materially inaccurate or misleading, and since the date of the Preliminary Official Statement, there have been no material transactions not in the ordinary course of affairs entered into by the District and no material adverse changes in the general affairs of the District or in its financial condition as shown in the Preliminary Official Statement, other than as disclosed in or contemplated by the Official Statement.

(g) As of its date and as of the Closing Date, the information contained in the Official Statement will be true and correct in all material respects, and will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(h) Neither the adoption of the Bond Resolution, nor the execution and delivery of the other Bond Documents and the Closing Documents, nor the consummation of the transactions contemplated herein or therein or the compliance with the provisions hereof or thereof, constitutes on the part of the District a known violation of, or a breach of or default under (i) any statute, resolution, indenture, mortgage, note or other agreement or instrument to which the District is a party or by which it is bound; (ii) any provision of the constitution of the State of Colorado; (iii) any existing law, rule, regulation, resolution, ordinance, judgment, order or decree to which the District (or the members of the Board or any of its officers in their respective capacities as such) is subject; or (iv) any provision of the Internal Revenue Code.

(i) The Indenture creates a valid and legally binding pledge by the District of the Pledged Revenue.

(j) Other than the Bond Resolution and the Indenture, or as otherwise set forth in the Preliminary Official Statement, the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Pledged Revenue or any portion thereof.

(k) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, which has been served on the District or, to the actual knowledge of the District, threatened, which in any way questions the powers of the District referred to in paragraph (b) above, or the validity of any proceeding taken by the District in

connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Bond Documents or the Closing Documents, or which, in any way, could adversely affect the validity or enforceability of the Bond Documents or the Closing Documents, or, to the best knowledge of the District, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under federal or state tax laws or regulations.

(l) Any certificate signed by any official of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the truth of the statements therein contained.

(m) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(n) The District will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Indenture, or which would cause the interest on the Bonds to be includible in gross income for federal income tax purposes.

(o) The financial statements of, and other financial information regarding the District, in the Official Statement fairly present the financial position and results of the District as of the dates and for the periods set forth therein.

3. Covenants and Agreements of the District. The District covenants and agrees with the Underwriter as follows:

(a) The District consents to the use of the Indenture and the Official Statement by the Underwriter in the course of complying with the securities or “Blue Sky” laws of any jurisdiction in which the Bonds are sold, subject to the right of the District to withdraw such consent for cause by written notice to the Underwriter.

(b) The District will provide the Underwriter with such information regarding its current financial condition and ongoing operations as the Underwriter may reasonably request.

(c) The District will take any and all steps within its control that are reasonably necessary to cause the Bonds to be issued on and delivered to the Underwriter on the Closing Date, including, but not limited to, the execution and filing with the Internal Revenue Service of any federal tax forms and the execution of any certification reasonably deemed necessary by Bond Counsel (hereafter defined) as a condition to the delivery of an Opinion of Bond Counsel (hereafter defined); provided, however, that the District shall not be required to consent to service of process in any jurisdiction in connection with such qualification of the Bonds under the “Blue Sky” or other securities laws and regulations.

(d) Pursuant to the provisions of the Continuing Disclosure Agreement, the District agrees to provide certain financial information on an ongoing basis following the issuance of the Bonds.

(e) The District agrees to prepare and deliver to the Underwriter, or cause the preparation and delivery of, at such address as the Underwriter shall specify and in time to accompany confirms to customers of the Underwriter, but in no event later than seven business

days after the execution of this Purchase Agreement or the Closing Date, whichever is earlier, as many copies of the Official Statement (as supplemented and amended from time to time) as the Underwriter shall reasonably request.

(f) The District agrees to cooperate with the Underwriter in the preparation of any supplement or amendment to the Official Statement deemed necessary by the Underwriter on any date subsequent to the execution of this Purchase Agreement.

(g) If at any time prior to the Closing Date, any event occurs with respect to the District as a result of which the Official Statement, as then amended or supplemented, might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter in writing of such event. Any information supplied by the District for inclusion in any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(h) The District has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12.

(i) If after the date of this Purchase Agreement and until 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Bonds to reflect such event, the District promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the District shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the MSRB. The Underwriter acknowledges that the end of the “underwriting period” will be the Closing Date.

(j) The District will not knowingly take or omit to take any action which will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Resolution and Indenture, or which would cause the interest on the Bonds to be includible in gross income for federal income tax purposes.

4. Conditions to the Underwriter’s Obligation. The obligations of the Underwriter hereunder shall be subject to the performance by the District of its obligations hereunder at or prior to the Closing Date, and to the accuracy of the representations and warranties of the District herein as of the date hereof and as of the Closing Date, and are also subject to the following conditions, all of which must occur at or prior to the Closing Date (note that the legal opinions described below may be subject to customary qualifications and limitations as are agreed to by the Underwriter prior to the issuance of the Bonds):

(a) The representations, warranties and covenants of the District contained herein, in the other Bond Documents, and in the Closing Documents shall be true, complete and correct in all material respects as of the Closing Date.

(b) At the Closing Date, (i) the Bonds, the other Bond Documents, and the Closing Documents shall have been duly authorized, executed and delivered by the respective parties thereto, certified copies thereof shall have been delivered to the Underwriter, and said agreements and instruments shall be in full force and effect as valid and binding agreements between or among the parties thereto, as applicable; and (ii) the District shall perform or have performed its obligations which are required to be performed prior to the Closing Date pursuant to the provisions of the Bond Documents and the Closing Documents.

(c) The terms of the Bonds shall in all instances be as described in the Official Statement.

(d) At the Closing Date, there shall have been no material adverse change in the financial condition or operations of the District.

(e) At the Closing Date, all official action of the District relating to the Bonds, the other Bond Documents and the Closing Documents shall have been taken and the Bond Resolution, the Bonds, the other Bond Documents and the Closing Documents shall be in full force and effect in accordance with their respective terms.

(f) At the Closing Date, the Underwriter shall receive the following certificates, opinions and documents, in each case satisfactory in form and substance to the Underwriter and its counsel:

(i) the approving opinion of Ballard Spahr LLP, as bond counsel (“Bond Counsel”), dated as of the Closing Date and addressed to the District and the Underwriter (or a reliance letter in lieu thereof as described in subsection (iii) below) in substantially the form appended to the Official Statement (the “Opinion of Bond Counsel”);

(ii) an opinion of Bond Counsel, dated the Closing Date and addressed to the District and the Underwriter (or a reliance letter in lieu thereof), stating that the Bonds: (A) constitute exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”); (B) it is not necessary in connection with the offering and sale of the Bonds to qualify the Indenture under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”); (C) the Pledge Agreement is a valid and binding obligation of the Taxing Districts enforceable against the Taxing Districts in accordance with its terms; (D) that the statements contained in the Official Statement under the information in the first paragraph of the cover page and in the sections captioned “INTRODUCTION – Purpose of the Bonds,” “– Authority for Issuance,” “– Security and Sources of Payment for the Bonds,” “– Interest Rates; Payment Provisions,” “– Additional Obligations,” “– Prior Redemption,” “– Offering and Delivery Information,” “THE BONDS,” “DEBT STRUCTURE – General Obligation Debt - Outstanding and Authorized but Unissued Debt” and APPENDIX C – “SELECTED DEFINITIONS” insofar as they purport to describe or summarize provisions of the Bonds or the Indenture, are accurate summaries of such provisions in all material respects; (D) that the information in the Official Statement in the italicized paragraph on the cover and under the captions “INTRODUCTION – Tax Status” and “TAX MATTERS” purporting to describe or summarize Bond Counsel’s advice to the District in its opinions concerning certain federal tax matters relating to the Bonds has been reviewed by Bond Counsel and is an accurate summary in all material respects; and (E) that the form of opinion of Bond Counsel set forth as an appendix to the Official Statement is an accurate reproduction of such opinion in all material respects;

(iii) if the Underwriter is not an addressee of the Opinions of Bond Counsel described in paragraphs (i) and (ii) above, then the Underwriter will require, in lieu thereof, reliance letters of Bond Counsel addressed to the Underwriter and dated as of the Closing Date, stating that the Underwriter shall be entitled to rely upon the Opinions of Bond Counsel as if the same were addressed the Underwriter;

(iv) the District shall receive a letter from Ballard Spahr LLP (“Ballard”), in its capacity as special counsel to the District in connection with the preparation of the Official Statement (the “Engagement”), in form and substance satisfactory to the Underwriter, dated as of the Closing Date and addressed to the District and the Underwriter (or a reliance letter in lieu thereof), stating, in substance, that nothing has come to the attention of the attorneys at Ballard who have worked on the Engagement which leads Ballard to believe that that the Preliminary Official Statement and Official Statement (any financial, economic, demographic, engineering, technical or statistical information, trends, forecasts, projections, estimates, assumptions, or expressions of opinion, including Economic and Demographic Information contained in Appendix D, information concerning the Bond Insurer, the Bond Insurance Policy, the Reserve Policy, any information related to CUSIP numbers and information about CUSIP Global Services, and statements of expectations of the District or others, any maps, any Appendices to the Preliminary Official Statement and the Official Statement, any information on the italicized paragraph on the cover and under the captions “INTRODUCTION – Tax Status” and “TAX MATTERS”, any information under “MISCELLANEOUS – Underwriting” and information concerning The Depository Trust Company and its procedures contained in the Preliminary Official Statement and the Official Statement and Appendix G, as to which Ballard will express no view; and provided further that, Ballard will express no opinion regarding the omission from the Preliminary Official Statement of such information as is permitted pursuant to Rule 15c2-12) contained, with respect to the Preliminary Official Statement, as of its date, any untrue statement of a material fact or omitted as of its date or the date hereof to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and with respect to the Official Statement, contained as of its date or contains as of the Closing Date, any untrue statement of a material fact or omitted as of its date or omits as of the Closing Date to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(v) The Underwriter shall receive an opinion of White Bear Ankele Tanaka & Waldron Professional Corporation, as general counsel to the District (“District Counsel”), in a form satisfactory to the Underwriter, dated the day of Closing and addressed to the District and the Underwriter, concerning (A) the due organization of the District; (B) to the best of its actual knowledge, the absence of litigation involving the District not disclosed in the Official Statement; (C) the adoption (including adoption of the Bond Resolution), due execution and delivery of the Bond Resolution, the Pledge Agreement, the Continuing Disclosure Agreement, the Indenture and this Purchase Agreement; (D) to the best of its knowledge, the qualification of the members of the Board to serve in such capacity; (E) to the best of its knowledge, whether the issuance of the Bonds or entering into the Bond Resolution, the Continuing Disclosure Agreement, the Indenture, the Pledge Agreement and this Purchase Agreement will constitute a violation of any judgment, order or decree, or a breach of any agreement or instrument to which the District is a party; (F) the District is not required by law to further amend the Service Plan to effectuate the execution and performance of its obligations under the Bond Resolution, the Pledge Agreement, the

