PRELIMINARY LIMITED OFFERING MEMORANDUM DATED SEPTEMBER __, 2025

NEW ISSUE **NOT RATED**
BOOK-ENTRY-ONLY

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

BRICKYARD METROPOLITAN DISTRICT NO. 1
(IN THE TOWN OF CASTLE ROCK)
DOUGLAS COUNTY, COLORADO
$70,090,000*
GENERAL OBLIGATION LIMITED TAX AND SPECIAL REVENUE BONDS
SERIES 2025

Dated: Date of Delivery **Due: December 1 (Bonds), as shown below**

Brickyard Metropolitan District No. 1 (in the Town of Castle Rock), Douglas County, Colorado (the "District" or "District No. 1") is issuing its General Obligation Limited Tax and Special Revenue Bonds, Series 2025 (the "Bonds"), pursuant to an Indenture of Trust to be dated as of [September __], 2025 (the "Indenture") between the District and BOKF, NA, Denver, Colorado, as trustee (the "Trustee"). The Trustee will also act as Registrar and Paying Agent for the Bonds, and The Depository Trust Company, New York, New York, 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 Limited Offering Memorandum are defined in the Introduction herein or in "APPENDIX C—SELECTED DEFINITIONS" hereto.*

The Bonds are limited tax general obligations and special revenue obligations of the District, secured by and payable solely from and to the extent of the Pledged Revenue consisting generally of the following revenues: (a) the Required Mill Levy; (b) the Pledge Agreement Revenues consisting of certain property taxes and revenues pledged by Brickyard Metropolitan District No. 2 (in the Town of Castle Rock), Douglas County, Colorado ("District No. 2") and Brickyard Metropolitan District No. 3 (in the Town of Castle Rock), Douglas County, Colorado ("District No. 3" and together with District No. 2, the "Pledge Districts" and, collectively, with the District, the "Districts") pursuant to a Capital Pledge Agreement by and among District No. 2, District No. 3, the District and the Trustee (the "Pledge Agreement"); (c) the District Tax Levy Revenues, as and to the extent received by the District; (d) the Specific Ownership Tax Revenues (e) the Add-On PIF; (f) the Credit-PIF; (g) PILOT Revenues; and (h) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Bonds will also be secured by amounts on deposit in the Reserve Fund, which will be initially funded with proceeds of the Bonds in the amount of $[REQUIRED RESERVE]* (the "Required Reserve"). The Bonds will also be secured by amounts on deposit in the Surplus Fund, if any, which will be funded from Pledged Revenue, if any, accumulated therein up to $[MAX SURPLUS]* (the "Maximum Surplus Amount"). A portion of the interest on the Bonds will be paid from capitalized interest to be funded with proceeds of the Bonds in the amount of $[CAP-I]*. **Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 2, 2065* (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.**

The Bonds are being issued in denominations of $500,000 or any integral multiple of $1,000 in excess thereof, as fully registered bonds. Interest on the Bonds is payable semiannually to the extent of Pledged Revenue available therefor on each June 1 and December 1, commencing December 1, 2025, at the rates set forth on the inside cover page hereof.

The Bonds are subject to optional and mandatory sinking fund redemption at the prices and upon the terms set forth in the Indenture, as described in this Limited Offering Memorandum.

Proceeds from the sale of the Bonds will be used for the purposes of (a) financing or refinancing the costs of acquiring, constructing and installing certain public improvements to serve the Development; and (b) funding the costs of issuing the Bonds. A portion of the proceeds from the sale of the Bonds will also be used to (a) fund the Reserve Fund in the amount of the Required Reserve; and (b) fund a portion of the interest to accrue on the Bonds. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds."

REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS SPECULATIVE IN NATURE AND INVOLVES A HIGH DEGREE OF 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 BONDS ARE BEING OFFERED AND SOLD ONLY TO "FINANCIAL INSTITUTIONS AND INSTITUTIONAL INVESTORS" AS SUCH TERMS ARE DEFINED IN SECTION 32-1-103(6.5), COLORADO REVISED STATUTES, AS AMENDED. THE PROPERTY IN THE DISTRICTS IS CURRENTLY VACANT AND IN AN EARLY STAGE OF DEVELOPMENT. REPAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS IS DEPENDENT UPON DEVELOPMENT OCCURRING WITHIN THE DISTRICTS AND UPON FUTURE INCREASES IN THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICTS, NEITHER OF WHICH MAY OCCUR.

The Bonds are solely obligations of the District, although the Pledge Districts are obligated to the extent set forth in the Pledge Agreement. Under no circumstances shall any of the Bonds be considered or held to be an indebtedness, obligation, or liability of the Town of Castle Rock, Douglas County, or the State of Colorado.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter subject to the approval of legality of the Bonds by Kutak Rock LLP, Denver, Colorado, as Bond Counsel, and the satisfaction of certain other conditions. Butler Snow LLP, Denver, Colorado, has acted as counsel to the Underwriter. Kutak Rock LLP, Denver, Colorado, as Disclosure Counsel to the District, has assisted in the preparation of this Limited Offering Memorandum. Certain matters will be passed upon by McGeady Becher Cortese Williams P.C., Denver, Colorado, as General Counsel to the Districts. Municipal Capital Markets, Greenwood Village, Colorado, has acted as Municipal Advisor to the District in connection with the Bonds and the Pledge Districts with respect to the Pledge Agreement. The Bonds are expected to be available for delivery through the facilities of DTC on or about September __, 2025.

STIFEL

This Limited Offering Memorandum is dated _____, 2025.

* Preliminary; subject to change.

BRICKYARD METROPOLITAN DISTRICT NO. 1
(in the Town of Castle Rock)
Douglas County, Colorado
$70,090,000*
GENERAL OBLIGATION LIMITED TAX AND SPECIAL REVENUE BONDS
SERIES 2025

MATURITY SCHEDULE

CUSIP © _____

Maturity Date (December 1)	Principal Amount*	Interest Rate	Yield	CUSIP	Maturity Date (December 1)	Principal Amount*	Interest Rate	Yield	CUSIP
2030	$210,000				2044	$3,040,000			
2031	630,000				2045	3,260,000			
2032	905,000				2046	3,570,000			
2033	1,020,000				2047	3,830,000			
2034	1,175,000				2048	4,180,000			
2035	1,285,000				2049	4,470,000			
2036	1,460,000				2050	4,250,000			
2037	1,585,000				2051	1,710,000			
2038	1,785,000				2052	1,870,000			
2039	1,925,000				2053	2,010,000			
2040	2,150,000				2054	2,185,000			
2041	2,315,000				2055	2,340,000			
2042	2,570,000				2056	2,550,000			
2043	2,755,000				2057	9,055,000			

* Preliminary; subject to change.

BRICKYARD METROPOLITAN DISTRICT NO. 1
IN THE TOWN OF CASTLE ROCK
DOUGLAS COUNTY, COLORADO

Board of Directors

Matthew McBride, President
Anthony De Simone, Secretary
Tucker Bennett, Treasurer
Tiffany Sweeney, Assistant Secretary
Dan Tovado, Assistant Secretary

Bond and Disclosure Counsel

Kutak Rock LLP
Denver, Colorado

General Counsel to the Districts

McGeady Becher Cortese Williams P.C.
Denver, Colorado

Trustee, Registrar, and Paying Agent

BOKF, NA
Denver, Colorado

Underwriter

Stifel, Nicolaus & Company, Incorporated
Denver, Colorado

Counsel to the Underwriter

Butler Snow LLP
Denver, Colorado

Municipal Advisor to the District and the Pledge Districts

Municipal Capital Markets
Greenwood Village, Colorado

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the District or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation. The Underwriter has provided the following sentence for inclusion within this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Investors must be willing and able to conduct an independent investigation of the risks attendant to ownership of the Bonds, including their own evaluation of the prospects for development within the District. Neither the contents of this Limited Offering Memorandum nor any prior or subsequent communications from the District or any of its officers, directors, employees or agents constitute legal, tax, accounting or regulatory advice. Before purchasing, prospective investors should consult with their own legal counsel and business and tax advisors to determine the consequences of an investment in the Bonds and should make an independent evaluation of the investment.

Neither the Securities and Exchange Commission nor any securities regulatory authority of any state has approved or disapproved the Bonds or this Limited Offering Memorandum. Any representation to the contrary is unlawful.

INDEX OF TABLES

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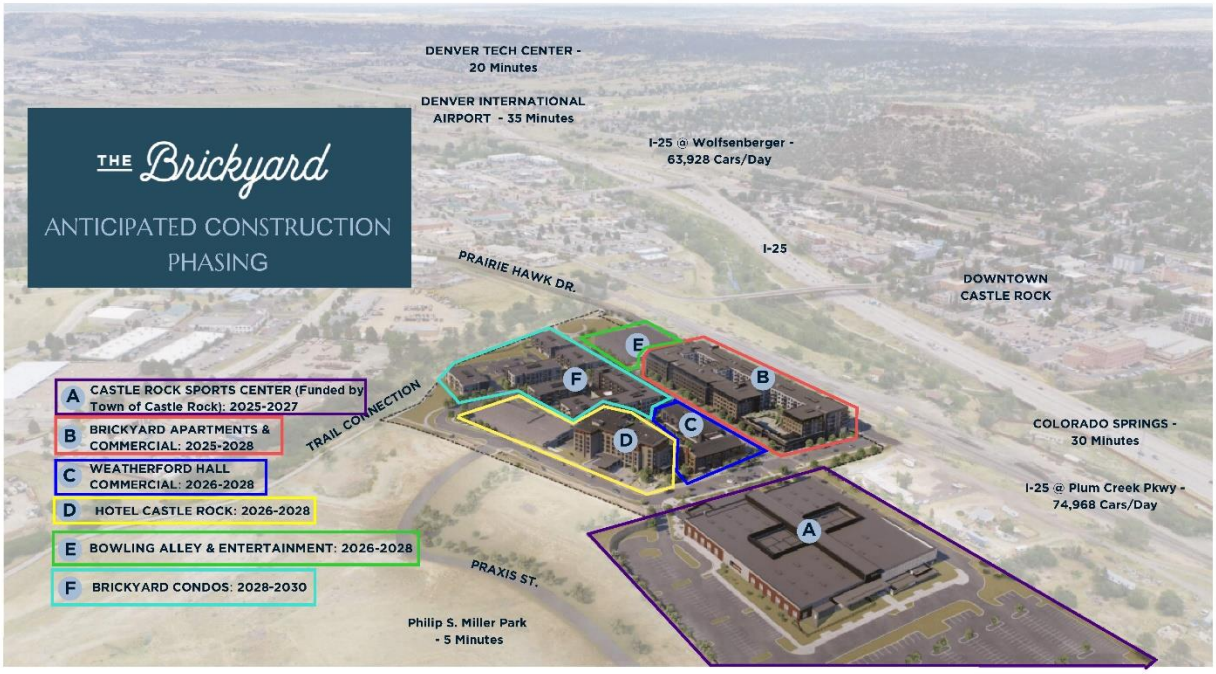
BRICKYARD DEVELOPMENT SITE PLAN AND RENDERINGS

The below map was provided by the Developer (defined herein) and shows the plan with respect to the Development. The Development includes the property generally located Southeast of Topeka Way; West of Prairie Hawk Drive; and North of West Plum Creek Parkway in the Town of Castle Rock, Douglas County, Colorado.

NOTE: All development plans remain subject to change. There can be no assurance that the Development will be completed as shown on the map below or at all. See "THE DEVELOPMENT" and "RISK FACTORS."

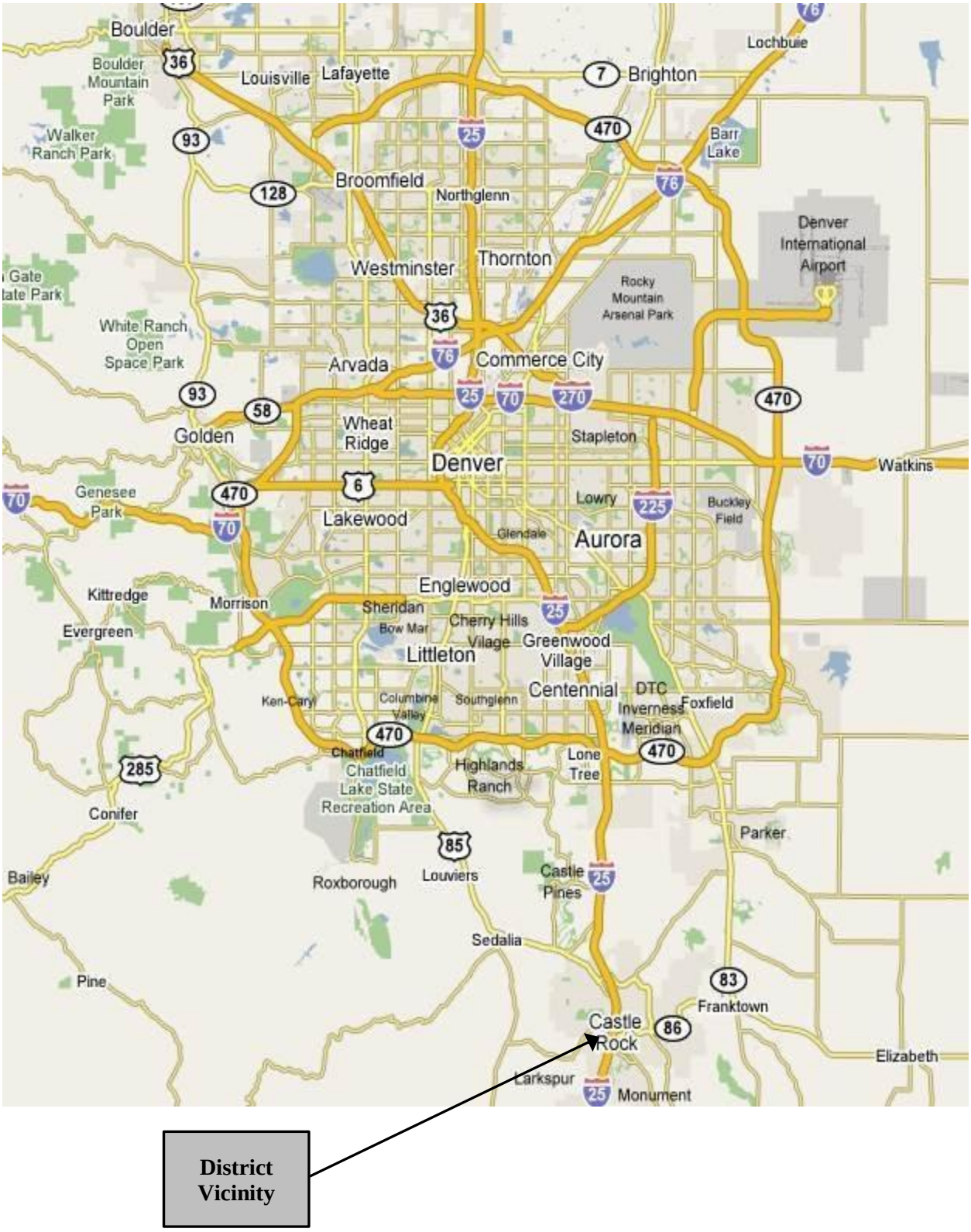
DEVELOPMENT LAYOUT PHASING MAP*



NOTE: All development plans remain subject to change. There can be no assurance that the Development (defined herein) will be completed as shown on the map below or at all. See "THE DEVELOPMENT" and "RISK FACTORS."

* [To be updated for the development/phasing plan.]

REGIONAL MAP



INTRODUCTION

This Limited Offering Memorandum is furnished by Brickyard Metropolitan District No. 1 (the "District"), located in the Town of Castle Rock (the "Town"), Douglas County (the "County"), Colorado (the "State") to provide certain information concerning the original offering of its $70,090,000* General Obligation Limited Tax and Special Revenue Bonds, Series 2025 (the "Bonds"). The offering of the Bonds is made only by way of this Limited Offering Memorandum, which supersedes any other information or materials used in connection with the offer or sale of the Bonds. This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

The information set forth in this Limited Offering Memorandum has been obtained from the District, the Developer (defined hereafter) and from other sources believed to be reliable but is not guaranteed as to accuracy or completeness. This Limited Offering Memorandum, 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" and "RISK FACTORS."

Any capitalized terms not defined herein 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 Limited Offering Memorandum. A full review should be made of the entire Limited Offering Memorandum and the documents summarized or described herein.