Continuing Disclosure Agreement, the Indenture and this Purchase Agreement; (G) to the best of its actual knowledge, no additional or further approval, consent, or authorization of any governmental, public agency, or authority not already obtained is required by the District in connection with the issuance of the Bonds, or entering into and performing its obligations under the Bond Resolution, the Continuing Disclosure Agreement, the Indenture and this Purchase Agreement; and (H) a statement to the effect that the sections of the Official Statement entitled “INTRODUCTION – The Taxing Districts,” “THE TAXING DISTRICTS,” and “LEGAL MATTERS –Pending and Threatened Litigation involving the Taxing Districts,” but excluding financial information contained therein, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and such other matters as may be reasonably requested by the Underwriter;

(vi) The Underwriter shall receive an opinion of White Bear Ankele Tanaka & Waldron Professional Corporation, as general counsel to the District No. 3 (“District No. 3 Counsel”), in a form satisfactory to the Underwriter, dated the day of Closing and addressed to District No. 3 and the Underwriter, concerning (A) the due organization of District No. 3; (B) to the best of its actual knowledge, the absence of litigation involving District No. 3 not disclosed in the Official Statement; (C) the adoption (including adoption of the Pledge Agreement Resolution), due execution and delivery of the Pledge Agreement Resolution, the Pledge Agreement and the Continuing Disclosure Agreement; (D) to the best of its knowledge, the qualification of the members of the Board of District No. 3 to serve in such capacity; (E) to the best of its knowledge, entering into the Pledge Agreement Resolution, the Continuing Disclosure Agreement or the Pledge Agreement will constitute a violation of any judgment, order or decree, or a breach of any agreement or instrument to which District No. 3 is a party; (F) District No. 3 is not required by law to further amend the Service Plan to effectuate the execution and performance of its obligations under the Pledge Agreement Resolution, the Pledge Agreement or the Continuing Disclosure Agreement; (G) to the best of its actual knowledge, no additional or further approval, consent, or authorization of any governmental, public agency, or authority not already obtained is required by District No. 3 in connection with entering into and performing its obligations under the Pledge Agreement Resolution, the Continuing Disclosure Agreement, the Pledge Agreement; and (H) such other matters as may be reasonably requested by the Underwriter;

(vii) a certificate, dated the Closing Date, of the District executed by the President of the Board of the District (or other appropriate official of the District) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the District or, to the knowledge of the District, threatened against or affecting the District (1) to restrain or enjoin the District’s participation in, or in any way contest the existence of the District or the powers of the District with respect to the consummation of the transactions contemplated by, or performance of the District’s obligations under, the Bond Documents, including, but not limited to, the validity of the election held on May 6, 2014, or the authority of the District to impose and collect ad valorem property taxes, or (2) which, if successful, would materially and adversely affect the financial condition or operations of the District, or the District’s power to issue and deliver the Bonds or to perform its obligations under the Bond Documents; (B) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded; (C) so far as is known, nothing exists to hinder or prevent the District from issuing the Bonds, or imposing the Required Mill Levy; (D) the representations and warranties of the District contained in this

Purchase Agreement and the other Bond Documents are complete, true and correct in all material respects, and the District has complied with all agreements and covenants and satisfied all conditions required to be satisfied prior to the Closing Date as contemplated by the Bond Documents; (E) the information contained in the Official Statement as of its date and as of the Closing Date is true and correct in all material respects, and does not contain any untrue or misleading statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (subject to the condition that while information in the Preliminary Official Statement obtained from sources other than the District is not guaranteed as to accuracy, completeness or fairness, the District has no reason to believe, and does not believe, that such information is materially inaccurate or misleading); (F) there has been no material adverse change in the ability of the District to pay debt service on the Bonds or the financial condition or results of the operations of the District from the date of the Official Statement to the date of such certificate; (G) each of the Bond Documents constitute the valid, legal and binding obligations of the District enforceable in accordance with their terms, subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization, or other similar federal or state laws affecting creditors' rights; and (H) such other representations as are customary in similar transactions;

(viii) a certificate, dated the Closing Date, of District No. 3 executed by the President of the Board of District No. 3 (or other appropriate official of District No. 3) to the effect that (A) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on District No. 3 or, to the knowledge of District No. 3, threatened against or affecting District No. 3 (1) to restrain or enjoin the District's participation in, or in any way contest the existence of District No. 3 or the powers of District No. 3 with respect to the consummation of the transactions contemplated by, or performance of the District's obligations under, the Pledge Agreement, the Pledge Agreement Resolution and the Continuing Disclosure Agreement, including, but not limited to, the validity of the election held on May 6, 2014, or the authority of the District to impose and collect ad valorem property taxes, or (2) which, if successful, would materially and adversely affect the financial condition or operations of District No. 3, or District No. 3 power to perform its obligations under the Pledge Agreement, the District No. 3 resolution approving the Pledge Agreement (the "Pledge Agreement Resolution") and the Continuing Disclosure Agreement; (B) no authority or proceedings for the issuance of the Bonds has or have been repealed, revoked or rescinded; (C) so far as is known, nothing exists to hinder or prevent District No. 3 from imposing the Required Mill Levy; (D) the representations and warranties of District No. 3 contained in the Pledge Agreement are complete, true and correct in all material respects, and District No. 3 has complied with all agreements and covenants and satisfied all conditions required to be satisfied prior to the Closing Date as contemplated by the Pledge Agreement, the Pledge Agreement Resolution and the Continuing Disclosure Agreement; (E) there has been no material adverse change in the financial condition or results of the operations of District No. 3 from the date of the Official Statement to the date of such certificate; (F) the Pledge Agreement and the Continuing Disclosure Agreement constitute the valid, legal and binding obligations of District No. 3 enforceable in accordance with their terms, subject to the effect of, and restrictions and limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization, or other similar federal or state laws affecting creditors' rights; and (G) such other representations as are customary in similar transactions;

(ix) the Underwriter shall receive satisfactory evidence that the Bonds have an underlying rating of “_____” by Moody’s, an insured rating of “___” by S&P based upon the delivery of the Policy by the Bond Insurer;

(x) the underwriter shall receive satisfactory evidence of the issuance of the Insurance Policy and Reserve Policy by _____ (the “Bond Insurer”) insuring the Bonds;

(xi) the Underwriter shall receive a certificate of the Bond Insurer and an opinion of counsel to the Bond Insurer both in form and substance satisfactory to the Underwriter;

(xii) the Official Statement executed by an authorized officer of the District;

(xiii) copies of the executed Bond Documents and the Bond Resolution;

(xiv) a tax certificate relating to the Bonds in the form satisfactory to Bond Counsel;

(xv) specimens of the Bonds;

(xvi) a certificate, dated the Closing Date, of the Trustee, signed by a duly authorized officer of the Trustee, to the effect that (A) the Trustee has been duly organized and is validly existing in good standing as a national banking association with full corporate power to undertake the duties and obligations set forth in the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, the Pledge Agreement and the Continuing Disclosure Agreement; and (C) to the best of such officer’s knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body which has been served on the Trustee (either in state or federal courts), or to the knowledge of the Trustee, threatened against or affecting the Trustee which would restrain or enjoin the execution or delivery of the Indenture, the Pledge Agreement or the Continuing Disclosure Agreement or which would affect the validity or enforceability of the Indenture, the Pledge Agreement or the Continuing Disclosure Agreement or the Trustee’s participation in, or in any way contesting the powers or the authority of the Trustee with respect to the transactions contemplated by the Indenture, the Pledge Agreement or the Continuing Disclosure Agreement or any other agreement, document or certificate related to such transactions;

(xvii) evidence satisfactory to the Underwriter of the exemption of the Bonds from the registration requirements of the Colorado Municipal Bond Supervision Act;

(xviii) a copy of the letter of representations from the District to DTC to induce DTC to accept the Bonds as eligible for deposit at DTC;

(xix) any approvals required under the District’s Service Plan prior to the issuance of the Bonds;

(xx) such certifications, representations or agreements from the entities which are purchasing the Bonds from the Underwriter with respect to such purchasers’ commitment to purchase the Bonds as to the Underwriter shall deem necessary and appropriate, in its sole discretion; and

(xxi) such additional certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy as of the Closing Date of the representations and warranties of the District contained in this Purchase Agreement and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District pursuant to this Purchase Agreement.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds on the Closing Date shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder; except that the obligation to pay expenses, as provided in Section 9 hereof, shall continue in full force and effect.