The Districts ..... The District, Brickyard Metropolitan District No. 2 ("District No. 2") and Brickyard Metropolitan District No. 3 ("District No. 3" and, together with District No. 2, the "Pledge Districts" and collectively with the District, the "Districts"), were each organized as metropolitan districts pursuant to orders and decrees issued by the District Court in and for the County (the "District Court") on May 28, 2025, and recorded in the real property records of the County on June 4, 2025, at reception numbers 2025025530, 2025025531 and 2025025532, respectively. Corrected orders and decrees were issued by the District Court, Douglas County, Colorado on July 15, 2025, *nunc pro tunc* to May 28, 2025, and recorded in the real property records of the County on July 17, 2025. The creation of each of the Districts was approved by the eligible electors of the District, District No. 2 and District No. 3, as applicable, voting at the election held within the District, District No. 2 and District No. 3, as applicable, on May 6, 2025 (the "District Election," the "District No. 2 Election" and the "District No. 3 Election," respectively, and collectively, the "2025 Elections"). The Districts are governed by identical Boards of Directors referred to herein collectively as the "Boards" and individually as, with respect to the District, the "District Board," with respect to District No. 2, the "District No. 2 Board" and with respect to District No. 3, the "District No. 3 Board." See "THE DISTRICTS—Governing Boards."

The District, District No. 2 and District No. 3 were organized contemporaneously as part of a plan to serve the needs of a planned development generally located Southeast of Topeka Way; West of Prairie

* Preliminary; subject to change.

Hawk Drive; and North of West Plum Creek Parkway in the Town of Castle Rock, Douglas County, Colorado. The portion of the property located within the boundaries of the Districts is referred to herein as the "Development." See "—The Development" below, "THE DISTRICTS," and "THE DEVELOPMENT." See also the preceding "AERIAL MAP," "BRICKYARD DEVELOPMENT SITE PLAN AND RENDERINGS," and "REGIONAL MAP."

The Districts operate in accordance with the authority, and subject to the limitations of, a Service Plan for Brickyard Metropolitan District No. 1, Service Plan for Brickyard Metropolitan District No. 2 and Service Plan for Brickyard Metropolitan District No. 3, respectively, each approved by the Town Council (the "Town Council") on March 4, 2025 (each a "Service Plan" and, collectively, the "Service Plans").

Pursuant to the Service Plans and Section 32-1-101, et seq., C.R.S. (the "Special District Act"), the Districts are authorized to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, operation and maintenance, and financing of water, sanitation, streets, and parks and recreation (collectively, the "Public Improvements"), within and without the boundaries of the Districts, to serve the future taxpayers and inhabitants of the Districts, except as specifically limited therein. The Districts' obligations with respect to the funding, construction, operation, and maintenance of such Public Improvements is more particularly set forth in an intergovernmental agreement of the Districts (as more particularly defined herein, the "Town IGA"). See "THE DISTRICTS—Service Plan Authorizations and Limitations" and "—Material Agreements of the Districts—*Town IGA*."

Upon their organization, the District contains approximately 1.380 acres, District No. 2 contains approximately 0.470 acres and District No. 3 contains approximately 0.290 acres, with the total combined acreage of the Districts approximately 2.140 acres. However, pursuant to an Inclusion Agreement to be entered into by the Districts and the Developer (defined below) prior to the date of issuance of the Bonds (the "Inclusion Agreement"), the Developer has agreed to include certain property into either the District, District No. 2 or District No. 3, as more particularly set forth therein. See "THE DISTRICTS—District Powers—*Inclusion and Exclusion of Property*" and "—Material Agreements of the Districts—*Inclusion Agreement*." ***Only that portion of property located within the Districts (i.e., the property already within or, pursuant to the Inclusion Agreement, to be included within the Districts) will generate revenues payable to the Bonds.***

While residents are ultimately anticipated to live within two of the Districts, as of the date of this Limited Offering Memorandum, no residents live within the Districts.

Due to their recent formation, the Districts' preliminary 2025 gross assessed valuations are currently not available and are generally provided in August. Each Districts' 2025 preliminary certified assessed valuations, when

available, are subject to change prior to the December 10, 2025, final certification date.

The Castle Rock Urban Renewal Authority.....

Colorado law authorizes municipalities to establish urban renewal authorities for the purpose of financing improvements to areas which have been designated by the respective governing bodies of municipalities as being blighted. The Town established the Town of Castle Rock Urban Renewal Authority ("CRURA") in 2013 for the purpose of undertaking certain urban renewal activities within the Town. Generally, property taxes levied upon all taxable property in an urban renewal area are divided between base amount and the incremental amount, with the portion of the property taxes produced by the base amount that overlaps the urban renewal area being paid to such taxing jurisdictions, and the property taxes produced by the incremental amount being paid to urban renewal authority. In May 2025, CRURA approved the Brickyard Urban Renewal Plan (the "URA Plan"). The Districts are located within an area subject to the URA Plan and are subject to remitting property taxes to CRURA. However, pursuant to that certain Public Finance Agreement entered into by and among the Town, CRURA, CD-Acme, LLC, a Colorado limited liability company (the "Developer") and the District on [_____], 2025 (the "Public Finance Agreement"), CRURA is generally obligated to remit back to the Districts, or the Trustee on behalf of the Districts, all tax increment revenues attributable to the levies of the Districts and certain other taxing entities levying a mill levy on property within the Districts (collectively, the "Overlapping Taxing Entities"). See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes—*Tax Increment Areas-Town of Castle Rock*," "—*Overlapping Mill Levies*" and "THE DISTRICTS—Material Agreements of the District—*Public Finance Agreement*."

Pursuant to the Public Finance Agreement, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the URA Plan is equal to $805,670 (the "Property Tax Base Valuation"). The Property Tax Base Valuation and increment value will be calculated and adjusted from time to time by the County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado. "TIF Area" is defined in the Public Finance Agreement to mean the property described on Exhibit A to the Public Finance Agreement, within which the tax increment provisions of Section 31-25-107(9) of the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes (the "Colorado Urban Renewal Law") apply, as such area may be expanded or contracted from time to time by CRURA in compliance with the Colorado Urban Renewal Law. The TIF Area is expected to include all of the property within and have the same boundaries as the Districts.

The Development.....

The Development is being constructed as a mixed use development on approximately 21 acres, and, according to the Developer, at full build-out is anticipated to include approximately 178 for sale condominiums (the "Residential Condominiums"), 298 multi-family apartments (the

"Multi-Family Development"), approximately 144,000 square feet of commercial retail, restaurant, entertainment, and office space, and an approximately 125 room hotel (the "Commercial Development" and, together with the Multi-Family Development and the Residential Condominiums, the "Development"). All of the Development, as described herein, is located within the boundaries of the Districts or is subject to an Inclusion Agreement and required to be included within the boundaries of the Districts upon the terms set forth therein. See "THE DISTRICTS—Material Agreements of the Districts—*Inclusion Agreement*." ***Only the property located in and comprising of the Development (i.e., the property within or, pursuant to the Inclusion Agreement, to be included within the Districts) will generate revenues pledged to the payment of the Bonds.***

Development of property within the Districts is being undertaken by the Developer and by entities affiliated with the Developer of the property (the "Developer Entities"). The Developer is expected to be responsible for the provision of entitlements and for obtaining the necessary approvals from the Town to advance the Development in the manner described herein. The Developer is expected to be responsible for the construction of the requisite public and private infrastructure serving the Development, with the exception of certain off-site improvements, which is expected to be the responsibility of the Districts. See "THE DEVELOPMENT—Status of Construction and Funding of Public and Private Improvements," and "—The Developer and Related Entities."

As of the date of this Limited Offering Memorandum, all of the developable property comprising the Development (and, therefore, the developable property within the Districts) is owned by the Developer. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Tax Data" and "RISK FACTORS—Financial Condition of the Developer and Related Entities" and "—The Developer and Related Entities" below.

The Developer also intends to construct an approximately 145,177 square foot recreation center (the "Town Recreation Center") which will be built and dedicated to the Town pursuant to a Recreation Center Agreement approved by the Town on May 20, 2025 (the "Town Recreation Center Agreement"), between the Town and the Developer. *The Town Recreation Center was financed by the Town and no proceeds of the Bonds will be used for the Town Recreation Center*.

The Developer..... The Developer will be responsible for developing property comprising of the Development. The manager of the Developer is Confluence Companies, LLC ("Confluence Companies"), with the founding members of the Developer being Timothy J. Walsh, Anthony J. De Simone and Matthew B. McBride, with each member holding a 33.33% interest. Since 2012, Confluence Companies have successfully developed over 4,300 residential units in Colorado's Front Range. In the Town, Confluence Companies has previously developed 382 residential units, approximately 100,000 square feet of commercial space, and a 601-stall public/private parking structure in connection with a prior development. See "THE DEVELOPMENT—

The Developer and Related Entities—*The Developer*" and "—*Prior Castle Rock Projects*" herein for a description of similar projects delivered by the Confluence Companies.

Purpose..... Proceeds from the sale of the Bonds will be used for the purposes of (a) financing or refinancing the costs of acquiring, constructing and installing certain public improvements to serve the Development; and (b) funding the costs of issuing the Bonds. A portion of the proceeds from the sale of the Bonds will also be used to (a) fund the Reserve Fund in the amount of the Required Reserve and (b) fund a portion of the interest to accrue on the Bonds. 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 Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Public Securities Act") and Part 11 of the Special District Act; pursuant to the District Election (defined below); pursuant to an authorizing resolution adopted by the District's Board of Directors (the "Board") prior to the issuance of the Bonds (the "Bond Resolution"); and pursuant to an Indenture of Trust, to be dated as of September __, 2025 (the "Indenture") between the District and BOKF, NA, Denver, Colorado, as trustee (the "Trustee").

At the District Election, the District's eligible electors voting at such election approved indebtedness to finance certain categories of public improvements and associated debt thereof (the "Debt Authorization"); provided, however, such voted debt authorization is limited to $76,500,000 in the Service Plans. See "THE DISTRICT—Service Plan Authorizations and Limitations." See also "DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued and Outstanding General Obligation Debt*" "—Material Agreements of the District—*Town IGA*" herein.

The District intends to apply the original principal amount of the Bonds against the Debt Authorization obtained pursuant to the District Election and the debt authorization of its Service Plan, as described in "DEBT STRUCTURE—General Obligation Debt—*Voter Authorized but Unissued and Outstanding General Obligation Debt*."

Security and Sources of Payment for Bonds..... The Bonds are limited tax general and special revenue 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 from the following sources: (a) the Required Mill Levy; (b) the Pledge Agreement Revenues; (c) the District Tax Levy Revenues, as and to the extent received by the District; (d) the Specific Ownership Tax Revenues; (e) the Add-on PIF; (f) the Credit PIF; (g) PILOT Revenues; and (h) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Pursuant to the Indenture and the Pledge Agreement, the District has covenanted to levy the "Required Mill Levy" meaning, generally, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County, an ad valorem mill levy imposed upon all taxable property of the District each year in an amount of 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025). See "THE BONDS—Security for the Bonds," "FINANCIAL INFORMATION OF THE DISTRICTS," and "APPENDIX A—FINANCIAL FORECAST."

Pursuant to the Capital Pledge Agreement to be dated as of [September __], 2025, by and among the District, the Pledge Districts and the Trustee (the "Pledge Agreement"), District No. 2 has covenanted to levy on all of the taxable property of District No. 2, the "Mandatory Capital Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of District No. 2, as applicable, in an amount of 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025). Pursuant to the Pledge Agreement, District No. 3 has covenanted to levy on all of the taxable property of District No. 3, the "Mandatory Capital Levy," generally meaning, an ad valorem mill levy imposed upon all taxable property of District No. 3, as applicable, in an amount of 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025). The Indenture defines "Pledge Agreement Revenues" to generally mean the moneys derived from the Pledge Districts Capital Revenue, as defined and imposed pursuant to the Pledge Agreement. See "THE BONDS—Security for the Bonds," "FINANCIAL INFORMATION OF THE DISTRICTS," and "APPENDIX A—FINANCIAL FORECAST."

For the above referenced covenants to impose debt service mill levies, the Districts' will covenant in the Indenture and Pledge Agreement, as applicable, not to impose a debt service mill levy in years 2025 and 2026 (for collection in years 2026 and 2027) and will begin imposition of such levies in year 2027 (for collection in 2028) because of the 35-year limitation to impose a debt service mill levy on residential property (after the year of the initial imposition of such mill levy) set forth in the Districts' Service Plans (as defined in the applicable Service Plan, the "Maximum Debt Mill Levy Imposition Term"). If District No. 3 is, as expected, to be comprised of entirely commercial property it will not be subject to such 35-year limitation.

See "THE BONDS—Security for the Bonds—*Required Mill Levy—Board Determination of Adjusted Mill Levy*" for an explanation of the permitted adjustment to the mill levy of 50 mills contained in the definition of Required Mill Levy in the Indenture (as set forth herein and in the definition of Required Mill Levy contained herein and in "APPENDIX C—SELECTED DEFINITIONS") and the mill levy of 50 mills contained in the definition of Mandatory Capital Levy in the Pledge Agreement (as set

forth herein and in the definition of Mandatory Capital Levy contained in "APPENDIX C—SELECTED DEFINITIONS") as a result of changes in the method of calculating assessed valuation since March 4, 2025.

The Pledged Revenue also includes the Specific Ownership Taxes collected by the Districts from imposition of the Required Mill Levy and the Mandatory Capital Levy pursuant to Section 42-3-107, C.R.S., or any successor statute and the Public Finance Agreement.

The Pledged Revenue also includes the District Tax Levy Revenues. The Indenture defines "District Tax Levy Revenues" to mean the "Pledged Property Tax Increment Revenue" (as defined herein and in the Public Finance Agreement) received by CRURA and remitted to the Trustee pursuant to the Public Finance Agreement and the Indenture. Pursuant to an ordinance adopted by the Town on May 20, 2025, the Town approved the Public Finance Agreement. Pursuant to the Public Finance Agreement, CRURA agreed to deposit into its special fund, created pursuant to the Act, the Pledged Property Tax Increment Revenue. The Public Finance Agreement defines Pledged Property Tax Increment Revenue as: the annual ad valorem property tax revenue received CRURA from the County Treasurer in excess of the amount produced by the levy of the Overlapping Taxing Entities that levy property taxes against the Property Tax Base Valuation in the TIF Area in accordance with the Colorado Urban Renewal Law and the regulations of the Property Tax Administrator of the State of Colorado, but not including, (a) the District Operating Revenue (as defined in the Public Finance Agreement), (b) the CRURA Administrative Fee (as defined herein), and (c) any offsets collected by the County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Colorado Urban Renewal Law. Further, pursuant to the Public Finance Agreement and the Indenture, CRURA is to remit to the Trustee all Pledged Property Tax Increment Revenue owed to the District as soon as practicable, but in no event more than 30 days of receipt thereof by CRURA. The District is to apply the District Tax Levy Revenues in accordance with the terms of the Indenture. See "THE BONDS—Security for the Bonds—*District Tax Levy Revenues*."

The property within the Districts is also subject to (a) the Declaration of Covenants Imposing and Implementing An Add-On Public Improvement Fee] dated as of [_____], 2025, and recorded on [_____], 2025, at Reception No. [_____] (as may be further amended and supplemented from time to time, the "Add-On PIF Covenant"); and (b) the Declaration of Covenants Imposing and Implementing A Credit Public Improvement Fee, dated as of [_____], 2025, and recorded on [_____], 2025, at Reception No. [_____] (as may be further amended and supplemented from time to time, the "Credit PIF Covenant" and, together with the Add-On PIF Covenant, the "PIF Covenants"). Pursuant to the PIF Covenants, a public improvements fee (a "PIF"), will be assessed against certain retail sales and lodging activities, as applicable, that are consummated, conducted, transacted, or otherwise occurring from or within the Districts. Revenues generated from the Credit PIF and Add-On PIF in Districts are pledged to

the payment of the Bonds, as described below and herein. See "THE BONDS—Security for the Bonds" herein.

Prior to the issuance of the Bonds, the Developer, as declarant thereunder, will record a Declaration of Payment in Lieu of Taxes (the "PILOT Declaration") that will be recorded against property comprising of the Development. Under the PILOT Declaration, any individual, firm, corporation, partnership, company, association, joint stock company, trust, body politic, or any other incorporated or unincorporated organization, or any trustee, receiver, assignee, or other similar representative thereof (collectively, and as used in the PILOT Declaration, a "Person") that is a any organization or other Person that is legally exempt from paying ad valorem property taxes in the State (as used in the PILOT Declaration, a "Tax-Exempt Entity") and that acquires any and all partial or total legal right to property or for the use of property, including a fee interest, leasehold or other right to use, possess or occupy (an "Interest" as used in the PILOT Declaration) in the Property (as defined in the PILOT Declaration but generally all of the land within the Development), or any portion thereof, shall, effective on the date that such Person becomes the Owner of such Interest, is required to make a payment in lieu of taxes, or "PILOT." The District and the Town are not subject to the PILOT Declaration and will never be required to pay a PILOT.