5. Establishment of Issue Price.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District on the Closing Date an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) The District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity *have been sold to the public*.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and for so long as directed by the Underwriter. The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(d) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party;

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

6. Termination. The Underwriter shall have the right to cancel its obligations to purchase the Bonds in whole or, in accordance with the final paragraph of this Section 6, in part if between the date hereof and the Closing Date:

(a) a decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, regulation or offering circular by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds or of any of the transactions contemplated in connection herewith, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the District or by any similar body under the Bond Resolution, the Indenture or similar documents or upon interest received on obligations of the general character of the Bonds, or the Bonds which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(b) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing Date, or a decision by a court of the United States shall have

been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(c) a stop order, ruling, regulation or offering circular by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, as contemplated hereby, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(e) there shall have occurred any material escalation or outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(f) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(g) a general banking moratorium shall have been declared by federal, New York or Colorado authorities; or

(h) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the District; or

(i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(j) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; or

(k) the declaration of bankruptcy by a state or any subdivision or instrumentality of a state, which state, subdivision or instrumentality has a population of over 500,000, any of which, in the reasonable opinion of the Underwriter, has had a materially adverse effect on the United States securities markets; or

(l) any court or regulatory proceeding shall be pending or threatened regarding the ad valorem taxes to be imposed by the District; or

(m) any one or more investors who have agreed to buy the Bonds from the Underwriter fails to honor its agreement to purchase its committed portion of the Bonds;

(n) any fact or event shall exist or have existed that, requires or has required an amendment of or supplement to the Official Statement, which in judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds; or

(o) any material change in the financial condition of the District, which in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Bonds.

7. Contingency of Obligations. The obligations of the District hereunder are subject to the performance by the Underwriter of its obligations hereunder.

8. Duration of Representations, Warranties, Agreements and Covenants. All representations, warranties, agreements and covenants of the District are made as of the Closing Date and shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the District and shall survive the Closing Date. The obligations of the District under Section 9 hereof shall survive any termination of this Purchase Agreement by the Underwriter pursuant to the terms hereof.

9. Expenses and Compensation. The District will pay or cause to be paid all reasonable expenses incident to the performance of its obligations and the obligations of the Underwriter under this Purchase Agreement, including, but not limited to, mailing or delivery of the Bonds, costs of posting and distributing the Preliminary Official Statement and the Official Statement, the fees and disbursements of Bond Counsel, Underwriter's Counsel, District No. 3 Counsel, Ballard (in connection with Engagement) and District Counsel, the fees and expenses of the District's accountants and other consultants, fees and charges of the Trustee or other agent retained in connection with the payment of, or the administration of the payment of, the Bonds, fees to register the Bonds with DTC, CUSIP fees, regulatory fees, clearing and delivery fees and all other out of pocket expenses incurred by the Underwriter in connection with its purchase and offering of the Bonds. In the event this Purchase Agreement shall terminate without Bonds being issued, the District will, nevertheless, pay, or cause to be paid, any of the amounts owing specified above for which it is contractually obligated. The District shall also pay for any expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter which are incidental to implementing this Purchase Agreement and the issuance of the Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs. The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as a part of the issuance of the Bonds.

10. Notices. Any notice or other communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing to Raindance Metropolitan District No. 2, c/o White Bear Ankele Tanaka & Waldron P.C. 2154 Commons Ave, Suite 2000, Centennial, Colorado 80122 Attention: William P. Ankele, Jr.; and any notice or other communication to be given to the Underwriter under the Purchase Agreement may be given by delivering the same in writing to RBC Capital Markets LLC, 1801 California Street, Suite 3850, Denver, Colorado 80202, Attention: Jon Moellenberg.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

12. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without regard to its choice of law analysis.

13. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

14. Effectiveness; Form of Signatures. This Purchase Agreement shall become effective upon your acceptance hereof, as evidenced by your signature hereon. This Purchase Agreement may be signed via facsimile or electronically, transmitted in PDF format or otherwise, and the signatures of the parties hereto in any such form shall be binding and of full force and effect as if such signatures were original signatures of such parties.

15. Counterparts. This Purchase Agreement may be executed in several counterparts which together shall constitute one and the same instrument.

[Signature Page Follows]

If the foregoing is acceptable to you, please sign below and this Purchase Agreement will become a binding contract between us.

Very truly yours,

RBC CAPITAL MARKETS, LLC

By: _____
Authorized Signatory

Date: _____, 2024

Time: _____

Accepted:

**RAINDANCE METROPOLITAN
DISTRICT NO. 2**

By: _____
Authorized Signatory

Date: _____, 2024

Time: _____

EXHIBIT A
to
BOND PURCHASE AGREEMENT

EXHIBIT B
to
BOND PURCHASE AGREEMENT

PRICING CERTIFICATE

The undersigned, on behalf of RBC Capital Markets, LLC (“RBC”), hereby certifies as set forth below with respect to the sale and issuance by Raindance Metropolitan District No. 2, In the Town of Windsor, Weld County, Colorado (the “District”), of its Limited Tax General Obligation Refunding Bonds, Series 2024 (the “Bonds”). This Pricing Certificate (this “Certificate”) is delivered this _____, 2024.

1. **Sale of the Bonds.** As of the date of this Issue Price Certificate, for each Maturity of the Bonds, the first price at which at least ten percent of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule I hereto.

2. **[Other Matters.** Representations as to reserve funds, bond insurance, yield and average maturity to be included here, as applicable, at time of closing.]

3. **Defined Terms.**

(a) *“Maturity”* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *“Public”* means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *“Sale Date”* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(d) *“Underwriter”* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this Issue Price Certificate are limited to factual matters only. Nothing in this Issue Price Certificate represents RBC’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the District with respect to certain of the representations set forth in the Tax Compliance Certificate to which this Issue Price Certificate is attached and with respect to compliance with the federal income tax rules affecting the Bonds, and by Ballard Spahr LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned, on behalf of the Underwriter, has set his or her hand as of the date first written above.

RBC CAPITAL MARKETS LLC

By: _____
Name: _____
Title: _____

**SCHEDULE I
TO ISSUE PRICE CERTIFICATE**

SALE PRICES OF THE GENERAL RULE MATURITIES

**SCHEDULE II
TO ISSUE PRICE CERTIFICATE**

PRICING WIRE OR EQUIVALENT COMMUNICATION

[attach only if all or some of the Bond maturities use the hold-the-offering-price rule]

**RAINDANCE METROPOLITAN DISTRICT NO. 2
IN THE TOWN OF WINDSOR
WELD COUNTY, COLORADO
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS
SERIES 2024**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is executed and delivered by RainDance Metropolitan District No. 2, in the Town of Windsor, Weld County, Colorado (the “District”), RainDance Metropolitan District No. 3, in the Town of Windsor, Weld County, Colorado (“District No. 3”) and _____, Denver, Colorado, as trustee (the “Trustee”) under the Indenture in connection with the issuance by the District of its General Obligation Limited Tax Refunding Bonds, Series 2024, in the aggregate principal amount of \$_____ (the “Bonds”).

Section 1. Purpose of this Agreement. This Agreement is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized terms used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the District pursuant to, and as described in Section 3 and Section 4 of this Agreement.

“*Audited Financial Statements*” means the most recent annual financial statements for the District and District No. 3 prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”), which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Colorado.

“*Dissemination Agent*” shall mean, initially, the Trustee, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“*Fiscal Year*” shall mean the period beginning on January 1 and ending on December 31, or such other 12-month period as may be adopted by the District and District No. 3 in accordance with law.

“*Indenture*” means the Indenture of Trust relating to the Bonds dated as of _____ 1, 2024, by and between the District and the Trustee, as such Indenture may be amended or supplemented from time to time.

“*Listed Events*” shall mean any of the events listed in Section 5 of this Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“*Official Statement*” means the final Official Statement prepared in connection with the Bonds.

“*Participating Underwriter*” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Agreement.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the District’s fiscal year, commencing nine (9) months following the end of the District’s fiscal year ending December 31, 2024 provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Agreement. Not later than five (5) business days prior to said date, the District shall provide the Annual Report to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, file or cause to be filed with the MSRB a notice in substantially the form attached to this Agreement as Exhibit “A.”

Section 4. Content of Annual Report. The District’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of the Audited Financial Statements. If the Audited Financial Statements are not available by the time specified in Section 3(a) above, Audited Financial Statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site (EMMA) or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

Section 5. Reporting of Listed Events. The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, *if material*;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of bondholders, *if material*;

(8) Bond calls, *if material*, and tender offers;

(9) Defeasances;

(10) Release, substitution or sale of property securing repayment of the Bonds, *if material*;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person;¹

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, *if material*;

(15) Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, *if material*; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the District intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

Section 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Agreement shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Agreement, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 7. Termination of Reporting Obligation. The District's obligations under this Agreement shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the District and District No. 3 shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 8. Dissemination Agent.

(a) The District may, from time to time, appoint or engage a Dissemination Agent to assist the District in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the District elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and any other agreement between the District and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the District described in this Agreement, the Dissemination Agent shall:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the District at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the District that the Annual Report has been provided pursuant to this Agreement and the date it was provided.

(4) If the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 3(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Agreement as Exhibit A.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the District or District No. 3 may amend this Agreement and may waive any provision of this Agreement, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The District or District No. 3 will provide notice of such amendment or waiver to the MSRB.

Section 10. Additional Information. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this

Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District or District No. 3 to comply with any provision of this Agreement, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District and District No. 3 to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Agreement in the event of any failure of the District or District No. 3 to comply with this Agreement shall be an action to compel performance.

Section 12. Beneficiaries. This Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Compensation. As compensation for its services under this Agreement, the Trustee shall be compensated or reimbursed by the District for its reasonable fees and expenses in performing the services specified under this Agreement.

Section 14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

Section 15. Severability. If any section, paragraph, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement, the intent being that the same are severable.

Section 16. Trustee. The Trustee shall have only such duties as are specifically set forth in this Agreement and no implied covenants or obligation shall be read into this Agreement against the Trustee. District agrees, to the extent permitted by law, to indemnify and save the Trustee, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performances of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim or liability, but excluding liabilities due to the Trustee's gross negligence or willful misconduct. The Trustee may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the District. The Trustee shall not be responsible in any manner for the content of any notice or report (including without limitation any Annual Report) prepared by the District pursuant to this Agreement. The obligations of the District under this Section shall survive resignation or removal of the Trustee and payment of the Bonds.

Section 17. Counterparts. This Agreement may be executed on counterpart signature pages.

Section 18. Duties of District No. 3 under this Agreement. District No. 3 agrees to provide the District with its Audited Financial Statement and any other information requested by the District in a timely manner after such request in order for the District to meet its obligations hereunder.

DATE: _____, 2024

**RAINDANCE METROPOLITAN DISTRICT NO. 2,
IN THE TOWN OF WINDSOR, WELD COUNTY,
COLORADO**

By: _____
Authorized Signatory

**RAINDANCE METROPOLITAN DISTRICT NO. 3,
IN THE TOWN OF WINDSOR, WELD COUNTY,
COLORADO**

By: _____
Authorized Signatory

_____, as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT "A"

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: RainDance Metropolitan District No. 2, In the Town of Windsor, Weld County, Colorado

Name of Bond Issue: General Obligation Limited Tax Refunding Bonds, Series 2024, in the aggregate principal amount of \$_____

Date of Issuance: _____, 2024

Base CUSIP
Number:

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated _____, 2024. The District anticipates that the Annual Report will be filed by _____.

**RAINDANCE METROPOLITAN DISTRICT NO. 2,
IN THE TOWN OF WINDSOR, WELD COUNTY,
COLORADO**

By: _____
Authorized Signatory

*

EXHIBIT "B"

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Issuing District's History of Assessed Valuation and Mill Levies
District No. 3's History of Assessed Valuation and Mill Levies
Issuing District's History of Property Tax Collections
District No. 3's History of Property Tax Collections

August 20, 2024

RainDance Metropolitan District No. 2
1625 Pelican Lakes Point
Windsor, CO 80550
Attention: Gary Kerr, Developer

Re: *US\$42,250,000 Raindance Metropolitan District No. 2, , Limited Tax General Obligation Refunding Bonds, Series 2024, dated: Date of delivery, due: December 01, 2054*

Dear Gary Kerr

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "A" . S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:

S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

bc
enclosures

cc: *Samadhi Asnes, Associate*
RBC Capital Markets, LLC

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

Summary:

**RainDance Metropolitan District No.
2, Colorado; General Obligation**

Primary Credit Analyst:

Daniel Golliday, Dallas 214-505-7552; daniel.golliday@spglobal.com

Secondary Contact:

Malcolm Simmons, Chicago +1 3122337081; malcolm.simmons@spglobal.com

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Outlook

Related Research

Summary:

RainDance Metropolitan District No. 2, Colorado; General Obligation

Credit Profile

US\$42.25 mil ltd tax GO rfdg bnds ser 2024 due 12/01/2054

Long Term Rating

A/Stable

New

Credit Highlights

- S&P Global Ratings assigned its 'A' rating to RainDance Metropolitan District No. 2, Colo.'s proposed \$42.3 million series 2024 limited-tax general obligation (GO) refunding bonds.
- The outlook is stable.

Security

The bonds are limited-tax GOs of the district secured by property tax revenue generated from ad valorem taxes assessed against all taxable property within Raindance Metropolitan District Nos. 2 and 3 (the taxing districts) and their respective specific ownership tax revenue. The districts' taxing capacity is capped at 39 mills for debt service, although the mill rate cap is adjusted for residential assessment rate changes. Despite the inherent tax rate limitation, we do not differentiate between the limited-tax pledge and our view of the districts' general creditworthiness. In our view, there are no limitations on the fungibility of resources available for debt service, supporting our view of the districts' overall willingness and ability to make timely debt service payments.

We understand that the bonds will additionally be secured by a debt service reserve fund (DSRF) that is anticipated to be funded from an investment-grade surety at the standard three-prong test. The series 2024 bonds are being issued to refund the district's 2018A, 2018B, 2019A, and 2019B bonds outstanding on a current basis for net present value savings and to reduce ad valorem taxes paid by existing property owners.

District No. 2 is the issuer of the debt, the taxable property is within Districts No. 2 and 3 and with taxes collected and transferred to District No. 2 for debt service payments. The coordinating district is required to deliver the preliminary budget to the financing districts tax by Oct. 15 with the final budget approved no later than Nov. 1. The district's coordination agreement has a mechanism in place to remedy a failure to adopt a budget.

Credit overview

The rating reflects our view of the districts' mature status of development with an expanding and diverse tax base, low available reserves but fully funded DSRF, tax base size in line with peer medians, and a moderate overall debt burden. The Raindance Metropolitan Districts are in the bedroom community of Windsor, which participates in the rapidly growing Fort Collins/Greeley metropolitan area that is poised to continue experiencing ongoing residential and commercial growth.

Given the multidistrict structure, District No. 2 operations are limited as member districts' participate in a joint service plan that provides economies of scale for both operations and leverage with the benefit of meaningful cost savings. Because of this, operations for the taxing districts' pledged toward the 2024 bonds are very limited, with revenue being used only for transfers to District No. 1 (not a taxing district pledged to the bonds) and a small amount of annual administration fees. Property tax revenue has generally increased in line with the districts' tax bases, resulting in relatively low direct property tax rates affording the districts additional revenue-raising flexibility to ensure timely debt service payments if tax base contractions were to occur.

For more information on our Metropolitan District ratings in Colorado, see "U.S. Local Government Credit Brief: Colorado Metropolitan Districts and Arizona Communities Facilities Districts Means And Medians," published July 23, 2024, on RatingsDirect.

The ratings further reflect our opinion of the district's:

- Mature development status characterized by a fully residential and diverse tax base in eastern Weld County that is poised to keep expanding and diversify, supported by healthy tax base growth that we expect to continue given its participation in the Denver-Aurora combined statistical area; the district expects full build-out by 2026;
- Limited operating profile with a history of at least balanced general fund operating results given strong collections and tax base growth;
- Primary role as a financing vehicle, so operational reserves are nominally low but offset by a fully funded DSR equal to maximum annual debt service (MADS);
- Moderate overall debt burden as a percentage of market value with a level amortization schedule but no additional debt needs given the built-out status of infrastructure development; and
- Inherent limitation on the districts' ability to raise the mill levy under the service plan; however, with sufficient revenue-raising flexibility and potential to build levy capacity as assessed value (AV) grows. MADS coverage at the mill levy cap is based on 2025 AV with 0% growth is 1.3x.

Environmental, social, and governance

We view physical risk for the region as elevated, considering the semi-arid climate that enables drought, wildfire, and inland flooding, which could affect property values, demand, or local demographic trends. We consider social and governance factors neutral.

Outlook

The stable outlook reflects our view of the district's steady and predictable operating profile, and our expectation that property tax collection rates will remain steady given the district's mature status, supporting its ability to make fully and timely debt service payments.

Downside scenario

Should the district's property tax delinquencies increase or potential state legislation weaken the district's ability to make full and timely debt service payments, we could lower the rating.

Upside scenario

All else equal, we could raise the rating if ongoing growth results in taxable values comparable with those of higher rated peers, coupled with material improvement in its debt service fund balance to a level comparable with that of higher-rated peers.

RainDance Metropolitan District No. 2, Colorado -- Key credit metrics					
	Characterization	Most recent	Historical information		
			2023	2022	2021
Economic indicators					
AV (\$000s)		75,684	44,333	32,524	
Actual value (\$000s)		1,042,686			
Top 10 taxpayers as % of taxable value	Diverse	18.9			
Status of development (%) (infrastructure)	Built-out		100.0	100.0	100.0
Status of development (%) (built upon)	Mature	85.0			
Financial indicators					
Available general fund balance (\$000s)					
Operating expenditures (\$000s)			55	55	
Available reserves as % of operating expenditures	Low		0.0	0.0	
Debt service fund balance as a % of MADS	Very Strong	100.0			
Direct property tax rate (\$ per \$100 of AV)		4.87	4.38	4.06	
Total property tax rate (\$ per \$100 of AV)		13.66			
Debt and long-term liabilities					
Overall net debt as % of market value	Moderate	4.5			

AV--Assessed value. MADS--Maximum annual debt service. MADS year: 2053.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.spglobal.com/ratings for further information. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

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BAM

MUNICIPAL BOND DEBT SERVICE RESERVE INSURANCE COMMITMENT

Issuer: Raindance Metropolitan District No. 2 Effective Date: August 22, 2024
(in the Town of Windsor), Weld
County, Colorado

Member: Raindance Metropolitan District No. 2 (in Expiration Date: November 19, 2024
the Town of Windsor), Weld County,
Colorado

Bonds: Limited Tax General Obligation
Refunding Bonds, Series 2024

Premium: 1.50% of Policy Limit

Policy Limit: An amount not to exceed the debt service reserve requirement for the Bonds insured by BAM as set forth in the Security Documents (the “Reserve Account Requirement”). The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Account Requirement in accordance with the Security Documents

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), a New York mutual insurance corporation, hereby commits to issue its Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”), in the form attached hereto as **Exhibit A**, relating to the above-described debt obligations (the “Bonds”), subject to the terms and conditions contained herein or added hereto. All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Bond Insurance Commitment referred to in Paragraph 1 below or, if not defined therein, in the Debt Service Reserve Agreement referred to in Paragraph 3(a) below.

To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to deny or grant a renewal in its sole discretion. To keep the Commitment in effect to the Expiration Date set forth above, BAM must receive a duplicate of this Commitment executed by an authorized officer of the Issuer within ten days of the date of this Commitment.