A portion of the interest on the Bonds will be paid from capitalized interest to be funded with proceeds of the Bonds in the amount of $[CAP-I].*

The Bonds will also be secured by amounts on deposit in the Reserve Fund, which will be initially funded with proceeds of the Bonds in the amount of $[REQUIRED RESERVE]* (the "Required Reserve"). The Bonds will also be secured by amounts available, if any, in the Surplus Fund. The Surplus Fund is to be funded solely from deposits of Pledged Revenue, if any, and is to be accumulated in the Surplus Fund in accordance with the Indenture up to $[MAX SURPLUS]* (the "Maximum Surplus Amount").

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the December 2, 2065* (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date. Additionally, the Pledge Agreement defines "Termination Date" ("Pledge Agreement Termination Date" as used herein) to mean, with respect to the Bonds, December 2, 2065*, such date being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

* Preliminary; subject to change.

THE BONDS ARE SOLELY THE OBLIGATIONS OF THE DISTRICT. UNDER NO CIRCUMSTANCES ARE ANY OF THE BONDS TO BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE TOWN, THE COUNTY, THE STATE OR, EXCEPT TO THE EXTENT THAT THE PLEDGE DISTRICTS ARE OBLIGATED PURSUANT TO THE PLEDGE AGREEMENT, ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE DISTRICT. IN ADDITION, UNDER NO CIRCUMSTANCES ARE THE BONDS TO BE CONSIDERED OR HELD TO BE AN INDEBTEDNESS, OBLIGATION OR LIABILITY OF THE DEVELOPER ENTITIES OR ANY THIRD-PARTY PROPERTY OWNERS.

Priority of Lien..... The Bonds constitute Senior Bonds under the Indenture. Accordingly, to the extent any non-property tax revenues are pledged under the Indenture to the Bonds (presently, the Add-on PIF and the Credit PIF), the lien thereon of any Subordinate Bonds issued in the future will be junior and subordinate in all respects to the lien of the Bonds and any other Additional Senior Bonds issued in the future. In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any Additional Bonds, the District is to also transfer to the Trustee all moneys pledged to the payment of such Additional Bonds which are derived from ad valorem taxes of the District, Pledge Agreement Revenues, the Add-on PIF, or the Credit PIF, and any such moneys are to constitute part of the Trust Estate. See "THE BONDS—Certain Indenture Provisions—*Flow of Funds*."

Additional Bonds..... The Indenture imposes certain limitations on the issuance of Additional Bonds. Owners of the Bonds will only be permitted to enforce such limitations set forth in the Indenture. See "THE BONDS—Certain Indenture Provisions—*Additional Bonds*."

Interest Rate; Payment Provisions..... The Bonds will bear interest per annum at the rates set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds is payable to the extent of Pledged Revenue available therefor on each June 1 and December 1, commencing December 1, 2025. Payments for the principal of and interest on the Bonds will be made as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Prior Redemption..... The Bonds are subject to optional and mandatory sinking fund redemption as described under the caption "THE BONDS—Redemption."

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 through brokers and dealers who are, or who act through, participants in the DTC system (the "Participants") in principal denominations of $500,000 or any

integral multiple of $1,000 in excess thereof. Such beneficial ownership interests will be recorded on the records of the Participants. Persons for whom Participants acquire interests in the Bonds (the "Beneficial Owners") will not receive 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 and interest on the Bonds, as well as notices and other communications made by or on behalf of the 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 G—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.

Except as otherwise provided herein, the term "Owner" refers to the registered owner of any Bond, as shown by the registration books maintained by the Trustee. As used herein, "Consent Party" means the Owner of a Bond or, if such Bond is held in the name of Cede & Co., 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.

Exchange and Transfer ..... While the Bonds remain in book-entry-only form, transfer of ownership by Beneficial Owners may be made as described under the caption "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Tax Status ..... In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent interest on the Bonds is excludable from gross income for federal income tax purposes, such interest is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

Financial Forecast..... CliftonLarsonAllen LLP, Denver, Colorado, has prepared the cash flow projection schedules presented in APPENDIX A hereto (the "Financial Forecast") for the District, for the purpose of providing information regarding the District's ability to make the annual debt service payments on the Bonds. Such Financial Forecast is based upon the Market Study (described below in "—The Market Study") and the assumptions more particularly provided therein. In particular, the Financial Forecast sets forth: (a) on pages 3 through 24, a projection of the payment of debt service

on the Bonds, based on the absorption schedule, residential unit prices, assessed value of the commercial property presented in the Market Study, and a the collection of certain tax increment financing and public improvement fee revenues (collectively referred to herein as the "Base Case"); and (b) on pages A1 through A22, an alternative hypothetical projection (referred to herein as the "Slowdown Projection") based on (i) the assumption that units, square footage, and taxable sales per square foot of value are reduced by 20%; and (ii) that the residential and commercial development slows to 25% of the reasonably expected pace that is displayed in the Base Case (see Note 12 of the Financial Forecast and pages A1 through A22).

As demonstrated in the Financial Forecast, under the Base Case scenario the Surplus Fund will fill to the Maximum Surplus Amount in 2032 and under the hypothetical Slowdown Projection, the Surplus Fund would need to be drawn upon in the year 2029 for debt service on the Bonds and would never replenish to the Maximum Surplus Amount for the life of the Bonds. Additionally, under the hypothetical Slowdown Projection, the Reserve Fund would be drawn down in the years 2029 through 2031 for debt service on the Bonds but would replenish to the Required Reserve in year 2049. See "FORWARD-LOOKING STATEMENTS," "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "APPENDIX A—FINANCIAL FORECAST" hereto.

The Market Study ..... The District retained Zonda Advisory, Centennial, Colorado (the "Market Consultant") to prepare a market analysis and absorption forecast for the District dated July 11, 2025 (the "Market Study"). The Market Study contains certain projections regarding the absorption and product pricing for the Development, which are based on certain assumptions more particularly set forth therein. The Market Study provides an assessment of absorption and condominium prices based on current market conditions, which conditions are comprised solely of those specifically identified in the Market Study. See "FORWARD-LOOKING STATEMENTS," "RISK FACTORS—Risks Inherent in Financial Forecast and Market Study," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land," and APPENDIX B hereto.

Professionals Involved in the Offering ..... Kutak Rock LLP, Denver, Colorado, has acted as Bond Counsel and as Disclosure Counsel and has assisted in the preparation of this Limited Offering Memorandum. McGeady Becher Cortese Williams P.C., Denver, Colorado, represents the Districts as General Counsel. Municipal Capital Markets, Greenwood Village, Colorado, has acted as Municipal Advisor to the District in connection with the issuance of the Bonds and to the Pledge Districts in connection with the Pledge Agreement. BOKF, NA, Denver, Colorado, will act as the trustee, paying agent, and registrar for the Bonds. Stifel, Nicolaus & Company, Incorporated, Denver, Colorado, will act as the underwriter for the Bonds (the "Underwriter"). See "MISCELLANEOUS—Underwriting" herein. Butler Snow LLP, Denver,

Colorado, is acting as legal counsel to the Underwriter. CliftonLarsonAllen LLP, Denver, Colorado, serves as the District's accountant and manager.

Continuing Disclosure Obligation ..... The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12). Notwithstanding such exemption, the District and the Developer have, however, agreed to obtain and provide certain information to the Trustee, on a quarterly and annual basis for dissemination to the Municipal Securities Rulemaking Board via its Electronic Municipal Market Access system. A form of the Continuing Disclosure Agreement setting forth such obligations is attached hereto APPENDIX E to this Limited Offering Memorandum. See "MISCELLANEOUS—Continuing Disclosure Agreement."

Financial Statements..... In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the 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. As a result of each Districts' recent formation and limited financial activity to date, no audited financial information is available for inclusion herein. See "FINANCIAL INFORMATION OF THE DISTRICTS—Budget and Appropriation Procedure—*Recent Formation*" below.

Pursuant to the Indenture, the District has covenanted to cause an annual audit to be performed each year notwithstanding any state law audit exemptions that may be available.

Offering and Delivery Information..... The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser of a Bond must be a "financial institution or institutional investor" (as such terms are defined in Section 32-1-103(6.5), C.R.S.). The Bonds are offered when, as, and if issued by the District and accepted by the Underwriter, subject to prior sale and 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 ___, 2025, against payment therefor.

Debt Ratios ..... Due to the lack of development activity in the District to date, and therefore, the minimal assessed valuation thereof, no debt ratio information is provided herein. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Tax Data."

Additional Information..... ALL OF THE SUMMARIES OF THE STATUTES, INDENTURE, RESOLUTIONS, OPINIONS, CONTRACTS, AND OTHER AGREEMENTS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM ARE SUBJECT TO THE ACTUAL PROVISIONS OF

SUCH DOCUMENTS. The summaries of any such documents contained herein do not purport to be complete statements thereof, 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: Brickyard Metropolitan District No. 1, c/o McGeady Becher Cortese Williams P.C., Suite 400, 450 East 17th Avenue, Denver, Colorado 80203, Telephone: (303) 592-4380; or Stifel, Nicolaus & Company, Incorporated, Suite 900, 1401 Lawrence Street, Denver, Colorado 80202, Telephone: (303) 296-2300.

FORWARD-LOOKING STATEMENTS

This Limited Offering Memorandum, and particularly the information contained under the headings entitled "INTRODUCTION," "RISK FACTORS," "THE DISTRICTS," "THE DEVELOPMENT," "APPENDIX A—FINANCIAL FORECAST" and "APPENDIX B—MARKET STUDY" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words "anticipate," "estimate," "forecast," "intend," "expect," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any projection is subject to such uncertainties. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, it can be expected that there will be differences between projections and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see "RISK FACTORS."

RISK FACTORS

INVESTMENT IN THE BONDS INVOLVES RISK. PROSPECTIVE INVESTORS IN THE BONDS SHOULD READ THIS ENTIRE LIMITED OFFERING MEMORANDUM 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.

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 Limited Offering Memorandum, and each prospective investor should make an independent evaluation of all information presented in this Limited Offering Memorandum 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.

Limited Offering; Restrictions on Purchase; Investor Suitability

The offering of the Bonds is being made to a limited number of knowledgeable and experienced investors who are not purchasing with a view to distributing the Bonds. Each purchaser must be a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S. Moreover, the Bonds are being issued in minimum denominations of $500,000.

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

No Credit Rating; Risk of Investment

The Bonds do not have a credit rating from any source and are not suitable investments for all investors. Each prospective purchaser is responsible for assessing the merits and risks of an investment in the Bonds and must be able to bear the economic risk of such investment in the Bonds. By purchasing the Bonds, each purchaser represents that it is a "financial institution or institutional investor" within the meaning of Section 32-1-103(6.5), C.R.S., with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of non-rated tax-exempt obligations, to be able to evaluate the merits and risks of an investment in the Bonds.

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. Because the Bonds are not rated and are being issued in large denominations, the secondary market for the Bonds, if any, is expected to be limited. 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 the progress of the Development and existing real estate and financial market conditions. See also "—Restrictions on Transferability" below.

Restrictions on Transferability

By their acceptance of the Bonds, each Owner acknowledges that the Bonds may be sold, transferred or otherwise disposed of only in minimum denominations of $500,000 and any integral multiple of $1,000 in excess thereof, except as otherwise provided in the Indenture. See "THE BONDS—Authorized Denominations of the Bonds."

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

The Bonds are secured by and payable solely from and to the extent of the Pledged Revenue, all as more particularly described herein. The primary source of 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

Districts. The ad valorem property taxes required to be imposed by the Districts for payment of the Bonds are different and are subject to different limitations, as more particularly described herein.

The District's ability to retire the indebtedness created by the issuance of the Bonds is dependent, in part, upon development of an adequate tax base from which the Districts can collect sufficient property tax revenue from the imposition of, with respect to the District, the Required Mill Levy; and with respect to the Pledge Districts, the Mandatory Capital Levy. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "—Development Not Assured" below. The Financial Forecast (included in APPENDIX A hereto) sets forth the anticipated payment of debt service on the Bonds, based on assumptions concerning growth and residential home price appreciation in the District and increased valuations in the Pledge Districts and the mill levies imposed for payment of debt service on the Bonds. See "—Risks Inherent in Financial Forecast and Market Study" below and "APPENDIX A—FINANCIAL FORECAST" and "APPENDIX B—MARKET STUDY."

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 District for the Bonds equals the amount permitted by law, **subject to the prior discharge of the Bonds as more particularly described in "— Discharge of the Bonds on the Termination Date" below**. During this period of accrual, so long as the District is enforcing collection of the Pledged Revenue, the District will not be in default on the payment of such principal and interest under the applicable Indenture, and the Owners will have no recourse against the District to require such payments (other than to require the District 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 its Service Plan and other applicable law). In addition, the 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. The District's electoral authorization limits the total repayment cost of indebtedness authorized at the District Election for the payment of infrastructure costs to $627,300,000 in total; provided that such repayment cost is allocated among indebtedness issued to fund specific subcategories of infrastructure. However, the Service Plans provide that the total aggregate Debt limit for all of the Districts is $76,500,000. 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 District or the Pledge Districts or assets of the District or Pledge Districts (other than the Pledged Revenue and the funds and accounts pledged to the Bonds in the Indenture). The Bonds are also not obligations of the Developer Entities or any third-party property owners within the Development and are not secured by any property or assets owned by such entities.

Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land

The owners of the Bonds are dependent upon the assessed value of property within the 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 each of the Districts is determined by multiplying the "actual value" of the property by an assessment rate, and the "actual value" of the property is determined by the County Assessor, all as more particularly described under "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes." Assessed valuations may be affected by a number of factors beyond the control of the 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 Development will not do so. Under certain circumstances, State statutes permit the owners of vacant residential property to apply to the County Assessor for discounted valuation of such property for ad valorem property tax purposes, and in certain circumstances, multi-family projects can qualify for an exemption from property taxation. Should the actions of property owners result in lower assessed valuations of property in the Development, the security for the Bonds would be diminished, increasing the risk of nonpayment. Regardless of the actions of property owners, the values of properties, including any vertical construction thereon, may be reduced if market prices decline due to economic factors. See also "—Foreclosures" below. Furthermore, property used for tax-exempt purposes, which could include multi-family projects owned by charitable or not-for-profit organizations (none are currently anticipated within the Development), is not currently subject to taxation. To offset such risks, a PILOT has been recorded against the entire Development. See "—Risks Related to the PILOT Revenues" below.

In addition, the projected assessed value of property in the Districts set forth in the Financial Forecast is based on certain assumptions as to the manner in which various properties will be assessed 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 Districts and the property taxes that may be generated thereby. Changes have occurred and may occur in the future in the method of calculating assessed valuation in the State, including changes in the residential assessment ratio and the actual valuation of property, or in the amount of property tax revenue that may be retained by local governments. For a discussion of changes to the method of calculating the assessed valuation of property in the State, the imposition of property tax limit on revenues of local governments, and potential impacts on the revenues of the District. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes."

The Financial Forecast assumes that the residential assessment rate will adjust to 6.8% in property tax year 2026 (for collection in 2027) and remain at 6.8% for the life of the Bonds. The Financial Forecast assumes that the assessment rate for nonresidential property will remain at 25% in property tax year 2027 (for collection in 2028) and remain at 25% for the life of the Bonds. In addition, the Financial Forecast assumes that the actual value adjustments beginning in property tax year 2026 will be increased for inflation at the rate of 2% each reassessment cycle. It does not reflect any other changes to the assessment ratios that have been or may be enacted into law in the future. Any changes to the assessment ratios are not anticipated to affect the amount of revenue derived from the Required Mill Levy and the Mandatory Capital Levy due to language in the definitions thereof requiring adjustment thereof in the event of changes in the method of calculating assessed valuation. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes." See also "APPENDIX A—FINANCIAL FORECAST" and *"APPENDIX B—MARKET STUDY.*

Changes to State Law Affecting Calculation of Assessed Valuation of the Districts; Adjustments to Required Mill Levy and Mandatory Capital Levy

The assessed value of property within the 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 OF THE DISTRICTS—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. For the 2025 assessment year the residential assessment rate has been adjusted by the Colorado General Assembly to 6.25%. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes."