THE RESERVE POLICY SHALL BE ISSUED UPON SATISFACTION OR THE WAIVER BY BAM OF THE FOLLOWING CONDITIONS, AND THE ISSUER AGREES AS FOLLOWS:

1. **Conditions to Municipal Bond Policy Satisfied.** All conditions required under the Municipal Bond Insurance Commitment, dated August 22, 2024 issued by BAM with respect to the Bonds (the “Bond Insurance Commitment”) for the issuance of the municipal bond insurance policy to be issued thereunder shall have been satisfied and the Bonds are simultaneously insured by BAM. All conditions set forth in this Commitment shall be in addition to the requirements set forth in Bond Insurance Commitment.
2. **The Transaction Documents** shall contain the document provisions set forth in **Exhibit B** hereto.
3. **Agreement and Related Opinions.** BAM shall be provided with the following:
 - (a) A copy of the Debt Service Reserve Agreement, substantially in the form of **Exhibit C**, duly executed by the Issuer, subject only to such changes as shall be agreed to by BAM, as evidenced by BAM’s execution thereof (For your information, the form of legal opinion to be delivered by BAM at closing is attached hereto as **Exhibit D**).
 - (b) An opinion(s) of bond counsel or other counsel acceptable to BAM, addressed and in form and substance satisfactory to BAM, as to (i) the due authorization, validity and enforceability of the Debt Service Reserve Agreement, and (ii) if applicable, the Reserve Policy constitutes an instrument eligible for deposit to the credit of the debt service reserve fund or account (the “Reserve Fund”) under the Security Documents, and as to such other matters as BAM shall reasonably request.
 - (c) Evidence of wire transfer of immediately available funds in an amount equal to the Premium stated above, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the delivery date of the Reserve Policy. Please see “Procedures for Premium Payment” attached hereto.
4. **Security for Repayment of Draws under the Reserve Policy, and Policy Costs.** The Security Documents shall secure repayment of draws under the Reserve Policy and all Policy Costs consistent with the terms of the Debt Service Reserve Agreement.
5. **Payments Due under the Policy.** All amounts on deposit under the Security Documents available to pay debt service on the Bonds (exclusive of the Reserve Policy) shall be used to pay such debt

service before any drawing may be made on the Reserve Policy or any other credit facility. Draws on the Reserve Policy may be used only to pay principal of and/or interest on the Bonds.

6. **Ascertainment of Amounts to be Drawn.** The Security Documents shall require the Trustee or Paying Agent to determine the necessity for a claim upon the Reserve Policy and to provide notice to BAM in accordance with the terms of the Reserve Policy.
7. **Final Documents.** Copies of all transaction documents and opinions required by this Commitment prepared subsequent to the date of this Commitment (black-lined to reflect all revisions from previously reviewed drafts) shall be furnished to BAM for review and approval at the same time and in the same manner as other transaction documents are required to be provided under (and as defined in) the Bond Insurance Commitment.
8. **Expiration of the Reserve Policy.** The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.
9. **Closing Transcript.** The closing transcript required to be provided to BAM pursuant to the Bond Insurance Commitment shall include all transaction documents and opinions required by this Commitment.

BUILD AMERICA MUTUAL ASSURANCE COMPANY



Authorized Officer

August 22, 2024

Date

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AGREED AND ACCEPTED

The undersigned, an authorized officer of the Issuer, agrees and accepts the conditions set forth above and further agrees that (i) if the debt service reserve fund requirement for the Bonds is met by a credit instrument, such credit instrument shall be a Reserve Policy provided by BAM in accordance with the terms of this Commitment; (ii) the Issuer has made an independent investigation and decision as to whether to satisfy its reserve fund requirement with the Reserve Policy or whether the Reserve Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore the Issuer is not relying on, any recommendation from BAM that the Issuer satisfy its reserve fund requirement with or obtain the Reserve Policy, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Reserve Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Reserve Policy; (iv) the Issuer acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the Issuer acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; and (vi) the Issuer also acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (vi) above shall survive the expiration or termination of this Commitment.

**RAINDANCE METROPOLITAN DISTRICT NO. 2 (IN THE TOWN OF WINDSOR),
WELD COUNTY, COLORADO**

By: _____

Title: _____

Date: _____

**PROCEDURES FOR PREMIUM PAYMENT
TO
BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")**

BAM's issuance of its municipal bond debt service reserve insurance policy at bond closing is contingent upon payment and receipt of the Premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED BY BAM.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of Amount to be Paid:	Upon determination of the final debt service reserve fund requirement, fax or email such schedule to BAM Attention: Alexander Vaisman Email: avaisman@buildamerica.com Phone No.: 415-858-1004 Fax No.: 212-962-1710
---------------------------------------	--

Confirm with BAM's credit analyst that you are in agreement with respect to Reserve Fund Policy Limit and Premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: POLICY# _____ (Include in OBI Field)

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to @@BAMCC_NAME@@, Closing Coordinator, [@@BAMCC_PHONE@@](tel:@@BAMCC_PHONE@@), email: @@BAMCC_EMAIL@@.

EXHIBIT A

Specimen Municipal Bond Debt Service Reserve Insurance Policy



**MUNICIPAL BOND DEBT
SERVICE RESERVE
INSURANCE POLICY**

ISSUER: ISSUER_NAME, STATE_NAME

Policy No:

MEMBER: MEMBER_COMPANY,
STATE_NAME

Effective Date:

BONDS: \$ _____ in aggregate
principal amount of

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

Maximum Policy Limit: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the “Trustee”) or paying agent (the “Paying Agent”) for the Bonds named above under the Security Documents, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

BAM will make payment as provided in this Policy to the Trustee or Paying Agent on the later of (i) the Business Day on which such principal and interest becomes Due for Payment and (ii) the first Business Day following the Business Day on which BAM shall have received a completed Notice of Nonpayment in a form reasonably satisfactory to it. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of this paragraph, and BAM shall promptly so advise the Trustee or Paying Agent who may submit an amended Notice of Nonpayment.

Payment by BAM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of BAM under this Policy. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, (a) BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner’s right to receive payments under such Bond and (b) BAM shall become entitled to reimbursement of the amount so paid (together with interest and expenses) pursuant to the Security Documents and Debt Service Reserve Agreement.

The amount available under this Policy for payment shall not exceed the Policy Limit. The amount available at any particular time to be paid to the Trustee or Paying Agent under the terms of this Policy shall automatically be reduced by and to the extent of any payment under this Policy. However, after such payment, the amount available under this Policy shall be reinstated in full or in part, but only up to the Policy Limit, to the extent of the reimbursement of such payment (after taking into account the payment of interest and expenses) to BAM by or on behalf of the Issuer. Within three (3) Business Days of such reimbursement, BAM shall provide the Trustee or the Paying Agent with Notice of Reinstatement, in the form of Exhibit A attached hereto, and such reinstatement shall be effective as of the date BAM gives such notice.

Payment under this Policy shall not be available with respect to (a) any Nonpayment that occurs prior to the Effective Date or after the end of the Term of this Policy or (b) Bonds that are not outstanding under the Security Documents. If the amount payable under this Policy is also payable under another BAM issued policy insuring the Bonds, payment first shall be made under this Policy to the extent of the amount available under this Policy up to the Policy Limit. In no event shall BAM incur duplicate liability for the same amounts owing with respect to the Bonds that are covered under this Policy and any other BAM issued insurance policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. “**Business Day**” means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer’s Fiscal Agent (as hereinafter defined) are authorized or required by law or executive order to remain closed. “**Debt Service Reserve Agreement**” means the Debt Service Reserve Agreement, if any, dated as of the effective date hereof, in respect of this Policy, as the same may be amended or supplemented from time to time. “**Due for Payment**” means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. “**Nonpayment**” means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. “Nonpayment” shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. “**Notice**” means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. “**Owner**” means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that “Owner” shall not include the Issuer, the Member or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds. “**Policy Limit**” means the dollar amount of the debt service reserve fund required to be maintained for the

Bonds by the Security Documents from time to time (the “Reserve Account Requirement”), or the portion of the Reserve Account Requirement for the Bonds provided by this Policy as specified in the Security Documents or Debt Service Reserve Agreement, if any, but in no event shall the Policy Limit exceed the Maximum Policy Limit set forth above. The Policy Limit shall automatically and irrevocably be reduced from time to time by the amount of or, if this Policy is only providing a portion of the Reserve Account Requirement, in the same proportion as, each reduction in the Reserve Account Requirement, as provided in the Security Documents or Debt Service Reserve Agreement. “**Security Documents**” means any resolution, ordinance, trust agreement, trust indenture, loan agreement and/or lease agreement and any additional or supplemental document executed in connection with the Bonds. “**Term**” means the period from and including the Effective Date until the earlier of (i) the maturity date for the Bonds and (ii) the date on which the Bonds are no longer outstanding under the Security Documents.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy is being issued under and pursuant to and shall be construed under and governed by the laws of the State of New York, without regard to conflict of law provisions.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____
Authorized Officer

SPECIMEN

Schedule

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

NOTICE OF REINSTATEMENT

[DATE]

[TRUSTEE][PAYING AGENT]
[INSERT ADDRESS]

Reference is made to the Municipal Bond Debt Service Reserve Insurance Policy, Policy No. _____ (the "Policy"), issued by Build America Mutual Assurance Company ("BAM"). The terms which are capitalized herein and not otherwise defined shall have the meanings specified in the Policy.

BAM hereby delivers notice that it is in receipt of payment from the [Issuer], or on its behalf, pursuant to the Security Documents or Debt Service Reserve Agreement, if any, and, as of the date hereof, the Policy Limit is \$ _____, subject to reduction as the Reserve Account Requirement for the Bonds is reduced in accordance with the terms set forth in the Security Documents.

BUILD AMERICA MUTUAL ASSURANCE
COMPANY

By: _____

Name:

Title:

EXHIBIT B

With respect to the Municipal Bond Debt Service Reserve Insurance Policy, notwithstanding anything to the contrary set forth in the Security Documents the Issuer and the Trustee agree to comply with the following provisions:

- (a) The [Issuer] [Obligor] shall repay Build America Mutual Assurance Company (“BAM” or “Bond Insurer”) any draws under the Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) and pay all related reasonable charges, fees, costs, losses, liabilities and expenses (“Administrative Expenses”) that the Bond Insurer may pay or incur. Interest shall accrue and be payable on such draws and Administrative Expenses from the date of payment by the Bond Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base-lending rate of such national bank, banking association or trust company bank as the Bond Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of Administrative Expenses and interest accrued thereon at the Late Payment Rate (collectively, the “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 Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the 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 Bond Insurer on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the “Reserve Fund”) shall be transferred to the debt service fund for payment of the debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund in lieu of cash (the “Alternative Credit Instrument”).

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the available coverage under each such Alternative Credit Instrument) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for

disbursement pursuant to the terms of the applicable alternative credit instrument 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.

- (b) Draws on the Reserve Policy may only be used to make payments on the Insured Obligations (and for the avoidance of doubt, not any other obligations of the [Issuer] [Obligor], whether issued on parity with the Insured Obligations, or otherwise).
- (c) If the [Issuer] [Obligor] shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Security Documents other than (i) acceleration of the maturity of the Insured Obligations, or (ii) remedies which would adversely affect owners of the Insured Obligations.
- (d) The Security Documents shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full. The [Issuer's][Obligor's] obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
- (e) In order to secure the [Issuer's] [Obligor's] payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of the Bond Insurer a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations [Loan/Lease Payments].
- (f) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Bond Insurer in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the [Issuer] [Obligor] with the Trustee to the debt service fund for the Insured Obligations more often than semi-annually, the Trustee or Paying Agent shall give notice to the Bond Insurer of any failure of the [Issuer] [Obligor] to make timely payment in full of such deposits within two business days of the date due.
- (g) The Reserve Policy shall expire on the earlier of the date the Insured Obligations are no longer outstanding and the final maturity date of the Insured Obligations.
- (h) Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.
- (i) Definitions.
 - a) "Insured Obligations" shall mean the [bonds].
 - b) "Security Documents" shall mean the resolution, trust agreement, indenture, ordinance, loan agreement, lease agreement, bond, note, certificate and/or any additional or supplemental document executed in connection with the Insured Obligations.

EXHIBIT C

DEBT SERVICE RESERVE AGREEMENT

DEBT SERVICE RESERVE AGREEMENT, dated _____ (the “Agreement”), by and between RAINDANCE METROPOLITAN DISTRICT NO. 2 (IN THE TOWN OF WINDSOR), WELD COUNTY, COLORADO (the “Obligor”) and BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”).

In consideration of the issuance by BAM of its Municipal Bond Debt Service Reserve Insurance Policy No. @@POLICY_NO@@ (the “Reserve Policy”) with respect to the Raindance Metropolitan District No. 2 (in the Town of Windsor), Weld County, Colorado Limited Tax General Obligation Refunding Bonds, Series 2024 (the “Insured Obligations”) issued under the [Indenture/Resolution/Ordinance] dated as of _____, between the [Obligor] [Issuer] and the [Trustee] (the “Trustee”) (the “Authorizing Document”) [, which bonds are secured by the [Lease/Loan] payments of the Obligor under the [Lease/Loan] Agreement dated as of _____ [the “[Lease/Loan] Agreement”] between the Issuer and the Obligor and the other revenue and collateral described in the Authorizing Document,] and the payment to BAM of the Insurance Payment for the Reserve Policy, the Obligor, Issuer and BAM hereby covenant and agree as follows:

1. The Obligor shall repay BAM any draws under the Reserve Policy and pay all Administrative Expenses (as defined below) incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 5%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, the Prime Rate shall be the publicly announced prime or base-lending rate of such national bank, banking association or trust company bank as BAM in its sole and absolute discretion shall specify.
2. Repayment of draws and payment of Administrative Expenses and the interest accrued thereon at the Late Payment Rate (collectively, the “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 1/12th of the aggregate of Policy Costs related to such draw[; *provided, however, that all such payments shall be due prior to termination of the [Lease] Agreement dated as of _____ between the Issuer and Obligor*]. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. *[For Ca. RDA add: The Obligor shall include the repayment of Policy Costs in its Recognized Payment Obligation Schedule.]*

3. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be reinstated by a like amount, subject to the terms of the Reserve Policy.
4. All cash and investments in the debt service reserve fund or account securing the Insured Obligations (the "Reserve Fund") and any surplus fund or account shall be transferred to the debt service fund for payment of debt service on the Insured Obligations before any drawing may be made on the Reserve Policy or on any alternative credit instrument on deposit in the Reserve Fund in lieu of cash (the "Alternative Credit Instrument"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Alternative Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to the available coverage under each such Alternative Credit Instrument) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to Alternative Credit Instruments shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable Alternative Credit Instrument 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.
5. Draws on the Reserve Policy may only be used to make payments of principal of and interest on the Insured Obligations (and for the avoidance of doubt, not any other obligations of the [Issuer or] Obligor, whether issued on parity with the Insured Obligations, or otherwise).
6. If the Obligor shall fail to pay any Policy Costs in accordance with the requirements of the Authorizing Document and this Agreement, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Authorizing Document, [the [Lease/Loan] Agreement] or any other document executed in connection with the Insured Obligations (the "Security Documents"), other than (i) acceleration of the maturity of the Insured Obligations or (ii) remedies which would adversely affect owners of the Insured Obligations.
7. The Security Documents shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Obligor's obligation to pay such amounts shall expressly survive payment in full of the Insured Obligations.
8. In order to secure the Obligor's payment obligations with respect to the Policy Costs, there is hereby granted and perfected in favor of BAM a security interest (subordinate only to that of the owners of the Insured Obligations) in all revenues and collateral pledged as security for the Insured Obligations[, including, without limitation, the payment obligations of the Obligor under the Lease/Loan Agreement] (the "Pledged Collateral"). Policy Costs shall be paid to BAM immediately following the payment of principal of and interest on the Insured Obligations, including following the occurrence of a default or event

of default. The Obligor shall not make payments from or pledge, assign or grant a security interest in the Pledged Collateral to any provider of an Alternate Credit Instrument that is senior or prior to the payments or security interest granted to BAM by this Paragraph 8.

9. Policy Costs due and owing shall be included in debt service requirements for purposes of calculation of the additional bonds test and the rate covenant in the Security Documents.
10. The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph 4 hereof and shall provide notice to BAM in accordance with the terms of the Reserve Policy at least five business days prior to each date upon which interest or principal is due on the Insured Obligations. Where deposits are required to be made by the Obligor with the Trustee to the debt service fund for the Insured Obligations more often than semi-annually, the Trustee shall give notice to BAM of any failure of the Obligor to make timely payment in full of such deposits within two business days of the date due.
11. The Obligor agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Agreement, the Authorizing Document and any other document executed in connection with the Insured Obligations ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Obligor agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.
12. The obligation of the Obligor to pay all amounts due under this Agreement shall be an absolute and unconditional obligation of the Obligor and will be paid or performed strictly in accordance with this Agreement[, *subject only to abatement as provided in Section ___ of the Lease Agreement*].
13. So long as a default or event of default has occurred and is continuing under this Agreement or any of the Security Documents, the Obligor shall not be eligible for a dividend or any other economic benefit under BAM's organizational documents.
14. Notices to BAM shall be sent to the following address (or such other address as BAM may designate in writing): Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com; with a copy of such notice or other communication sent to the

attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524.

15. If any one or more of the agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such agreements, provisions or terms shall be deemed severable from the remaining agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement. In the event of any conflict in the terms of this Agreement and the Security Documents, the terms of this Agreement shall control.
16. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Authorizing Document.
17. This Agreement may be executed in counterparts, each of which alone and all of which together shall be deemed one original Agreement.
18. This Agreement and the rights and obligations of the parties to the Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the date first above written.

RAINDANCE METROPOLITAN DISTRICT NO. 2 (IN
THE TOWN OF WINDSOR), WELD COUNTY,
COLORADO

By: _____
Title:

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Title:

EXHIBIT D

BAM LEGAL OPINION



[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Bond Insurance Policy: Municipal Bond Insurance Policy No. [POLICY NO.]
DSR Policy: Debt Service Reserve Policy No. [POLICY NO.]
Member:
Bonds:
Official Statement: dated []

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company (“BAM”). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced Bond Insurance Policy and DSR Policy (collectively, the “Policies”). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policies have been duly authorized, executed and delivered by BAM.
3. Each of the Policies constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policies qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM’s charter and by-

laws and as may otherwise be provided under New York law. The Policies are non-assessable and create no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Bond Insurance Policy under the caption "BOND INSURANCE" in the Official Statement related to the above-referenced Bonds. There has not come to my attention any information which would cause me to believe that the description of the Bond Insurance Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to the make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted, from the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,



MUNICIPAL BOND INSURANCE COMMITMENT

ISSUER: Raindance Metropolitan District No. 2 (in the Town of Windsor),
Weld County, Colorado

MEMBER: Raindance Metropolitan District No. 2 (in the Town of Windsor),
Weld County, Colorado

Effective Date: August 22, 2024

Expiration Date: November 19, 2024

BONDS: Limited Tax General Obligation Refunding Bonds, Series 2024
in aggregate principal amount not to exceed \$42,250,000
(see special condition in Paragraph 12 below)

Insurance Payment: 0.070% of the Total Debt Service on the Bonds

BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”) hereby commits, subject to the terms and conditions contained herein or added hereto, to issue its Municipal Bond Insurance Policy (the “Policy”) relating to the Bonds referenced above (the “Bonds”) issued by or on behalf of the Member. To keep this Commitment in effect after the Expiration Date set forth above, a written request for renewal must be submitted to BAM prior to such Expiration Date. BAM reserves the right to grant or deny a renewal in its sole discretion.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The documents to be executed and delivered in connection with the issuance and sale of the Bonds (collectively, the “Security Documents”), shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the “Closing Date”).

3. As of the Closing Date, there shall have been no material omissions or material adverse changes in, as to or affecting (i) the Member or the Bonds, including, without limitation, the security for the Bonds or (ii) any disclosure document relating to the Bonds (including any financial statements and other information included or incorporated by reference therein) (the “Official Statement”), the Security Documents to be executed and delivered with respect to the Bonds, any project to be financed with the proceeds of the Bonds (if applicable), the legal opinions to be delivered in connection with the issuance and sale of the Bonds, or any other information submitted to BAM with respect to the issuance and sale of the Bonds, including the proposed debt service schedule of the Bonds, from information previously provided to BAM in writing.

4. The applicable Security Documents shall contain the document provisions set forth in Exhibit A hereto and shall be in form and substance acceptable to BAM. No variation shall be permitted therefrom except as specifically approved by BAM in writing prior to the Closing Date.