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: (a) reductions in the assessment rates to be applied to the actual values of various classes of property to determine the applicable assessed values, and (b) reductions in the actual values (for assessment purposes) of certain classes of property. For a more detailed discussion of these matters and legislation affecting the method of calculating the assessed valuation of property in the State and its potential impact on the revenues of the Districts, see "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes."

While, as described herein, the Required Mill Levy and the Mandatory Capital Levy for the Pledge Districts include certain adjustment language that is intended to require the District and the Pledge Districts, as applicable, to increase such mill levies if necessary to offset the loss of tax revenue which occur due to certain changes in law, it is possible that this language will not account for every conceivable change of law which could occur. See "THE BONDS—Security for the Bonds." See also "APPENDIX A—FINANCIAL FORECAST" and "APPENDIX B—MARKET STUDY."

The Financial Forecast assumes the assessment ratio for all residential property will be 6.25% in year 2025 (for collection in 2026), and also assumes the assessment rate for all residential property will be 6.8% of the actual value of such property, as reduced by the lesser of 10% of the actual value of the property or $70,000, as increased for inflation, in year 2026 (for collection in 2027). The Financial Forecast then further assumes the assessment ratio for all residential property will remain at 6.8% of the actual value of such property, as reduced by the lesser of 10% of the actual value of the property or $70,000, as increased for inflation in the first year of each subsequent assessment cycle beginning in 2027 (for collection in 2028) and remaining at the same levels throughout the remainder of the Financial Forecast. The Financial Forecast also assumes the assessment ratio for all nonresidential property will remain at 25%, beginning in tax collection year 2028, and throughout the remainder of the Financial Forecast. As described herein, any changes to the assessment ratio are not anticipated to affect the amount of revenue derived from the Required Mill Levy and applicable Mandatory Capital Levy due to language in the definitions thereof requiring adjustment thereof in the event of changes in the method of calculating assessed valuation. However, see "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes."

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 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 District is otherwise in compliance with the respective Indenture covenants and other provisions relating to the Pledged Revenue. 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 (the "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 Districts can seek protection from their creditors under the Bankruptcy Code only if the Districts can demonstrate that, in order to meet their financial obligations as they come due, the 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.

Discharge of the Bonds on the Termination Date

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 2, 2065[*] (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy in each year, subject to any Service Plan limitations, prior to the year in which the Termination Date occurs or the obligation of the District to apply the Pledged Revenue in the manner required in the Indenture on and prior to the Termination Date. See "THE DISTRICTS—Service Plan Authorizations and Limitations" for 35-year limitation to impose a debt service mill levy on residential property (after the year of the initial imposition of such mill levy) set forth in the Districts' Service Plans.

Additional Bonds

The District may issue Additional Bonds (as such term is defined in the Indenture, see APPENDIX C, without the consent of the Consent Parties of the Bonds, subject to the satisfaction of certain conditions set forth in the Indenture and described in "THE BONDS—Certain Indenture Provisions—*Additional Bonds*." Any issuance of Additional Bonds would potentially dilute the security available for the Bonds. However, the Service Plans provide that the total aggregate Debt limit for all of the Districts is $76,500,000. Therefore, the District's issuance of Additional Bonds is subject to the limitations of the District's Service Plan and electoral authorization. See "THE DISTRICT—Service Plan Authorizations and Limitations."

Development Not Assured

General. The repayment of the Bonds is highly dependent upon an increase in the assessed valuation of property in the Districts to provide a tax base from which ad valorem property tax revenues

[*] Preliminary; subject to change.

resulting from imposition by the District of the Required Mill Levy and by the Pledge Districts of the Mandatory Capital Levy are to be collected. Such increase in assessed valuation is dependent upon development within the Districts, which, in turn, is subject to market demand, market conditions and a variety of other factors beyond the control of the Districts and the Developer Entities.

Planned Development and Status. The development of the property within the Development will require, among other things, execution of obligations under the Brickyard Development Agreement with the Town dated February 18, 2025 (the "Development Agreement"), as necessary, related construction of Public Improvements within the Development, construction of the Multi-Family Development, construction of the Residential Condominiums, and in connection therewith, the execution of purchase and sale agreements for all of the Residential Condominiums and closings thereon, the sale of, purchase and/or lease of commercial condominium space, amongst other things. See "THE DEVELOPMENT—Status of Construction and Funding of Public Improvements and Infrastructure."

As of the date of this Limited Offering Memorandum, no Residential Condominiums, multi-family housing or commercial buildings, have been constructed within the Development, and no other vertical construction has begun in the Development. According to the Market Study, it is anticipated that the first Residential Condominiums will absorbed in the first quarter of 2029 and that all Residential Condominiums within the Development will be sold and closed to homeowners by 2031; absorption of the approximately 298 multi-family apartments will begin in 2027 and completed by 2028; and that absorption of certain retail, office and hospitality commercial space within the Development will occur by 2027 and 2028. As of August 1, 2025 the Developer has spent more than $14 million on the Development to acquire land, begin the construction of public improvements and costs associated with design and entitlements of the Development.

Notwithstanding any of the foregoing, none of the Developer Entities nor any other owner of property within the Development is obligated to complete any vertical construction in any particular timeframe or at all. The Market Study attached hereto as APPENDIX B provides an analysis of the assumed build-out schedule and product mix (including price levels) of the Development. Based upon the build-out schedule and product mix (including price levels) set forth in the Market Study and certain other assumptions specified in the Financial Forecast, the Financial Forecast included in APPENDIX A hereto provides certain forecasts of revenue of the District. **No assurance can be given that build-out will occur as presently planned, within the presently anticipated timeframes and resulting in the presently anticipated product values, or projected appreciation in values. All development projections, including, without limitation, the ultimate number of residential units and price levels of residential units to be constructed in the Development, are dependent upon market activity, governmental regulations, general economic conditions, and other factors over which the District and the Developer Entities have no control.** See "—Risks Inherent in Financial Forecast and Market Study" below, "THE DEVELOPMENT," "APPENDIX A—FINANCIAL FORECAST," and "APPENDIX B—MARKET STUDY."

Public and Private Infrastructure. The estimated costs of the Public Improvements and infrastructure described herein required for the Development are subject to change as development progresses. No assurance is given that the costs of Public Improvements and infrastructure necessary to serve the Development will not exceed the estimates provided herein.

The costs of Public Improvements and private improvements are subject to many factors not within the control of the Districts or the Developer, including but not limited to, labor conditions, access to and cost of building supplies, supply chain issues faced by the Districts, the Developer, and other governmental entities, energy costs, availability and costs of fuel, transportation costs, and economic conditions generally. There can be no assurance that the Districts or the Developer, as applicable, will fund such infrastructure

costs or the financial resources thereof will be adequate to do so, and there can be no assurance that, if needed, the Districts or the Developer would be able to obtain additional funding from outside sources. No independent investigation has been made of the financial resources of the Developer. See "THE DEVELOPMENT—Status of Construction and Funding of Public Improvements and Infrastructure."

If the infrastructure necessary to fully support the Development is not completed as anticipated herein and, as a result, build-out of the Development is not completed in the time and manner reflected in the Financial Forecast, the assessed valuation forecasted for the District will not be realized in the manner forecasted which could have a material, adverse effect on the District's ability to repay the Bonds. See the Financial Forecast set forth in APPENDIX A hereto for the build-out projections for construction within the Development and the corresponding estimated assessed valuation relating to such planned development. See also the Market Study set forth in APPENDIX B.

Environmental Matters and Potential Nuisances.

General. Confluence Companies, LLC ("Confluence Companies") commissioned a Phase I Environmental Site Assessment Report by Cornell and Associates, a Colorado Limited Liability Company ("C&A"). C&A prepared a Phase I Environmental Site Assessment Report dated October 5, 2020 (the "Phase I Study"). The Phase I Study covered approximately 31 acres, including the Development. C&A concluded that two "recognized environmental conditions" are present at the site: (a) C&A observed that a chemical storage building, a maintenance building and a fuel storage area were all located at the north end of the site for the Phase I Study; and (b) that the old Town landfill is located approximately 1,000 feet southwest and is hydrologically upgradient of the subject property. Ultimately, C&A recommended limited soil and groundwater investigations in the vicinity of the chemical storage building, a maintenance building and fuel storage area. Also, that groundwater should be collected and analyzed near the hydrologically upgradient portion of the subject property.

As a result of the Phase I Study findings, Confluence Companies commissioned a Phase II Environmental Site Assessment Report by C&A. C&A prepared a Phase II Environmental Site Assessment Report dated November 3, 2020 (the "Phase II Study"). The Phase II Study analyzed the findings from the Phase I Study and C&A concluded that most of the subject property is characterized by dry silty clay, that claystone bedrock occurs between 7 and 28 feet below ground surface. The Phase II Study further found that no shallow alluvial groundwater was present, and no contamination was encountered in site soils. Based on the results of the subsurface investigations described in the Phase II Study, C&A did not recommend any additional soil or groundwater investigations.

The Phase I Study and Phase II Study involved limited procedures, and it is possible that other, unknown adverse environmental conditions could exist on the property within the Development which may hinder or prohibit its development.

No assurance is provided that during or subsequent to the development of property within the Development hazardous materials or other adverse environmental conditions will not be discovered on the property which could hinder or prohibit development. Should such a discovery occur, it is possible that the Development and marketing thereof could be materially adversely affected and, as a result, that the Pledged Revenue may be insufficient to pay debt service on the Bonds. See "THE DEVELOPMENT—Environmental Matters and Potential Nuisances."

Proximity to Interstate 25. The Development is near Interstate 25, a major interstate highway that runs north and south of the Denver metropolitan area. Property near to Interstate 25 may experience effects from noise, particulate pollution, or dust from vehicle traffic, and no assurance is provided that the proximity of the Development to Interstate 25 will not adversely affect the Development.

Oil and Gas. As discussed above, the Phase I Study observed that a chemical storage building, a maintenance building and a fuel storage area. Although no contamination was found in the recognized environmental conditions referenced above, there can be no assurance that all recognized environmental conditions have been completely mitigated and any further mitigation that would be required may have a material impact on the repayment of the Bonds.

Wildfire. The Development is considered to be located in a low intensity area according to the Colorado State Forest Service's Wildfire Risk Public Viewer web site last accessed in August 2025; however, conditions will change seasonally and year to year as impacted by weather patterns and drought years. No assurance can be given as to whether any future wildfire will impact any portion of the Development or whether the risk of wildfire will affect the marketability of the Development. The occurrence of wildfires in or adjacent to the Development could have an adverse effect, among other matters, on the assessed valuation of the property in the District and the availability of property insurance. In the event a fire or other natural or man-made disaster destroys all or any portion of the District, the Pledged Revenue could be materially negatively impacted. There can be no assurance that a casualty loss will be covered by any insurance of property owners, that any insurance company will fulfill its obligation to provide insurance proceeds, or that any insurance proceeds will be sufficient to rebuild any damaged property. There is no assurance that property owners will rebuild damaged or destroyed properties or, if they do, the timeframe in which they will rebuild. See "THE DEVELOPMENT—Environmental Matters and Potential Nuisances."

Climate Change. Climate change, including change caused by human activities, may have material adverse effects on the Development. As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as drought, wildfires, floods and heat waves. The future fiscal impact of climate change on the Development is difficult to predict, but it could be significant, and it could have a material adverse effect on the receipt of Pledged Revenue.

Drought. From time to time, the State experiences droughts. According to the U.S. Drought Monitor, accessed in August 2025, the County is currently experiencing abnormally dry drought conditions. There can be no assurance that drought conditions will or will not persist or that they will not reappear in the future. The persistence or reappearance of drought conditions may result in a delay or an inability to pursue the Development or affect the future assessed valuation of the property in the Development which could materially adversely the receipt of Pledged Revenue.

Water and Sewer Service Available. Water and wastewater service to the Development is to be provided by the Town. The Town has provided a will-serve letter, dated June 30, 2025, confirming that the Town will provide water and wastewater to serve the Development, provide that the builder and developer meet all obligations under pertinent legal agreements with the Town this includes the Water Service Agreement for Canyons South, the Development conforms to the plans approved by the Town, and the Development complies with applicable provisions of the Town Code concerning utility connection and service.

Competition With Other Developments. The Development competes with developments in surrounding areas and can be expected to compete with existing and future developments, some of which are not yet known. Such competition may adversely affect the rate of development within the District. See the Market Study set forth in APPENDIX B hereto.

Other Factors Affecting Rate of Development. Many unpredictable factors could influence the actual rate of development and construction within the Development, including prevailing interest rates, availability of development and construction funding, economic conditions generally, trade policies and

tariffs, development and supply of residential housing in the area, availability of mortgages, federal taxation of interest on mortgages, availability of property insurance, construction costs, labor conditions and unemployment rates, access to and cost of building supplies, limitations or moratoria on building permits, availability and costs of fuel, and transportation costs, and severe weather and acts of god, among other things. See also "— Foreclosures" below, "THE DEVELOPMENT—Competition" and "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Housing Stock" and "—Foreclosure Activity."

Tax Reform. The rate of development may also be affected by changes to the Internal Revenue Code of 1986, as amended (the "Code") made in 2017 affecting individual income tax deductions and credits, including but not limited to, the deductions for interest on home mortgages and state and local taxes, and future changes to the Code that could affect the foregoing and other income tax deductions and credits. The product type ultimately constructed in the Development and resulting initial home values, and the increase (or decrease) in residential home values during the term of the Bonds as a result of such changes or potential future changes cannot be predicted and has not been assessed by the providers of the Market Study or Financial Forecast.

Potential Negative Consequences of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of COVID-19, 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 District 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 District associated with its administrative and operations functions, nor can the District predict the extent to which future development in the District, District No. 2 or District No. 3 may be adversely impacted. A public health emergency may impact future payment of property taxes, including the economic impacts on property owners and their willingness and ability to timely pay property taxes. The occurrence of any one or more of the foregoing events could have a materially adverse impact on the ability of the District to timely pay debt service on the Bonds.

In addition, as the scope and impact of any potential future public health emergency, is currently unknown, assumptions, information and conclusions set forth in the Financial Forecast (APPENDIX A) and the Market Study (APPENDIX B) must be read and considered in the context of the matters described herein, which may materially and adversely affect the assumptions, information and conclusions set forth in such report. See also "FORWARD LOOKING STATEMENTS.

Financial Condition of the Developer Entities

There has been no independent investigation of and no representation is made in this Limited Offering Memorandum regarding the financial soundness of the Developer Entities or of the managerial capability of the foregoing to develop and/or market (as applicable) the property within the Development as planned. Moreover, the financial circumstances of the Developer Entities may change from time to time. Development within the District is dependent upon the ability of the Developer Entities to implement the development plan contemplated herein, as described above in "—Continued Development Not Assured." Furthermore, the Developer Entities are not under a binding obligation to develop property within the

District as planned, nor is there any restriction on the right of the Developer Entities or any other property owner to sell any or all of their property within the Districts or to withdraw completely from the Development. Prospective investors are urged to make such investigation as deemed necessary concerning the financial soundness of the Developer Entities and their respective ability to implement the plan of Development as described herein.

Risks Inherent in Financial Forecast and Market Study

The District has retained (a) CliftonLarsonAllen LLP, Denver, Colorado ("Forecast Provider") to prepare the District's "Forecasted Surplus Cash Balances and Cash Receipts and Disbursements" dated as of August 25, 2025 (the "Financial Forecast"); and (b) Zonda Advisory, Centennial, Colorado ("Market Consultant"), to prepare a market analysis and absorption forecast for the Development dated July 11, 2025 (the "Market Study").

Financial Forecast. The Financial Forecast (in APPENDIX A hereto) projects the payment of debt service on the Bonds, based on the absorption schedule and market values presented in the Market Study, and the other assumptions more particularly described in the Financial Forecast. In particular, the Financial Forecast sets forth: (a) on pages 3 through 24, a projection of the payment of debt service on the Bonds, based on the absorption schedule, residential unit prices, assessed value of the commercial property presented in the Market Study, and a the collection of certain tax increment financing and public improvement fee revenues (collectively referred to herein as the "Base Case"); and (b) on pages A1 through A22, an alternative hypothetical projection (referred to herein as the "Slowdown Projection") based on (i) the assumption that units, square footage, and taxable sales per square foot of value are reduced by 20%; and (ii) that the residential and commercial development slows to 25% of the reasonably expected pace that is displayed in the Base Case (see Note 12 of the Financial Forecast and pages A1 through A22).

As demonstrated in the Financial Forecast, under the Base Case scenario the Surplus Fund will fill to the Maximum Surplus Amount in 2032 and under the hypothetical Slowdown Projection, the Surplus Fund would need to be drawn upon in the year 2029 for debt service on the Bonds and would never replenish to the Maximum Surplus Amount for the life of the Bonds. Additionally, under the hypothetical Slowdown Projection, the Reserve Fund would be drawn down in the years 2029 through 2031 for debt service on the Bonds but would replenish to the Required Reserve in year 2049. See "FORWARD-LOOKING STATEMENTS," "RISK FACTORS—Risks Inherent in the Financial Forecast and the Market Study," "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "APPENDIX A—FINANCIAL FORECAST" hereto.

These dates represent a forecast and there is no guarantee that any payments will be made on or after such date or, further, that the Bonds will be paid prior to their discharge date of December 2, 2065*, as more particularly described below. **Prospective purchasers are cautioned that the payment of debt service on the Bonds presented in the Financial Forecast is only a projection, based upon the assumptions set forth therein, and failure to pay such amounts on the Bonds in accordance with such projection will not constitute an event of default under the Indenture.**

If the absorption schedule or market values set forth in the Market Study are not realized, then the Bonds may not be repaid.

Actual rates of development will be affected by many factors. The Financial Forecast is also based, in part, on certain other important assumptions more particularly described in the Financial Forecast. While

* Preliminary; subject to change.

the Developer has stated that it believes the absorption schedule and market values in the Financial Forecast to be reasonable, no assurance can be given that the actual rate of development and market values will be as presented in the Financial Forecast.

The Financial Forecast assumes that the residential assessment rate will adjust to 6.8% in property tax year 2026 (for collection in 2027) and remain at 6.8% for the life of the Bonds. The Financial Forecast assumes that the assessment rate for nonresidential property will remain at 25% in property tax year 2027 (for collection in 2028) and remain at 25% for the life of the Bonds. In addition, the Financial Forecast assumes that the actual value adjustments beginning in property tax year 2026 will be increased for inflation at the rate of 2% each reassessment cycle. It does not reflect any other changes to the assessment ratios that have been or may be enacted into law in the future. Any changes to the assessment ratios are not anticipated to affect the amount of revenue derived from the Required Mill Levy and the Mandatory Capital Levy due to language in the definitions thereof requiring adjustment thereof in the event of changes in the method of calculating assessed valuation. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land." As described herein, any changes to the assessment ratio are not anticipated to affect the amount of revenue derived from the Required Mill Levy due to language in the definitions thereof requiring adjustment thereof in the event of changes in the method of calculating assessed valuation.

Market Study. The Market Study set forth in APPENDIX B hereto contains certain projections regarding the pace of absorption (residential and commercial), square footage values for commercial space and home rental values in the Development, which are based on certain assumptions more particularly set forth therein. The Market Study provides an assessment of absorption and market values based on current market conditions, which conditions are comprised solely of those specifically identified in the Market Study. The Market Study does not address or evaluate other factors which could impact whether the Development proceeds as contemplated therein, including the availability of funding, the receipt of entitlements, the completion of required infrastructure, and other matters described in "—Development Not Assured" above and any changes in the residential assessment ratio, described in "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land."

The information presented in "APPENDIX A—FINANCIAL FORECAST" and "APPENDIX B—MARKET STUDY" is inherently subject to variations between the assumptions and actual results and those variations could be material. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" below and "FORWARD-LOOKING STATEMENTS."

The Financial Forecast and Market Study attached as APPENDIX A and APPENDIX B, respectively, hereto are an integral part of this Limited Offering Memorandum. Investors are encouraged to read the entire Limited Offering Memorandum, including the Financial Forecast and Market Study to obtain information essential to the making of an informed investment decision.

Foreclosures

The District's ability to collect property tax revenue for timely payment of the Bonds depends, among other things, upon development within the District and the maintenance of an adequate tax base from which the District 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 Development. 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. Such changes in lending practices could have an impact on the rate of home sales within the Development. See also "APPENDIX D—ECONOMIC AND DEMOGRAPHIC INFORMATION—Foreclosure Activity."

Risks Related to PIF Revenue

The Public Improvement Fees ("PIFs") are being imposed pursuant to the PIF Covenants. See "THE BONDS—Security for the Bonds—*PIF Revenues*." The Add-On PIFs will be collected without an expiration date beyond when the Bonds are no longer outstanding. The Credit PIF collected is subject to conditions and limitations. See "—Specific Risks and Limitations Related to Credit PIF Revenue" below.

The collection amount of all of the PIF Revenues depends directly upon the amount of future services sales, retail sales, and lodging sales within the Development, in addition to a number of business, economic and administrative factors which are not within the control of the District, some of which are described below. *Currently, there are <u>no</u> service providers, retailers or other entities, or lodging providers operating in the Development. There is no guarantee that any service providers, retailers or other entities, or lodging providers will locate within the Development.* The mix of retailers, entities, service providers and lodging providers may be determined by the Developer through its leasing, sales and other commercial activities, and the amount of sales generated by these retailers, entities, service providers and lodging provided by these lodging providers is a function of the type and price of products and lodging offered and the ability of the retailers, entities, service providers and lodging providers to operate their businesses successfully. The inability to maintain an adequate level of occupied retail space in the Development, business failures or a decline of retail sales as the result of competition from other retail establishments or other factors could have a significant, adverse effect on future amounts of PIF Revenues. The amount of PIF Revenues could also be affected by the degree to which differences in the total rate of sales taxes and public improvement fees applicable within the Development and competing shopping venues and service providers affect consumers' behavior.

Sales subject to the PIF are a function of consumer spending, which in turn is determined by the demand for particular goods, services and lodging and the prices of such goods, services and lodging. Other factors that may impact consumer spending include national, regional and local economic conditions, levels of personal and disposable income, consumer confidence, consumer trends, unemployment rates and population growth, among others. Many of these factors are cyclical in nature, and thus the levels of sales can be expected to fluctuate in direct relation to economic cycles. *Neither the District nor the Developer are able to predict future economic conditions or the degree to which they will affect future sales or PIF Revenues.*

The PIFs are private fees generated by covenants running with the land within the Development (the "PIF Property") and are not a tax in any form. The PIFs are not imposed by the Town, the County, the

District, the State or any other governmental entity or by means of any governmental taxing power. The PIFs are not secured by a lien on the property in the District or any other property, and the District does not have the ability to foreclose on any property in order to enforce collection and payment of the PIFs. In the event that any retailer, service provider, admission provider or lodging provider fails to collect or remit the PIF in accordance with the PIF Covenants, each enforcing party under the PIF Covenant, which includes the Trustee, may commence a legal action against such retailer for breach of contract. However, no assurance exists that any such action would be successful.

Scheduled payment of the Bonds is also dependent in part on the timely collection and remittance by retailers, admission providers, service providers and lodging providers of PIF Revenues pursuant to the PIF Covenants. The ability to collect PIF Revenues from retailers, admission providers, service providers and lodging providers in the event of a delinquency could be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights.

Specific Risks and Limitations Related to Credit PIF Revenue

In addition to the economic risks associated with the PIFs set forth above, the Credit PIF to be collected by the PIF Collection Agent against the Town's sales tax pursuant to the Public Finance Agreement is limited both in time and conditioned upon certain development goals. The Town has granted a tax credit against the collection of Taxable Transactions (as defined in the Public Finance Agreement) in the amount of 2.4% (the "Sales Tax Credit") up to the maximum cap of $36,000,000 (the "Town Contribution Cap"). The Credit PIF collection of the Sales Tax Credit will not be able to be collected after December 31, 2032 (the "Hotel Milestone") if the proposed Hotel (as defined herein) in the Development has not received a temporary or final certificate of occupancy by the date of the Hotel Milestone. While the Developer anticipates construction of the Hotel is to be completed in advance of the Hotel Milestone, there can be no assurance that such construction will be completed before the Hotel Milestone. In addition, pursuant to the Public Finance Agreement, the Developer is to terminate the Credit PIF upon the occurrence of certain events including termination no later than December 31, 2050, and termination upon reaching the Town Contribution Cap. *Termination of the Credit PIF prior to repayment in full of the Bonds may materially adversely impact the ability of the District to repay the Bonds. See "THE DISTRICTS—Material Agreements of the District—Public Finance Agreement" and "SECURITY FOR THE BONDS—PIF Revenues."*

Risks Associated With the Public Finance Agreement

The Colorado Urban Renewal Law, C.R.S. § 31-25-101 et seq. (the "Colorado Urban Renewal Law") limits the availability of Pledged Property Tax Increment Revenue to CRURA to 25 years from the effective date of the URA Plan. The URA Plan was adopted on May 20, 2025. Accordingly, the District will not be able to rely on the Pledged Property Tax Increment Revenue as a revenue source after May 20, 2050. If the Pledged Revenue was to be insufficient to pay debt service on the Bonds in the future, the limited duration of the Pledged Property Tax Increment Revenue could adversely affect the District's ability to restructure or refinance the Bonds to try to respond to financial difficulties, or to pay any defaulted principal or interest in years past 2050. The receipt of amounts due from CRURA under the Public Finance Agreement (as pledged by the District pursuant to the Indenture and as pledged by the Pledge Districts pursuant to the Pledge Agreement) is dependent upon the ability and willingness of CRURA to adhere to the terms of the Public Finance Agreement and to collect the required revenues and deposit such revenues as required by the Public Finance Agreement. The obligations of CRURA under the Public Finance Agreement to remit revenues back to the Trustee in a timely manner, or if at all, is not guaranteed. If CRURA defaults under the Public Finance Agreement, the District may exercise any and all rights available at law or in equity, such as damages (provided that such damages are limited to the actual amount that the

party is entitled to retain or receive under the Public Finance Agreement and no special or punitive damages are payable thereunder) or an action in mandamus to compel CRURA to perform.

Risk of Reductions in Overlapping Mill Levies. The amount of Pledged Property Tax Increment Revenue depends in part upon the ad valorem levies imposed within the urban renewal area by the Districts and certain overlapping taxing entities assessing mill levies within the Districts (as previously defined, the "Overlapping Taxing Entities"). See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Tax Data—*Overlapping Mill Levies*" herein for a sample of overlapping taxing entities. There is no guarantee, however, that the Overlapping Taxing Entities will continue to maintain their mill levies at the current or higher rates, and such mill levies may decrease. No assurance can be given that the mill levy of any overlapping taxing entity will not be lowered in the future for any of a number of reasons, including limitations imposed by TABOR, changes in law, the payoff of general obligation bonds of the Overlapping Taxing Entities (particularly any school district) which are currently outstanding, or other factors.

Potential Future Legislation. The Colorado Urban Renewal Law is frequently amended by the State legislature, and some past amendments have been material. Currently various State counties have advocated for an amendment pursuant to which taxes approved by voters of overlapping entities in elections occurring after an urban renewal plan is adopted would not be part of the property increment available to the urban renewal authority. Neither the District nor CRURA can predict whether any such legislation will be introduced or adopted, or whether other unknown legislation will be introduced or adopted.

Potential Revisions to Assessors' Reference Library. The State Property Tax Administrator (the "Administrator") publishes the Assessors' Reference Library (the "ARL"), which provides guidance and instruction to the various county assessors within the state as to how to value property for taxation purposes and how to allocate valuation to various taxing entities. The ARL includes guidance to county assessors as to how to apply the provisions of the Colorado Urban Renewal Law relating to incremental property tax revenues allocable to urban renewal authorities such as CRURA. If future changes are adopted with respect to the ARL or other legal authorities with respect to the allocation of assessed valuation or property tax revenue between the "base" and "increment" portions of urban renewal areas, such changes could materially decrease the Pledged Property Tax Increment Revenue. Neither CRURA nor the District has the ability to prevent the Administrator or the County Assessor from modifying the allocation of assessed valuation within an urban renewal area in a manner that diminishes the Pledged Property Tax Increment Revenue available to repay the Bonds.

Future Assessed Values. The amount of property tax increment revenue depends in part upon the amount by which the assessed valuation of the property within the urban renewal area exceeds the base amount established in 2025 (pursuant to the certification of the County Assessor), as adjusted pursuant to law (the "Property Tax Base"). The District only receives property tax increment based upon assessed valuation of property within the urban renewal area which is in excess of the Property Tax Base each year. There is no assurance, however, that the assessed valuation of the property within the Urban Renewal Area will be maintained at, or will increased to, a level sufficient, when combined with the other sources of Pledged Revenue, to pay debt service on the Bonds.

Legal Counsel to CRURA and the Town is expected to deliver an opinion regarding, among other things, the validity and enforceability of the Public Finance Agreement.

Risks Related to the PILOT Revenues

General. Property used for tax-exempt purposes will not be subject to taxation by the Districts or any of the other taxing entities that levy taxes within the boundaries of the Districts. It is possible that buildings which are expected to be constructed within the Districts will be transferred to tax-exempt users.

For example, if a charitable organization (such as a school or church) occupies a building in the Districts, such property may not be subject to property taxation. In addition, it is possible that some or all of the property in the Districts could be condemned for public use, in which case it may no longer be subject to taxation by the Districts. If any of the foregoing events occur, property taxes generated from the District Required Mill Levy and the Pledge District's Mandatory Capital Levy available to pay the Bonds could be significantly reduced. The inability to impose ad valorem taxes on the Hotel and any additional property within the boundaries of the District which in the future is used for tax-exempt purposes is intended to be mitigated by the PILOT Declaration, which will be recorded prior to the issuance of the Bonds against the fee interest in all of the real property constituting the Development. Under the PILOT Declaration, any organization or other Person (as defined above and in the PILOT Declaration) that is legally exempt from paying ad valorem property taxes in the State (a "Tax-Exempt Entity"), and that acquires a right to use, possess or occupy any part of the Development, including a fee interest, leasehold or other right to use, possess or occupy, is required to make a payment in lieu of taxes, or PILOT. The PILOT is an amount equal to the revenue that would be produced (were such entity not a Tax-Exempt Entity) by the imposition by the Districts of their debt service mill levy and operating mill levy on that portion of the Property where a Tax-Exempt Entity is the Owner thereof were such Owner not a Tax-Exempt Entity, computed based on the mill levies most recently certified by the Douglas County Assessor and the most recent final certified assessed value of the subject portion of the Development. The PILOT shall terminate upon the later of dissolution of the Districts or repayment of all obligations under bonds issued to finance or refinance Eligible Costs in accordance with the terms of the Public Finance Agreement.

PILOT not a Tax. The PILOT Declaration does not impose a tax but rather requires the payment of the PILOT pursuant to a declaration recorded by the Developer. The PILOT is not imposed through the exercise of any governmental taxing authority and is therefore not enforceable in the same manner as ad valorem property taxes. Additionally, any special assessment recorded against the land that is subject to the PILOT Declaration will have a lien that is prior to the PILOT Declaration.

Potential Validity and Enforceability Issues. The remedies with regard to enforcement and collection of the PILOT have not been judicially tested. The State constitution prohibits taxation of property that is used solely and exclusively for religious purposes, for schools or for strictly charitable purposes, and it is possible that the PILOT could be interpreted as taxation, notwithstanding that it is imposed solely by a private declaration. No challenges to the PILOT are known or expected, but such challenges are possible. If challenged, there is no assurance that the PILOT would be found to be enforceable in accordance with its terms. In the event of a successful challenge, pursuant to which the PILOT is held to be unenforceable, the Pledged Revenues could be reduced, and such reduction could be material.

Enforcement of Tax Collection by County

The duty to pay property taxes does not constitute a personal obligation of the property owners within the Development. 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. 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 Development. See "—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" above and "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes."

Taxpayer Concentration

As of the date of this Limited Offering Memorandum, the Developer owns all of the developable property within the Districts. Future sales of property within the Districts may result in certain buyers becoming major taxpayers in the Districts. Until such time as the concentration of property ownership within the Districts changes, the generation of Pledged Revenue will be dependent upon a limited number of taxpayers for timely payment of property taxes. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Tax Data."

Property taxes on land are not personal obligations of the Developer, the Developer Entities, or any other property owner. No party has guaranteed the payment of the principal of or interest on the Bonds, and no financial information regarding the Developer, the Developer Entities, or any other entity which may develop property within the Development is provided in this Limited Offering Memorandum. See also "—Development Not Assured" and "—Financial Condition of the Developer Entities" above.

Directors' Private Interests

Pursuant to State law, 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, all members of the Board have potential or existing personal or private interests relating to the issuance or delivery of the Bonds and/or the expenditure of the proceeds thereof as a result of their informal or formal business relationships with the Developer. See also "THE DEVELOPMENT—The Developer and Related Entities."

Legal Constraints on District 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 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 Districts.