5. The Bonds shall contain no reference to BAM, the Policy or the insurance evidenced thereby except as may be approved in writing by BAM. BOND PROOFS SHALL BE APPROVED IN WRITING BY BAM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form found on BAM’s website (www.buildamerica.com) and in Exhibit B hereto entitled “DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS”.

6. The Official Statement shall contain the language provided by BAM and only such other references to BAM as BAM shall supply or approve in writing, and BAM shall be provided with final drafts of any preliminary and final Official Statement at least two business days prior to printing/electronic posting. BAM SHALL BE PROVIDED WITH AN ELECTRONIC COPY OF THE OFFICIAL STATEMENT SEVEN (7) DAYS PRIOR TO CLOSING, unless BAM shall agree in writing to a shorter period.

7. BAM shall be provided with:

(a) Copies of all Security Document drafts prepared subsequent to the date of this Commitment (blacklined to reflect all revisions from previously reviewed drafts) for review and approval. Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period. Copies of all drafts of the Security Documents shall be delivered to the BAM contacts specified in Exhibit 1.

(b) Copies of any consulting reports, feasibility studies, rate reports, engineer’s reports or similar expert reports for review and approval, along with any revisions thereto (blacklined to reflect all revisions from previously reviewed drafts). Final drafts of such documents shall be provided at least three (3) business days prior to the issuance of the Policy, unless BAM shall agree in writing to a shorter period.

(c) The amortization schedule for, and final maturity date of, the Bonds, which schedule shall be acceptable to BAM. Please be aware that BAM will only insure fixed rate Bonds.

(d) A No-Litigation Certificate or a description of any material pending litigation relating to the Member or the Bonds and any opinions BAM shall request in connection therewith.

(e) A description of any material change in the Member's financial position from and after the date of the financial statements provided to BAM.

(f) Executed copies of all Security Documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to BAM or accompanied by a letter of such counsel permitting BAM to rely on such opinion as if such opinion were addressed to BAM), including, without limitation, the unqualified approving opinion of bond counsel, in form and substance satisfactory to BAM. The foregoing shall be in form and substance acceptable to BAM. (For your information, the form of legal opinion and officer's certificate to be delivered by BAM at Closing is attached hereto as Exhibit C.)

(g) Evidence of wire transfer in federal funds of an amount equal to the Insurance Payment, unless alternative arrangements for the payment of such amount acceptable to BAM have been made prior to the Closing Date.

8. In the event the Bonds are sold in a private placement transaction, (i) BAM shall receive a closing certificate, in form and substance acceptable to BAM, covering the matters in Paragraphs 7 (d) and (e), (ii) the Issuer shall agree to provide BAM with continuing disclosure consistent with any Continuing Disclosure Agreement for any previously issued public debt of the Issuer (irrespective of whether or not that debt remains outstanding) or enter into such other agreement for continuing disclosure acceptable to BAM and (iii) the Issuer shall provide BAM with copies of all documents and agreements, including without limitation any term sheet, side agreement and/or purchase agreement, executed or delivered in connection with the Bonds, which documents and agreements shall be in form and substance acceptable to BAM.

9. Bonds must have an underlying, long-term rating of at least:

A	Standard and Poor's
NR	Moody's Investors Service

10. Promptly, but in no event more than thirty (30) days after the Closing Date, BAM shall receive a link to or PDF file of, or two (2) CD-ROMs of, the final closing transcript of proceedings, or if a link or PDF file cannot be provided or a CD-ROM is not available, such other electronic form as BAM shall accept.

11. To maintain this commitment until the Expiration Date set forth above, BAM must receive a copy of the signature page of this Commitment fully executed by an authorized officer of the undersigned by the earlier of the date on which the Official Statement containing disclosure language regarding BAM is circulated and ten (10) days after the date of this Commitment.

Special Condition:

12. BAM consent shall be required on the same basis as Issuing District consent under the Pledge Agreement in order for the Taxing Districts to issue additional indebtedness. BAM's consent shall be required for any amendments to the Pledge Agreement.

BAM shall be added as a Consent Party under the Indenture.

13. Standard & Poor's Ratings Services will separately present a bill for its fees relating to the Bonds. There is no incremental Standard & Poor's fee for the BAM-Insured rating. Payment of such bill by the Member should be made directly to such rating agency. Payment of the rating fee is not a condition to the release of the Policy by BAM.

REPRESENTATION AND AGREEMENT BY BAM

(a) BAM is a mutual insurance corporation organized under the laws of, and domiciled in, the State of New York.

(b) BAM covenants that it will not seek to convert to a stock insurance corporation.

(c) The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law, including the right to receive dividends if and when declared by BAM's Board of Directors. No dividends have been paid to date, and BAM has no current expectation that any dividends will be paid.

(d) The Policy is non-assessable and creates no contingent mutual liability.

(e) Refundings.

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If (1) the Security Documents relating to the Bonds permit a legal defeasance (such that the bonds are no longer treated as outstanding under the Security Documents), (2) refunding bonds (“Refunding Bonds”) will be issued for the purpose of legally defeasing such then outstanding BAM-insured Bonds (in this context, the “Refunded Bonds”) and (3) upon their issuance (A) such Refunding Bonds have a final maturity date that is not later than the final Maturity Date of the Refunded Bonds, (B) the average annual debt service on the Refunding Bonds does not exceed the average annual debt service on the Refunded Bonds, and (C) the net proceeds of such Refunding Bonds are applied solely towards the legal defeasance of the Refunded Bonds and related costs of issuance, then, if BAM is requested to, and in its sole discretion determines to, offer a municipal bond insurance policy covering the Refunding Bonds (the “Refunding Policy”) BAM will credit the then available Member Surplus Contribution for the Refunded Bonds against the insurance payment then charged with respect to the Refunding Bonds (proportionate to the amount of Refunding Bonds insured by BAM). If the Security Documents are silent on the matter of a legal defeasance, BAM may, in its sole and absolute discretion, accept such certificates, opinions and reports from or on behalf of the Member in connection with the issuance of such Refunding Bonds in order to establish to its satisfaction that the Refunding Bonds will be issued to retire the outstanding Refunded Bonds and that the Refunding Bonds comply with the criteria set forth in clause (3) of the preceding sentence for the purpose of determining whether a supplemental Member Surplus Contribution is or is not required to be made at that time.

**BUILD AMERICA MUTUAL
ASSURANCE COMPANY**



Authorized Officer

August 22, 2024

Date

BAM’s Legal Entity Identifier (LEI) # is 254900BWZ9EFP17ESA37

AGREED AND ACCEPTED

1. The undersigned agrees and accepts the conditions set forth above and further agrees that (i) if the Bonds (and any of the Bonds to be issued on the same date and for which BAM has issued a commitment) are insured by a policy of municipal bond insurance, such insurance shall be provided by BAM in accordance with the terms of this Commitment; (ii) it has made an independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) BAM has not made, and therefore it is not relying on, any recommendation from BAM that the Bonds be insured or that a Policy be obtained, it being understood and agreed that any communications from BAM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, and any related insurance document or the documentation governing the Bonds, do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the undersigned acknowledges that BAM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, as to its future financial strength or the rating of BAM's financial strength by the rating agency; (v) the undersigned acknowledges that a credit or claims-paying rating of BAM assigned by a Rating Agency reflects only the views of, and an explanation of the significance of any such rating may be obtained only from, the assigning Rating Agency, any such rating may change or be suspended, placed under review or withdrawn by such Rating Agency if circumstances so warrant, and BAM compensates a Rating Agency to maintain a credit or claims-paying ability rating thereon, but such payment is not in exchange for any specific rating or for a rating within any particular range; (vi) the undersigned acknowledges that BAM may in its sole and absolute discretion at any time request that a Rating Agency withdraw any rating maintained in respect of BAM; and (vii) BAM has made no representation that any dividend will be declared or paid while the Bonds are outstanding, the undersigned has no reason for expecting that any dividend will be declared or paid and the potential receipt of any dividend was not a reason for acquiring the Policy.

2. BAM may determine to designate the Bonds as GreenStar Bonds. Any such designation is based upon information obtained by BAM at the time of issuance of the Bonds and will appear on the cover of and be described under the caption "BOND INSURANCE - BAM GreenStar Bonds" in the Preliminary and Final Official Statements for the Bonds. Said designation will also be included in BAM's Credit Profiles and on BAM's website; it may also be included on lists of green bonds maintained by third parties (including, but not limited to, Bloomberg LP, ICE Data Services, the Municipal Advisory Council of Texas, and the Nasdaq Sustainable Bond Network).

3. The undersigned member hereby appoints Jeffrey Fried, General Counsel of Build America Mutual Assurance Company ("Build America"), as proxy with the power to appoint his substitute, and hereby authorizes him to represent and to cast all of the votes to which the undersigned is entitled to cast as of the record date for the annual meeting of Build America members to be held on Tuesday, April 22, 2025, or at any adjournment or postponement thereof. This proxy is solicited on behalf of the management of Build America and will empower the holder to vote on the undersigned member's behalf for the election of directors of Build America's Board of Directors and such other business as may properly come before said annual meeting. This proxy can be revoked by giving Build America written notice of revocation (by email to

generalcounsel@buildamerica.com, or by U.S. mail or private carrier to General Counsel, Build America, 200 Liberty Street, New York, NY 10281) received by Build America on or before April 18, 2025. This proxy may also be revoked if the undersigned member attends the annual meeting and chooses to vote in person.

Notwithstanding anything to the contrary set forth herein, upon issuance of the Policy, the provisions set forth under paragraphs 1, 2 and 3 above and the representations and agreements of BAM shall survive the expiration or termination of this Commitment.