Limited Operating History; Payment of Operation and Maintenance Expenses

The Districts were organized in May of 2025. See "FINANCIAL INFORMATION OF THE DISTRICTS—Budget and Appropriation Procedure—*Recent Formation*." As a result of such recent formation, the Districts have limited historical financial information.

Due to their recent formation, the Districts' preliminary 2025 gross assessed valuations are currently not available and are generally provided in August. Each Districts' 2025 preliminary certified assessed valuations, when available, are subject to change prior to the December 10, 2025, final certification date.

Pursuant to the Public Finance Agreement, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the URA Plan is equal to $805,670 (the "Property Tax Base Valuation"). The Property Tax Base Valuation and increment value will be calculated and adjusted from time to time by the County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado. "TIF Area" is defined in the Public Finance Agreement to mean the property described on Exhibit A to the Public Finance Agreement, within which the tax increment provisions of Section 31-25-107(9) of the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes (the "Colorado Urban Renewal Law") apply, as such area may be expanded or contracted from time to time by CRURA in compliance with the Colorado Urban Renewal Law.

The Service Plans limit the mill levy that can be imposed by the Districts for operations and maintenance purposes to 10 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025) (the "Maximum Operating Mill Levy"). See "THE DISTRICTS—Service Plan Authorizations and Limitations."

Until the District's assessed valuation increases to sufficient levels to generate tax revenues to pay operational and debt service expenses, which is not guaranteed to occur, the District expects to pay any shortfalls in operating costs from certain advances from the Developer or Developer Entities, in accordance with the Operation Funding Agreement as described below.

While the District anticipates that its operation and maintenance costs will not exceed revenues expected to be received from its operation and maintenance mill levy and developer advances, there can be no assurance that the District would have adequate financial resources to pay such excess costs. If the District lacks sufficient funding for operations and maintenance, the services provided by the District and the condition of District facilities could suffer, which could adversely impact the Pledged Revenue.

Legal Constraints on Districts' Operations; Future Changes in Law

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 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 and various agreements described herein and to the Districts' operations. There can be no assurance that there will not be changes in the interpretation of, or additions to, the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Districts or the Developer Entities.

Risk of Internal Revenue Service Audit

The Internal Revenue Service (the "IRS") has a program of auditing tax-exempt bonds which can include those issued by special purpose governmental units, such as the District, for the purpose of determining whether the IRS agrees (a) with the determination of Bond Counsel that interest on the Bonds is tax-exempt for federal income tax purposes, or (b) that the District is in or remains in compliance with Service regulations and rulings applicable to governmental bonds such as the Bonds. The commencement of an audit of the Bonds could adversely affect the market value and liquidity of the Bonds, regardless of the final outcome. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Bonds could be expected to 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. Owners of the Bonds should note that, if the IRS audits the Bonds, under current audit procedures the IRS will treat the District as the taxpayer during the initial stage of the audit, and the owners of the Bonds will have limited rights to participate in such procedures. There can be no assurance that the District will have revenues available to contest an adverse determination by the IRS. No transaction participant, including none of the District, the Pledge Districts, the Underwriter, 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 IRS or otherwise, relating to the Bonds.

There can be no assurance that an audit by the IRS of the Bonds will not be commenced. However, the District has no reason to believe that any such audit will be commenced, or that if commenced, an audit would result in a conclusion of noncompliance with any applicable Service regulation or ruling. No rulings have been or will be sought from the IRS 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."

THE BONDS

Description

The Bonds will be issued in the principal amount, will be dated and will mature as indicated on the cover page of this Limited Offering Memorandum. For a complete statement of the details and conditions of the Bond issue, reference is made to the Indenture, a copy of which is available from the Underwriter prior to delivery of the Bonds. See "INTRODUCTION—Additional Information." ***The Bonds are authorized, issued and secured by and in accordance with the Indenture.***

Sources of Payment

The Bonds are limited tax general and special revenue 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 from the following sources: (a) the Required Mill Levy; (b) the Pledge Agreement Revenues; (c) the District Tax Levy Revenues, as and to the extent received by the District; (d) the Specific Ownership Tax Revenues; (e) the Add-On PIF; (f) the Credit PIF; (g) PILOT Revenues; and (h) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue. The Indenture provides that any revenue received by the District or the Pledge Districts from any PILOT recorded against the subject property as a result of the imposition of the Required Mill Levy or the Mandatory Capital Levy imposed pursuant to the Capital Pledge Agreement is to be pledged and treated under the Indenture in the same fashion as ad valorem mill levy revenues derived from the Required Mill Levy or the Mandatory Capital Levy pursuant to the Capital Pledge Agreement. See "—Security for the Bonds" below.

The Bonds will also be secured by amounts on deposit in the Reserve Fund, which will be initially funded with proceeds of the Bonds in the amount of $[REQUIRED RESERVE]* (the "Required Reserve").

The Bonds will also be secured by amounts on deposit in the Surplus Fund, if any, which will be funded from Pledged Revenue, if any, accumulated therein up to $[MAX SURPLUS]* (the "Maximum Surplus Amount").

See "APPENDIX C—SELECTED DEFINITIONS" for definitions of the capitalized terms used above and otherwise throughout this Limited Offering Memorandum. 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 $500,000 or any integral multiple of $1,000 in excess thereof; provided that no individual Bond may be in an amount which exceeds the principal amount coming due on any maturity date. Notwithstanding the foregoing, in the event a Bond is partially redeemed and the unredeemed portion is less than $500,000, such unredeemed portion of such Bond may be issued in the largest possible denomination of less than $500,000, in integral multiples of not less than $1,000 each or any integral multiple thereof.

Payment of Principal and Interest

The Bonds are to bear interest at the rate set forth on the front cover hereof (computed on the basis of a 360-day year of twelve 30-day months) payable to the extent of Pledged Revenue available therefor on each June 1 and December 1, commencing on December 1, 2025.

To the extent principal of any Bond is not paid when due, such principal is to remain Outstanding until the earlier of its payment or the Termination Date and is to continue to bear interest at the rate then borne by the Bond. To the extent interest on any Bond is not paid when due, such interest is to compound on each interest payment date, at the rate then borne by the Bond; provided, however, that notwithstanding anything in the Indenture to the contrary, the District is not to be obligated to pay more than the amount permitted by law and its electoral authorization 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.

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on December 2, 2065* (the "Termination Date"), regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.

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 principal 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 Senior Record Date, irrespective of any transfer or exchange

* Preliminary; subject to change.

of such Bond subsequent to such Senior 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 Senior 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. Such Special Record Date is to be fixed by the Trustee whenever moneys become available for payment of the unpaid interest, and notice of the Special Record Date is to 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 is to state the date of the Special Record Date and the date fixed for the payment of such unpaid interest. Payments for the principal of and interest on the Bonds will be made as described in "APPENDIX G—BOOK-ENTRY-ONLY SYSTEM."

Redemption

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, at the time or times and upon the price or prices to be set forth in the final Limited Offering Memorandum.

Mandatory Sinking Fund Redemption. The Bonds also are subject to mandatory sinking fund redemption prior to the maturity date of such Bonds, in part, by lot, upon payment of par and accrued interest, without redemption premium, on December 1 in the years and amounts set forth below:

[Remainder of page intentionally left blank]

Year of Redemption (December 1)*	Redemption Amount*
2030	$210,000
2031	630,000
2032	905,000
2033	1,020,000
2034	1,175,000
2035	1,285,000
2036	1,460,000
2037	1,585,000
2038	1,785,000
2039	1,925,000
2040	2,150,000
2041	2,315,000
2042	2,570,000
2043	2,755,000
2044	3,040,000
2045	3,260,000
2046	3,570,000
2047	3,830,000
2048	4,180,000
2049	4,470,000
2050	4,250,000
2051	1,710,000
2052	1,870,000
2053	2,010,000
2054	2,185,000
2055	2,340,000
2056	2,550,000
2057 [1]	9,055,000

[1] Final maturity is not a sinking fund redemption.

Selection of Bonds for Mandatory Sinking Fund Redemption. With respect to each maturity of the Bonds subject to mandatory sinking fund redemption, on or before 45 days prior to each sinking fund installment date for such maturity 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 of that maturity, 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 and maturity may be reduced by the principal amount of any Bonds of that maturity 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, if any, are to be applied in such year or years as may be determined by the District.

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

* Preliminary; subject to change.

integral multiples of $1,000 in principal amount. In the event that 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 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), not less than 30 days prior to the date fixed for redemption, 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 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 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.

Notwithstanding the provisions of the Indenture which provide for notices to Owners by mail, so long as the Bonds are held by DTC or any other Depository, such notices may be given by electronic means in lieu of mailed notice.

Security for the Bonds

Required Mill Levy. The definition of Required Mill Levy is set forth below. The Bonds are not secured by property lying within the District, but rather by, among other things, the District's obligation to annually determine, fix and certify a rate of levy, not to exceed the Required Mill Levy, for ad valorem property taxes to the County Board of County Commissioners to pay, along with other legally available revenues, the principal of and interest on the Bonds. The Indenture provides that in the event any ad valorem taxes are not paid when due, the 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. See "—*Covenant To Impose the Required Mill Levy*" below and "RISK FACTORS—Enforcement of Tax Collection by County."

Definition of Required Mill Levy. The Indenture defines "Required Mill Levy" ("Required Mill Levy" as used herein) as follows, net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County:

> (a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of one cent) imposed upon all taxable property of the District each year in an amount of 50 mills; provided however, that in the event there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided in the Indenture is to be increased or decreased to reflect such changes, such increases and 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 applicable mill levy, as adjusted for changes occurring on or after March 4, 2025, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.

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

Board Determination of Adjusted Mill Levy. The mill levy of 50 mills referenced in subparagraph (a) of the definition of Required Mill Levy above is the maximum mill levy permitted by the District's Service Plan for the payment of general obligation bonds of the District; provided, however, that pursuant to the District's Service Plan (and as reflected in the definition of Required Mill Levy set forth in the Indenture), such maximum mill levy is subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement since March 4, 2025. The Financial Forecast assumes that the Required Mill Levy will be adjusted in the event of future changes to the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement. In particular, the Financial Forecast assumes that the residential assessment rate will adjust to 6.8% in property tax year 2026 (for collection in 2027) and remain at 6.8% for the life of the Bonds. The Financial Forecast assumes that the assessment rate for nonresidential property will remain at 25% in property tax year 2027 (for collection in 2028) and remain at 25% for the life of the Bonds. In addition, the Financial Forecast assumes that the actual value adjustments beginning in property tax year 2026 will be increased for inflation at the rate of 2% each reassessment cycle.

See "RISK FACTORS—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes—*Assessment of Property*."

Covenant To Impose the Required Mill Levy. The Indenture provides that for the purpose of paying principal amount of and premium, if any, and interest on the Bonds, funding the Surplus Fund, and if necessary funding the Reserve Fund, the District covenants to cause to be levied on all of the taxable property of the District, in addition to all other taxes, direct annual taxes in each of the years 2027 (for collection in 2028) to 20__ (for collection in 20__), inclusive (and, to the extent necessary to make up any overdue payments on the Bonds, in each year subsequent to 20[__] for collection in 20[__] but not beyond the Maximum Debt Mill Levy Imposition Term to the extent limited by Service Plans) in the amount of the Required Mill Levy[; provided, however, that the District is not to levy a debt service mill levy in each of the years 2025 and 2026 (for collection in years 2026 and 2027)[1].] Nothing in the Indenture is to be construed to require the District to levy an ad valorem property tax in an amount in excess of the Required Mill Levy.

The Indenture further provides that it is to be the duty of the Board, annually, at the time and in the manner provided by law for levying other District taxes, to ratify and carry out the provisions of the Indenture with reference to the levying and collection of taxes; and the Board is to levy, certify, and collect said taxes in the manner provided by law for the purposes aforesaid.

Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that

[1] Because the Service Plans limits the Districts' debt service mill levies to thirty (35) years for residential property, the District will covenant pursuant to the Indenture and the Pledge Agreement to delay the imposition of its debt service mill levy until 2027.

the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date. See "RISK FACTORS—Discharge of the Bonds on the Termination Dates."

District Tax Levy Revenues. The Indenture defines "District Tax Levy Revenues" to mean the "Pledged Property Tax Increment Revenue" (as defined herein and in the Public Finance Agreement) received by CRURA and remitted to the Trustee pursuant to the Public Finance Agreement and the Indenture.

Pursuant to an ordinance adopted by the Town on May 20, 2025, the Town approved the Public Finance Agreement entered into by and among the Town, CRURA, the Developer and the District on [_____], 2025 (the "Public Finance Agreement"). Under the Public Finance Agreement, CRURA agreed to deposit into a separate account the annual ad valorem property tax revenue received by CRURA from the County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in the TIF Area in accordance with the Colorado Urban Renewal Law and the regulations of the Property Tax Administrator of the State of Colorado, but not including, (a) the District Operating Revenue (as defined in the Public Finance Agreement), (b) the CRURA Administrative Fee (as defined herein), and (c) any offsets collected by the County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Colorado Urban Renewal Law (the "Pledged Property Tax Increment Revenue").

Further, pursuant to the Public Finance Agreement and the Indenture, CRURA is to remit to the Trustee all Pledged Property Tax Increment Revenue owed to the District as soon as practicable, but in no event more than 30 days of receipt thereof by CRURA. The District is to apply the District Tax Levy Revenues in accordance with the terms of the Indenture. Colorado Urban Renewal Law limits the availability of Pledged Property Tax Increment Revenue to CRURA to 25 years from the effective date of the URA Plan. The URA Plan was adopted on May 20, 2025. Accordingly, the District will not be able to rely on the Pledged Property Tax Increment Revenue as a revenue source after May 20, 2050. See "THE DISTRICTS—Material Agreements of the District—*Public Finance Agreement*" and "RISK FACTORS—Risks Related to the Public Finance Agreement."

"*TIF Area*" is defined in the Public Finance Agreement to mean the property described on Exhibit A to the Public Finance Agreement, within which the tax increment provisions of Section 31-25-107(9) of the Colorado Urban Renewal Law apply, as such area may be expanded or contracted from time to time by CRURA in compliance with the Colorado Urban Renewal Law.

"*CRURA Administrative Fee*" means the "Authority Administrative Fee" (as defined in the Public Finance Agreement) a fee up to a maximum of 0.5% of the gross Pledged Property Tax Increment Revenue received by CRURA from the County Treasurer each year, which fee includes all amounts required to pay collection, enforcement, disbursement, and administrative fees and costs required to carry out the URA Plan, including, without limitation, collection and disbursement of the Pledged Property Tax Increment Revenue.

CRURA is generally obligated to remit back to the Districts, or the Trustee on behalf of the Districts, all tax increment revenues attributable to the levies of the Districts and certain other taxing entities levying a mill levy on property within the Districts. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes—*Tax Increment Areas-Town of Castle Rock*," "*—Overlapping Mill Levies*" and "THE DISTRICTS—Material Agreements of the District—*Public Finance Agreement*."

PIF Revenues. The Pledged Revenue also includes certain revenues generated from the Add-On PIF and the Credit PIF. The Add-On PIFs will be collected without an expiration date beyond when the Bonds are no longer outstanding. The Credit PIF collected is subject to conditions and limitations set forth in the Public Finance Agreement, as more fully set forth below.

The Indenture defines "Add-On PIF" generally as, the public improvement fee imposed on transactions subject to the Sales Tax within the Districts in the amount of 2.00% on such taxable sales and on transactions subject to the Lodging Tax within the Districts in the amount of 4.00% on such lodging taxable sales. The Indenture defines "Credit PIF" generally as, the public improvement fee imposed on transactions subject to the Sales Tax within the Districts in the amount of 2.4% on such taxable sales. "PIF Revenues," as used herein, means the revenues derived from each of the aforementioned public improvement fees (collectively, the "PIFs"), as further described below. The PIFs are being imposed pursuant to the PIF Covenants.

In the Public Finance Agreement, the Developer generally agrees to impose the PIFs and to irrevocably assign the "Pledged PIF Revenue" to or at direction of the District, through and until the payment in full of the District Bonds contemplated thereunder. Upon the issuance of the Bonds, the District agrees to pledge the PIF Revenues exclusively to the Bonds until the Bonds are paid in full or defeased.

PIFs Generally. The PIFs are private fees generated by covenants running with the PIF Property (generally meaning property within the boundaries of the Development, but not including the site upon which the second multi-family residential apartment complex is expected to be constructed) and are not a tax in any form. The PIFs are not imposed by the Town, the County, the Districts, the State of Colorado or any other governmental entity or by means of any governmental taxing power. The PIFs are covenants running with the PIF Property but are not secured by a lien on the property in the District or any other property, and the District does not have the ability to foreclose on any property in order to enforce collection and payment of the PIFs.

Pursuant to the Credit PIF Covenant, a public improvement fee will be imposed on the PIF Property in the amount of 2.4% on transactions subject to the Sales Tax initiated, consummated, conducted, or transacted within the PIF Property (including without limitation all Retail Sales for good or services purchased online, by e-mail, or by phone, but that are picked up by the purchaser from the Retailer's location within the PIF Property or are delivered to the purchaser from the Retailer's location within the PIF Property), which will be collected in accordance with the terms of the Credit PIF Covenant and the PIF Collection Agreement; and will be accounted for and spent in accordance with the terms of the Public Finance Agreement and the Indenture.

"*PIF Sales*" is defined in the Credit PIF Covenant as any Taxable Transaction for which Credit PIF is to be collected pursuant to the Credit PIF Covenant. The Credit PIF Covenant defines "Sales Tax" as the tax of the Town on the sale of taxable goods and services that are subject to municipal sales taxes at such rate and on such terms and conditions as prescribed in the Castle Rock Municipal Code (as the same may be amended or supplemented), as amended from time to time.

"*Retailer*" is defined in the Credit PIF Covenant as any Person, including the Declarant and any Owner or Occupant, who:

(i) has the legal right, pursuant to deed, lease, sublease, license, concession, easement or other Occupancy Agreement of any type or nature, to possess or occupy all or any portion of the PIF Property, including without limitation, any space within any building constructed on all or any portion of the PIF Property; provided that a mortgagee, a trustee under or beneficiary of a deed of trust, or any other Person who has such right of possession primarily for the purpose of securing a debt or other obligation owned to

such Person, will not constitute a "Retailer" unless and until such Person becomes an Owner or a mortgagee in possession or otherwise possesses or occupies all or apportion of the PIF Property pursuant to such right by an intentional or voluntary act of its own, whereupon the subject mortgagee, trustee, beneficiary or other Person will be a "Retailer" hereunder; and

(ii) is a seller or provider of goods or services who engages in any PIF Sales initiated, consummated, conducted, transacted or otherwise occurring from or within the PIF Property.

In order to implement the provisions of the Public Finance Agreement and pursuant to Ordinance No. 2025-019, (the "Tax Credit Ordinance"), the Town has granted a tax credit against the collection of Taxable Transactions (as defined in the Public Finance Agreement) in the amount of 2.4% (the "Sales Tax Credit") up to the maximum cap of $36,000,000 (the "Town Contribution Cap"). Such Sales Tax Credit is automatic and is to take effect immediately upon the occurrence of a Taxable Transaction and is subject to the payor's remittance to and receipt by the PIF Collection Agent of the PIF Revenues generated by the Credit PIF in accordance with the Credit PIF Covenant and the Public Finance Agreement.

The Developer is to terminate the Credit PIF upon the earlier to occur of (a) payment in full or defeasance of all outstanding District Bonds (as defined in the Public Finance Agreement) and payment of all amounts due to the Developer under any Reimbursement Agreements (as defined in the Public Finance Agreement); (b) the aggregate Credit PIF Revenue (as defined in the Public Finance Agreement) received by the PIF Collection Agent and offset by the Sales Tax Credit equals the Town Contribution Cap; or (c) December 31, 2050. In addition, the Sales Tax Credit as collected via the Credit PIF shall not be collected after December 31, 2032 (the "Hotel Milestone") if the proposed Hotel in the Development has not received a temporary or final certificate of occupancy by the date of the Hotel Milestone pursuant to the Public Finance Agreement. See "THE DISTRICTS—Material Agreements of the District—Public Finance Agreement" and "RISK FACTORS—Specific Risks and Limitations Related to Credit PIF Revenue."

Pursuant to the Add-On PIF Covenant, a public improvement fee will be imposed on (a) transactions subject to the Sales Tax within the Districts of 2.0% on such taxable sales; and (b) on transactions subject to the Lodging Tax within the Districts in the amount of 4.0% on such lodging taxable sales initiated, consummated, conducted, or transacted within the PIF Property which will be collected in accordance with the terms of the Add-On PIF Covenant and the PIF Collection Agreement; and will be accounted for and spent in accordance with the terms of the Public Finance Agreement and the Indenture. When the Public Finance Agreement had terminated or is no longer in effect [(and the Bonds have been retired)], the Developer, at its election, may discontinue, continue, increase, or decrease the Add-On PIF and use such revenues for any legal purpose.

"*Lodging Tax*" means the municipal lodging tax of the Town on sale of all "lodging" (as defined in the Castle Rock Municipal Code, as the same may be amended or supplemented), as amended from time to time.

"*Sales Tax*" means the sales tax of the Town on the sale of taxable goods and services that are subject to municipal sales taxes at such rate and on such terms and conditions as prescribed in the Castle Rock Municipal Code (as the same may be amended or supplemented), as amended from time to time.

The PIF Covenants. As described herein, the PIFs are imposed pursuant to the PIF Covenants. The Credit PIF is imposed pursuant to the Declaration of Covenants Imposing and Implementing the Credit Public Improvement Fee, dated as of [_____], 2025, and recorded on [_____], 2025, at Reception No. [_____] (as may be further amended and supplemented from time to time, the "Credit PIF Covenant"). The Add-On PIF is imposed pursuant to the Declaration of Covenants Imposing and Implementing An Add-On Public Improvement Fee], dated as of [_____], 2025, and recorded on

[_____], 2025, at Reception No. [_____] (as may be further amended and supplemented from time to time, the "Add-On PIF Covenant"). The Add-On PIF Covenant and the Credit PIF Covenant are collectively referred to herein as the "PIF Covenants").

PIF Collection Agreement. Pursuant to that certain PIF Collecting Agent Agreement, dated [_____], 2025 (the "PIF Collection Agreement") by and among the District, the Developer and the _____(the "PIF Collection Agent"). The PIF Collection Agent thereby agreed to collect the PIF Revenues to be utilized as provided in the Indenture and in the Public Finance Agreement and, after deduction of the [_____]% collection fee to distribute such PIF Revenues as directed by the District prior to payment in full or defeasance of the Bonds. Pursuant to these agreements, the PIF Collection Agent acts in a fiduciary capacity with respect to the proper collection, protection and accounting of the funds collected and paid pursuant to the PIF Covenants. The PIF Collection Agent's fees are expected to be paid from the PIF Revenues.

The PIF Collection Agent may resign by submitting notice of resignation to the District not less than 60 days before the resignation is intended to take effect. The PIF Collection Agent may be removed at any time to become effective not earlier than 60 days after the notice to the PIF Collection Agent by the District or the Developer. However, if the PIF Collection Agent has violated a term of the PIF Collection Agreement, the PIF Collection Agent may be removed immediately. This notice period could cause a delay in the collection of PIF Revenues in the event the PIF Collection Agent is not performing its duties and needs to be replaced.

The PIF Collection Agent agrees to use diligent efforts to collect the PIF Revenues from the Retailers. All PIF Revenues shall, after deduction of the collection fees, be transferred and remitted as directed by the District. So long as the Bonds are outstanding, all of the PIF Revenues are pledged to the Bonds; accordingly, the PIF Collection Agent will submit all PIF Revenues to the Trustee.

The PIF Collection Agreement provides that: in accordance with terms mutually acceptable to and subsequently approved in writing, the PIF Collection Agent, the Developer or the District may initiate, pursue and enforce or cause to be pursued and enforce, civil actions or other judicial proceedings to collect any delinquent PIFs, interest or penalties due or to enforce any other obligation under the PIF Covenants.

See "RISK FACTORS—Risks Related to PIF Revenue."

PILOT. The Indenture provides that any revenue received by the District or the Pledge Districts from any PILOT recorded against the subject property as a result of the imposition of the Required Mill Levy or the Mandatory Capital Levy imposed pursuant to the Capital Pledge Agreement is to be pledged and treated under the Indenture in the same fashion as ad valorem mill levy revenues derived from the Required Mill Levy or the Mandatory Capital Levy pursuant to the Capital Pledge Agreement.

The Indenture defines "PILOT" to mean a payment in lieu of taxes charged against certain property in the District that is exempt from ad valorem property taxation in accordance with the PILOT Declaration or pursuant to provisions set forth in tenant subleases that require the tenant to pay such PILOT in accordance with the PILOT Declaration. "PILOT Declaration" is defined in the Indenture to mean the Declaration of Payment in Lieu of Taxes, dated as of [_____], 2025, made by the Developer for the benefit of the District and recorded on or about [_____], 2025, in the County records.

The PILOT Covenant imposes on tax-exempt users of property within the District the obligation to pay a "payment in lieu of taxes" equal to the property tax that would otherwise be due from such user (were it not exempt from payment of property taxes) as a result of (a) the District Payment In Lieu, which is defined as an annual amount equal to the revenue that would be derived from the imposition by the District

of its debt service mill levy and operating mill levy on that portion of the Leased Premises where a Tax Exempt Entity is the owner thereof were such owner not a Tax-Exempt Entity, computed based on the mill levies most recently certified by the District and the most recent final certified assessed value of the subject portion of the Property; and (b) the Property Tax Increment Payment in Lieu, which is defined as an amount equal to the revenue that would be produced by the imposition of each Public Body of its mill levy at the rate fixed each year by or for such Public Body on that portion (if any) of the Leased Premises where a Tax-Exempt Entity is the owner thereof were such owner not a Tax-Exempt Entity, computed based on the most recent final certified assessed value of such portion of the Leased Premises.

Pursuant to the PILOT Covenant, amounts that are not paid in full when due are to constitute a lien against the property subject to the PILOT Covenant. The PILOT Covenant further provides that amounts not paid when due in accordance with the PILOT Covenant shall accrue interest at the same rate at which unpaid property taxes accrue interest, in accordance with State law. The District is to have the right and authority to enforce the PILOT Covenant by proceedings at law or in equity against any person or persons violating or attempting to violate the covenants set forth therein. Such right and authority of the District includes the ability to enforce the PILOT Covenant by restraining such violation, compelling compliance or recovering damages.

All PILOT Revenues will be remitted to the bond trustee for the District Bonds for payment of principal and interest on the District Bonds

Pledge Agreement Revenues. Pursuant to the Capital Pledge Agreement to be dated as of [September __], 2025 (as previously defined, the "Pledge Agreement"), by and among the District, the Pledge Districts, and the Trustee, the Pledge Districts agree to pay such portion of the principal and redemption price of, and interest and premium on, the Bonds and any Additional Obligations (as more particularly defined in "APPENDIX C—SELECTED DEFINITIONS") as may be funded with the Pledge Districts Capital Revenue (defined below) available, in accordance with the provisions of the Pledge Agreement. The Pledge Agreement Revenues (defined below) make up a portion of the Pledged Revenue that is pledged to the payment of the Bonds. The Indenture defines "Pledge Agreement Revenues" to mean the moneys derived from the Pledge Districts Capital Revenue, as defined and imposed pursuant to the Pledge Agreement.

The obligation of the Pledge Districts to pay its respective portion of the Pledge Districts Capital Revenue constitutes an obligation of the Pledge Districts payable solely from and to the extent of the Pledge Districts Capital Revenue available to them. The Pledge Districts' payment obligations constitute an irrevocable lien on the Pledge Districts Capital Revenue. Each of the Pledge Districts, in the Pledge Agreement, elects to apply certain provisions of the Supplemental Act to the Pledge Agreement. In no case may the total or annual obligations of either Pledge District under the Pledge Agreement exceed the maximum amounts permitted under each Pledge Districts' electoral authority and any other applicable law. Notwithstanding anything in the Pledge Agreement to the contrary, the payment obligations of the Pledge Districts under the Pledge Agreement with respect to the Bonds are to be deemed to be paid, satisfied, and discharged upon the Pledge Agreement Termination Date (defined below), regardless of the amount of principal and interest paid on the Bonds prior to the Pledge Agreement Termination Date.

The Pledge Agreement defines "Termination Date" ("Pledge Agreement Termination Date" as used herein) to mean, with respect to the Bonds, December 2, 2065[*], such date being the date on which no further payments will be due on the Bonds, regardless of the amount of principal and interest paid prior to that date.

[*] Preliminary; subject to change.

The Pledge Agreement defines "Pledge Districts Capital Revenue" to mean the following moneys or, as applicable, the moneys derived by each of the Pledge Districts from the following sources: (a) the Mandatory Capital Levy Revenue; (b) Pledge District Tax Levy Revenues; (c) Pledge District Specific Ownership Taxes; and (d) any PILOT (as defined in the Indenture) revenues received from any PILOT recorded against any Pledge Districts' property.

Mandatory Capital Levy Revenue. "Mandatory Capital Levy Revenue" means the revenues generated from the imposition by the Pledge Districts of their respective mill levies in accordance with the definition of the Mandatory Capital Levy. Any Mandatory Capital Levy Revenue received is 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, Mandatory Capital Levy Revenue does not include any specific ownership tax. See "FINANCIAL INFORMATION OF THE DISTRICTS—Specific Ownership Taxes" herein.)

The Pledge Agreement defines "Mandatory Capital Levy" to mean:

> (a) Subject to the final paragraph of this definition, an ad valorem mill levy (a mill being equal to 1/10 of one cent) imposed upon all taxable property of each of the Pledge Districts each year in the amount of 50 mills; provided however, that in the event there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, the mill levy provided in the Pledge Agreement shall be increased or decreased to reflect such changes, such increases and decreases to be determined by each respective Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the applicable mill levy, as adjusted for changes occurring on or after March 4, 2025, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation shall be deemed to be a change in the method of calculating assessed valuation.
>
> (b) Notwithstanding anything in the Pledge Agreement to the contrary, in no event may the Mandatory Capital Levy be established at a mill levy which would cause any of the Pledge Districts to derive tax revenue in any year in excess of the maximum tax increases permitted by each of the Pledge Districts' respective electoral authorizations or the Maximum Debt Authorization to the extent limited by the Districts' Service Plans, and if the Mandatory Capital 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 any Pledge District's electoral authorization or the Maximum Debt Authorization to the extent limited by the Districts' Service Plan, the Mandatory Capital Levy is to be reduced to the point that such maximum tax increase is not exceeded.

See also "*—Board Determination of Adjusted Mill Levy*" above for an explanation of the permitted adjustment to the maximum mill levy of 50 mills contained in the definition of Mandatory Capital Levy in the Pledge Agreement as a result of changes in the method of calculating assessed valuation since March 4, 2025.

Imposition of Mandatory Capital Levy. The Pledge Agreement provides that, for so long as the Bonds, or any Refunding Obligations thereof, are outstanding, the Pledge Districts covenant to cause to be levied on all of the taxable property of the Pledge Districts, in addition to all other taxes, direct annual taxes in each of the years [2027 (for collection in 2028) to 20[__] (for collection in 20[__]), inclusive, in the amount of the Mandatory Capital Levy, but not beyond the Maximum Debt Mill Levy Imposition Term to the extent limited by the Districts' Service Plan; provided, however, that each of the Pledge Districts is not

to levy a debt service mill levy in each of the years 2025 and 2026 (for collection in 2026 and 2027)[1].]. Nothing in the Pledge Agreement is to be construed to require any of the Pledge Districts to levy an ad valorem property tax in excess of the Mandatory Capital Levy. For the avoidance of doubt, (a) it is acknowledged in the Pledge Agreement that the proceeds of any general property tax levy imposed to pay current administrative, operations and maintenance is not to be payable to the District pursuant to the Pledge Agreement, is not to be payable to the Trustee (or other entity designated by the District), and is not to be subject to the lien of the Pledge Agreement; and (b) the Pledge Districts acknowledge and agree that each are to be liable for the repayment of the Bonds generally in accordance with their relative assessed valuations, and that such allocation is fair and is reasonably related to the relative benefit that the residents, property owners, and taxpayers of the Pledge Districts receive).

The Pledge Agreement further provides that it is to be the duty of the board of directors of each of the Pledge Districts, annually, at the time and in the manner provided by law for levying other taxes of the Pledge Districts, to ratify and carry out the provisions of the Pledge Agreement with reference to the levying and collection of taxes; and the board of directors of each of the Pledge Districts are to levy, certify, and collect said taxes in the manner provided by law for the purposes set forth in the Pledge Agreement. The board of directors of each of the Pledge Districts are to take all necessary and proper steps to enforce promptly the payment of the taxes represented by the Mandatory Capital Levy.

Notwithstanding any other provision in the Pledge Agreement, in no event will such Pledge Districts be obligated to impose the Mandatory Capital Levy beyond the Pledge Agreement Termination Date.