**RAINDANCE METROPOLITAN DISTRICT NO. 2
(IN THE TOWN OF WINDSOR), WELD COUNTY,
COLORADO**

By: _____
Authorized Officer

Date

EXHIBIT A

DOCUMENT PROVISIONS

GENERAL TRANSACTION DOCUMENT PROVISIONS

1. Notice and Other Information to be given to BAM. The Issuer will provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of the Bonds or the Trustee under the Security Documents.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

2. Amendments, Supplements and Consents.

- a. *Consents and Amendments.* Whenever any Security Document requires the consent of Bondholders, BAM’s consent shall also be required. In addition, any amendment, supplement or modification to the Security Documents that adversely affect the rights or interests of BAM shall be subject to the prior written consent of BAM.
- b. *Control Rights of BAM Upon Default.* Anything in any Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the trustee, paying agent, registrar, or similar agent (the “Trustee”) for the benefit of such holders under any Security Document. The Trustee may not waive any default or event of default or accelerate the Bonds without BAM’s written consent.

3. BAM As Third Party Beneficiary. BAM is explicitly recognized as and shall be deemed to be a third-party beneficiary of the Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

4. Policy Payments.

- a. In the event that principal and/or interest due on the Bonds shall be paid by BAM pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Issuer to the registered owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law

violations arising from the offer and sale of the Bonds.

- b. Notwithstanding anything to the contrary, the Issuer and the Trustee shall agree for the benefit of BAM that:
 - i. They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Bonds; and
 - ii. They will accordingly pay to BAM the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the Security Documents and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.
- c. *Special Provisions for Insurer Default:* If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraph 2 above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Bonds for all purposes, including giving of consents, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (4c), “Insurer Default” means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5. Definitions.

“BAM” shall mean Build America Mutual Assurance Company, or any successor thereto.

“Policy” shall mean the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

“Security Documents” shall mean the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Bonds.

EXHIBIT B

**DOCUMENT, PRINTING AND DISCLOSURE
INFORMATION FOR
PUBLIC FINANCE TRANSACTIONS**



BUILD AMERICA MUTUAL ASSURANCE COMPANY

DOCUMENT, PRINTING AND DISCLOSURE INFORMATION FOR PUBLIC FINANCE TRANSACTIONS

This information is intended for use by bond counsel, the underwriters, financial advisors, printers and preparers of municipal bond offerings that will be insured in whole or in part by Build America Mutual Assurance Company ("BAM").

Prior to any reference to BAM in your marketing efforts, including, but not limited to any preliminary or final Official Statement and any rating agency presentation, in respect of a BAM-insured issue, BAM must receive an executed copy of its Commitment Letter. Blacklined copies of each draft of each transaction document, preliminary and final official statements with Appendices, and bond form(s) should be delivered to BAM for review and comment with reasonable opportunity to submit any comments prior to printing or execution, but in any event not less than three business days prior to execution. Such documents shall be delivered to the BAM attorney working on the transaction. If you are uncertain of the proper person to whom to deliver the documents, please email the documents to: documents@buildamerica.com. Please identify the issuer, obligor and issue name in the subject line of the email.

BAM will deliver to Bond Counsel, at the pre-closing for any such municipal bond offering (such offering to the extent insured by BAM, the "Insured Obligations"), assuming the requirements of the Commitment Letter have been met,

- an opinion of counsel as to the validity of the policy,
- a disclosure, no default and tax certificate of BAM, the executed policy and
- other certificates, if any, required in the transaction.

Prior to closing, BAM will obtain the rating letter from Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, relating to any Insured Obligations. Note that any questions with regards to rating agency fees should be directed to the rating agency.

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BAM DIRECTORY

<u>Name</u>	<u>Title</u>	<u>Telephone</u>	<u>Email</u>
<u>BAM ATTORNEYS</u>			
Jill Greiss	Counsel	212-235-2515	jgreiss@buildamerica.com
<u>CLOSING COORDINATORS</u>			
Nolan Miller		212-235-2511	nmiller@buildamerica.com
<u>BAM ANALYST</u>			
Alexander Vaisman		415-858-1004	avaisman@buildamerica.com

**BUILD AMERICA MUTUAL ASSURANCE COMPANY
("BAM")
DISCLOSURE INFORMATION
(FOR INCLUSION IN THE OFFICIAL STATEMENT)**

The following are BAM's requirements for printing the preliminary and final official statements:

1. Both the preliminary and final official statements must contain the information set forth in these Exhibits and BAM must be provided with final drafts for its approval and sign off thereon at least two business days prior to the printing thereof;
2. Any changes made to the BAM Disclosure Information for inclusion in the preliminary and final official statements must first be approved by BAM, and
3. BAM must receive an electronic copy of the final official statement seven (7) days prior to closing, unless BAM shall have agreed to some shorter period.

TO BE PRINTED ON THE COVER OF THE OFFICIAL STATEMENT:

The following language should be used when insuring:

1. THE ENTIRE ISSUE:

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

2. CAPITAL APPRECIATION BONDS:

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

The scheduled payment of principal of and interest on the Bonds maturing on _____ of the years __ _____ through _____, inclusive, with CUSIP #(s) _____ (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PRINTER'S NOTE: USE BUILD AMERICA MUTUAL ASSURANCE COMPANY
LOGO AND INK #PMS BLUE 2736; REDS 199, 201 AND 1817.**

THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE

WWW.BUILDAMERICA.COM

**THE LOGO MAY BE OBTAINED FROM BAM'S WEBSITE
TO BE PRINTED IN THE BODY OF THE OFFICIAL STATEMENT OR AS AN EXHIBIT**

USE THE FOLLOWING LANGUAGE WHEN INSURING THE ENTIRE ISSUE:

NOTE: The language under the subheading "Bond Insurance Policy" should be modified when insuring Capital Appreciation Bonds, Partial Maturities (less than the entire issue), Certificates and/or Notes.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM 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. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM 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 BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM 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.

BAM 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.

BAM'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 <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 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 Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2024 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, \$232.7 million and \$253.3 million, respectively.

BAM 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 BAM, subject to certain limitations and restrictions.

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

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM'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 BAM has been selected to insure, BAM 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 BAM, 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. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, 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 BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

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

The Bond Insurance language for the Official Statement under the subheading “Bond Insurance Policy” should be replaced with the following language when insuring:

1. CAPITAL APPRECIATION BONDS:

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

2. PARTIAL MATURITIES (LESS THAN THE ENTIRE ISSUE):

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Bonds maturing on _____ of the years _____ through _____, inclusive, with CUSIP #'s____ (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

3. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**TO BE PRINTED ON THE INSIDE COVER OF OFFICIAL STATEMENT
AS PART OF THE DISCLAIMER STATEMENT:**

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Exhibit __ - Specimen Municipal Bond Insurance Policy”.

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

STATEMENT OF INSURANCE
(Language for the Bond Form)
This form is not to be included in the Official Statement.

The Bonds shall bear a Statement of Insurance in the following form.

The following language should be used when insuring

1. THE ENTIRE ISSUE:

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the “Paying Agent”)] [as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

2. CAPITAL APPRECIATION BONDS:

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on this Bond to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, as [paying agent for the Bonds (the “Paying Agent”)] as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole

owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

3. PARTIAL MATURITIES (LESS THAN ENTIRE ISSUE):

Build America Mutual Assurance Company (“BAM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bonds maturing on _____ of the years _____ through _____, inclusive (the “Insured Bonds”), to **{insert name of paying agent or trustee}, {city or county}, {state}**, or its successor, [as paying agent for the Bonds (the “Paying Agent”)] [as trustee for the Bonds (the “Trustee”)]. Said Policy is on file and available for inspection at the principal office of the [Paying Agent] [Trustee] and a copy thereof may be obtained from BAM or the [Paying Agent] [Trustee]. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the [Resolution/Ordinance/Indenture] or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the [Resolution/Ordinance/Indenture], at law or in equity.

4. CERTIFICATES OR NOTES:

Change all references from the Bonds to Certificates or Notes wherever necessary, but **DO NOT** change the reference to the policy from Municipal Bond Insurance Policy.

**PROCEDURES FOR PREMIUM PAYMENT
TO BAM**

This form is not to be included in the Official Statement.

BAM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter

Alexander Vaisman
Phone No.: 415-858-1004
Email: avaisman@buildamerica.com

Confirm with the individual in our underwriting department that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: JPMorgan Chase
ABA#: 021000021
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: @@POLICY_NO@@ - (Include in OBI Field)

CONFIRMATION OF PREMIUM

BAM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

Yanique Graham	(212) 235-2569
Patrice James	(212) 235-2559
Claudette Littlejohn	(212) 235-2572
Robert Metcalfe	(212) 235-2551
Nolan Miller	(212) 235-2511
Neah Williams	(212) 235-2535

EXHIBIT C

BAM LEGAL OPINION AND CERTIFICATE

[CLOSING DATE]

[ADDRESSEES (ISSUER, UNDERWRITER AND TRUSTEE)]

Re: Municipal Bond Insurance Policy No. [POLICY NO.] With Respect to
\$_____ [Name of Issuer] (the "Issuer")
_____ Bonds, Series _____ (the "Bonds")

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by BAM.
3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.
4. The issuance of the Policy qualifies [the Issuer] as a member of BAM until [the Bonds] are no longer outstanding. As a member of BAM, [the Issuer] is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement relating to the above-referenced Bonds dated [DATE] (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of

this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, "the Official Statement".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
BUILD AMERICA MUTUAL ASSURANCE COMPANY**

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY (“BAM”), in connection with the issuance by BAM of its Policy No. [POLICY NO.] (the “Policy”) in respect of the [\$AMOUNT] [NAME OF TRANSACTION] (the “Bonds”) that:

(i) The information set forth under the caption “BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY” in the official statement dated [DATE], relating to the Bonds (the “Official Statement”) is true and correct;

(ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);

(iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the “Insurance Payment”) is solely a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, or represents a direct or indirect payment for any goods or services provided to the Issuer (including the right to receive a dividend), or the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM;

(ix) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to

return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(x) BAM does not expect that a claim or any other payment will be made on or with respect to the Policy or by BAM to the Issuer; and

(xi) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL
ASSURANCE COMPANY

Authorized Officer

Dated: [CLOSING DATE]