Pledge District Tax Levy Revenues. "Pledge District Tax Levy Revenues" is defined in the Pledge Agreement to mean the "Pledged Property Tax Increment Revenue" (as defined in the Public Finance Agreement) received by the Pledge Districts pursuant to the Public Finance Agreement. Pledge District Tax Levy Revenues are included as Pledge Districts Capital Revenue pledged to the Bonds, and are to be deposited by the District with the Trustee and applied in the priority and to the uses (including funding of the Surplus Fund to the extent not then equal to the Maximum Surplus Amount) as more particularly described in "THE BONDS—Certain Indenture Provisions—*Flow of Funds*." For a description of the District Tax Levy Revenues, see "THE BONDS—Security for the Bonds—*District Tax Levy Revenues*."

Pledge District Specific Ownership Taxes. "Pledge District Specific Ownership Taxes" is defined in the Pledge Agreement to mean the specific ownership taxes remitted to each of the Pledge Districts pursuant to Section 42-3-107, C.R.S., or any successor statute and the Public Finance Agreement, as a result of imposition by the Pledge Districts of the Mandatory Capital Levy in accordance with the provisions hereof.

Payment and Application of Pledge Districts Capital Revenue. Pursuant to the Pledge Agreement, the Pledge Districts pledge to the District the Pledge Districts Capital Revenue for the payment of the Bonds and any Refunding Obligations thereof.

The Pledge Districts agree to remit to the District, as soon as practicable upon the receipt thereof, the Pledge Districts Capital Revenue. The District is to apply such Pledge Districts Capital Revenue, together with all other Pledged Revenue (as defined in the Indenture) in its possession, to the payment of the principal of, premium if any, and interest on the Bonds, and any Refunding Obligations thereof, due in

[1] Because the Service Plan limits the Districts' debt service mill levies to thirty (35) years for residential property, the Pledge Districts will covenant pursuant to the Pledge Agreement to delay the imposition of their respective debt service mill levy until 2027.

accordance with the terms of the Indenture and any other resolutions or documents authorizing the issuance of such Refunding Obligations.

All amounts payable by the Pledge Districts under the Pledge Agreement are to be paid in lawful money of the United States of America by check mailed or delivered, or by wire transfer, to the District. Alternatively, the District may direct the Pledge Districts in writing to pay such amounts directly to the Trustee for the Bonds and any Refunding Obligations thereof and, if so directed, amounts paid by the Pledge Districts to the Trustee for the Bonds and any Refunding Obligations thereof are to be deemed, for purposes of the Pledge Agreement, to be paid to the District.

The District agrees that it is to transfer, or cause the transfer of, the Pledge Districts Capital Revenue received by it under the Pledge Agreement to the Trustee for the Bonds and any Refunding Obligations thereof in the amounts, at the times, and in the manner required by the Indenture and any other resolutions or documents authorizing the issuance of such Refunding Obligations.

Other Covenants of the Pledge Districts. The Pledge Districts also covenant in the Pledge Agreement as follows:

(a) Each of the Pledge Districts 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 any Refunding Obligations thereof, and will continue to operate and manage each Pledge District and its facilities in an efficient and economical manner in accordance with all applicable laws, rules, and regulations.

(b) Each of the Pledge Districts will carry general liability coverage, public liability, and such other forms of insurance on insurable property of the Pledge Districts upon the terms and conditions, and issued by recognized insurance companies, as in the judgment of each of the Pledge Districts, would ordinarily be carried by entities having similar properties of equal value, such insurance being in such amounts as will protect each of the Pledge Districts and its operations.

(c) In the event any ad valorem taxes are not paid when due, each of the Pledge Districts are 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.

(d) Each of the Pledge Districts covenant that it will not take any action or omit to take any action with respect to any funds of each of the respective Pledge Districts or any facilities financed or refinanced with the proceeds of the Bonds or any Refunding Obligations thereof, if such action or omission (i) would cause the interest on any one or more of the Bonds or any Refunding Obligations thereof to lose their exclusion from gross income for federal income tax purposes under Section 103 of the Code, (ii) would cause interest on any one or more of the Bonds or any Refunding Obligations thereof to lose their exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code, or (iii) would cause interest on any one or more of the Bonds or any Refunding Obligations thereof to lose their exclusion from State taxable income or State alternative minimum taxable income under present State law.

(e) In the event that at any time either of the Pledge Districts is of the opinion that for purposes of paragraph (d) above it is necessary to restrict or to limit the yield on the investment of any moneys held by either of the Pledge Districts, the Pledge Districts are to so restrict or limit the yield on such investment.

(f) The Pledge Districts are to pay and discharge, when due, all of its liabilities, except when the payment thereof is being contested in good faith by appropriate procedures which will avoid financial liability and with adequate reserves provided therefor.

(g) At least once a year, each Pledge District will either cause an audit to be performed of the records relating to its revenues and expenditures or, if applicable under State statute, will apply for an audit exemption, and each Pledge District shall use its best commercially reasonable efforts to have such audit report or application for audit exemption 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. In addition, at least once a year in the time and manner provided by law, each Pledge 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.

(h) Each Pledge District agrees to provide District No. 1 with information promptly upon request by District No. 1 necessary for District No. 1 to comply on an ongoing basis with the requirements of the Continuing Disclosure Agreement entered into by District No. 1 in connection with the issuance of the Bonds, and any similar agreement entered into by District No. 1 in connection with the issuance of any Refunding Obligations.

(i) The Pledge Districts are to keep or cause to be kept adequate and proper records and books of account in which complete and correct entries are to be made with respect to the respective Pledge District, the respective Pledge District's Capital Revenue, and its governmental funds and accounts.

District Covenant Under the Pledge Agreement. The Pledge Districts, pursuant to the Pledge Agreement, agree that each are to equitably and ratably impose a debt service mill levy as required by the Pledge Agreement for the repayment of the Bonds and any Refunding Obligations thereof. In consideration thereof, the District, pursuant to the Pledge Agreement, covenants to the Pledge Districts to impose a debt service mill levy as required by the Indenture or any other indenture(s) related to the Bonds and any Refunding Obligations (the "District No. 1 Required Mill Levy").

Events of Default Under the Pledge Agreement. The occurrence or existence of any one or more of the following events is to be an "Event of Default" (a "Pledge Agreement Event of Default" as used herein) under the Pledge Agreement and there is to be no default or Pledge Agreement Event of Default thereunder except as provided in the Pledge Agreement; provided, however, there is to be no Pledge Agreement Event of Default under the Pledge Agreement until such time as the Trustee or the District notifies the Pledge Districts in writing of the existence thereof.

(a) any of the Pledge Districts fails to impose the Mandatory Capital Levy as required by the terms of the Pledge Agreement or the District fails to impose its District No. 1 Required Mill Levy;

(b) any of the Pledge Districts fails to promptly remit its respective Pledge Districts Capital Revenue to the District in the manner provided by the Pledge Agreement;

(c) any of the Pledge Districts fails to observe or perform any other of the material covenants, agreements, duties or conditions on the part of the Pledge Districts in the Pledge Agreement and such failure is not remedied to the satisfaction of the Trustee or the District within 30 days after the Pledge District receives written notice from the Trustee or the District of the occurrence of such failure;

(d) any representation or warranty made by any of the Pledge Districts in the Pledge Agreement proves to have been untrue or incomplete in any material respect when made or deemed made; or

(e) any of the Pledge Districts files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the Pledge Agreement.

Remedies for Pledge Agreement Events of Default. Upon the occurrence and continuance of an Event of Default, the Pledge Districts, District No. 1, or the Trustee may proceed to protect and enforce its rights against the party or parties causing the Event of Default by mandamus or such other suit or action available in equity or at law. 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 to obtain, as part of its judgment or award, its reasonable attorneys' fees and costs. Nothing in the Pledge Agreement is to be construed as requiring any District's consent or participation in any such enforcement action, the intent being that the Trustee can enforce this agreement independently from any such consent or participation of any District.

Notwithstanding the foregoing or anything else in the Pledge Agreement to the contrary, no remedy will lie at law or in equity for any Pledge Agreement Event of Default consisting solely of the failure of the District to pay the principal of and interest on the Bonds or any Refunding Obligations thereof, it being acknowledged by the District and the Trustee that: (a) the amount of the Pledge Districts Capital Revenue is limited in accordance with the terms of the Pledge Agreement; and (b) acceleration is not an available remedy for a Pledge Agreement Event of Default.

Amendment. The Pledge Agreement may be amended or supplemented by the parties thereto for the purpose of: (a) permitting a pledge of the Pledge Districts Capital Revenue to the payment of any Parity Bonds or Subordinate Bonds, as defined in, and issued pursuant to the terms of the Indenture; or (b) any other purpose if, in the opinion of nationally recognized bond counsel delivered to the Trustee, such amendment will not materially adversely affect the security for the Bonds or any Refunding Obligations thereof or the rights and interests of the holders of the Bonds or any Refunding Obligations thereof. Notwithstanding the foregoing, no amendment to the Pledge Agreement may permit the application of the Pledge Districts Capital Revenue to the payment of any Subordinate Bonds unless and until all payments required to be made on the Bonds and the Parity Bonds in such year have first been made. Furthermore, no amendment to the Pledge Agreement may permit the application of any revenue derived from any Additional Mandatory Capital Levy to the payment of Additional Bonds unless and until revenue equal to the Mandatory Capital Levy Revenue has been transferred to the Trustee pursuant to the Pledge Agreement.

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 Limited Offering Memorandum.

The Indenture secures, and the covenants made by the District in the Indenture are for the benefit of Owners of, solely the Bonds.

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

(a) the Project Fund;

(b) the Bond Fund;

(c) the Reserve Fund;

(d) the Costs of Issuance Fund; and

(e) the Surplus Fund.

Project Fund. The Project Fund is created pursuant to the Indenture and to be held and administered by the Trustee. Upon issuance of the Bonds, a portion of the proceeds thereof shall be credited the Project Fund in the amounts set forth in the Indenture, respectively.

Draws From Project Fund. So long as no Event of Default shall have occurred and be continuing under the Indenture, amounts in the Project Fund are to be disbursed by the Trustee to or at the direction of the District in accordance with requisitions submitted to the Trustee in substantially the form set forth in the Indenture (each, a "Project Fund Requisition"), signed by (a) the District Representative or the President or Vice President of the District, and (b) the District Accountant, and certifying that all amounts drawn will be applied to the payment of the Project Costs. The Trustee may rely conclusively upon any such requisition received and is to have no obligation to make an independent investigation in connection therewith. The execution of any Project Fund Requisition by the District Representative (or the President or Vice President of the District) and the District Accountant is to constitute, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed.

In the event the amounts credited to the Bond Fund (*including* amounts transferred therein from the Surplus Fund) are insufficient to pay principal amount of and premium, if any, and interest on the Bonds when due, the Trustee is to transfer from the Project Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund, will be sufficient to make such payments when due; and in the event the amounts in the Bond Fund (*including* amounts transferred therein from the Surplus Fund) and the Project Fund are insufficient to pay the principal amount of and premium, if any, and interest on any due date, the Trustee is to nonetheless transfer all of the moneys in the Project Fund to the Bond Fund for the purpose of making partial payments as provided in the Indenture. Amounts in the Project Fund are not to be used to redeem Bonds being called pursuant to any optional redemption provisions of the Indenture, but may be used to pay Bonds coming due as a result of any mandatory redemption.

Event of Default. Upon the occurrence and continuance of an Event of Default, the Trustee will cease disbursing moneys from the Project Fund, but instead is to apply such moneys in the manner provided by the Indenture.

Disposition of Unused Moneys; Termination of Unrestricted Account of the Project Fund. Upon the receipt by the Trustee of a resolution of the District determining that all Project Costs have been paid, or that the funds in the Project Fund exceed the amount necessary to pay all Project Costs which the District has determined to pay, any balance remaining in the Project Fund is to be credited to the Bond Fund. The Project Fund will terminate at such time as no further moneys remain therein; provided, however if the District notifies the Trustee that it expects to receive a payment for any private use of the Project that will be used for other portions of the Project, the Trustee shall keep the Project Fund open, accept such deposits and requisitions of the Project Fund as if such moneys were original deposits to the Project Fund.

Flow of Funds. The Indenture requires that 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 fifteenth 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 during such calendar month may instead be remitted to the Trustee no later than the fifteenth 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 15 for Pledged Revenue received in January, February or March, no later than July 15 for Pledged Revenue received in April, May or June, no later than October 15 for Pledged Revenue received in July, August or September, and no later than January 15 for Pledged Revenue received in October, November or December). In addition, in order to assure the proper application of moneys constituting Pledged Revenue, on and after the date of issuance of any Additional Bonds, the District is to also transfer to the Trustee all moneys pledged to the payment of such Additional Bonds which are derived from ad valorem taxes of the District, Pledge Agreement Revenues, the Add-On PIF or the Credit PIF, and any such moneys shall constitute part of the Trust Estate. 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. To the extent permitted by law, the Trustee is to apply the Pledged Revenue and such other moneys in the following order of priority. For purposes of the following: (a) the priorities established below are intended to create a tiered "waterfall" structure in which no Pledged Revenue flows to a lower priority until all of the higher priorities have been fully funded as provided in the Indenture; (b) 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 (c) 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 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 (as defined in the Indenture) then due and payable;

SECOND, to the credit of the Bond Fund, the amounts required by the Indenture, as described below under "—*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 other Parity Bonds, the amounts required by the documents pursuant to which the Parity Bonds are issued;

THIRD, to the credit of the Reserve Fund, the amounts required by the Indenture, as described below under "—*Reserve Fund*," and to the credit of any reserve fund or similar fund or account established in connection with any other Parity Bonds to secure the payment of the principal of, premium if any, and interest on such Parity Bonds and fully funded as of the date of issuance of such Parity Bonds, the amounts required by the documents pursuant to which such other Parity Bonds are issued;

FOURTH, to the credit of the Surplus Fund the amounts required by the Indenture, as described below under "—*Surplus Fund*," and to the credit of any other similar surplus fund or account established in connection with any other Parity Bonds to secure payment of the principal of, premium, if any, and interest on such Parity Bonds but not fully funded as of the date of issuance of such Parity Bonds, the amounts required by the documents pursuant to which such other Parity Bonds are issued;

FIFTH, to the credit of any other fund or account established for the payment of the principal of, premium if any, and interest on Subordinate Bonds, including any sinking fund, reserve fund, or similar fund or account established therefor, the amounts required by the documents pursuant to which the Subordinate Bonds are issued; and

SIXTH, to the credit of any other fund or account as may be designated by the District, to be used for any lawful purpose, any Pledged Revenue remaining after the payments and accumulations set forth above.

Bond Fund. The Bond Fund is created pursuant to the Indenture and to be held and administered by the Trustee.

Credit of Pledged Revenue. Subject to the receipt of sufficient Pledged Revenue, 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.

Use of Moneys. Moneys in the Bond Fund are to be used by the Trustee solely to pay the principal of and interest on the Bonds (and, if being mandatorily redeemed pursuant to the Indenture, to the premium, if any, due in connection with such optional redemption of Bonds), in the following order of priority:

FIRST, to the payment of current interest due in connection with the Bonds;

SECOND, to the payment of accrued but unpaid interest on the Bonds (which interest has not yet compounded);

THIRD, to the payment of interest due as a result of compounding; and

FOURTH, to the extent any moneys remaining after the payment of all interest due pursuant to the preceding clauses First, Second and Third described above, if the Bonds are being optionally redeemed, in whole or in part, pursuant to the provisions of the Indenture, to the payment of the principal of the Bonds so redeemed on the applicable redemption date, together with the premium, if any, due in connection with such optional redemption; provided, however, that the amount in the Surplus Fund is equal to the Maximum Surplus Amount.

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 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 are to be selected by lot from the Bonds the principal of which is due and owing on the due date.

Reserve Fund. Subject to the receipt of sufficient Pledged Revenue, the Reserve Fund is to be maintained in the amount of the Required Reserve as provided in the Indenture for so long as any Bond is Outstanding. It is acknowledged by the District that (a) the law places certain restrictions upon the use of Bond proceeds and debt service mill levies which may be credited to the Reserve Fund; and (b) the use of moneys released from the Reserve Fund is to be subject to any pledges, liens, or other encumbrances

thereon, including without limitation any pledge, lien, or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

Moneys in the Reserve Fund are to be used by the Trustee, if necessary, only to prevent a default in the payment of the principal of, premium if any, or interest on the Bonds, and the Reserve Fund is pursuant to the Indenture pledged to the payment of the Bonds. In the event the amounts credited to the Bond Fund and the Surplus Fund are insufficient to pay the principal of, premium if any, or interest on the Bonds when due, the Trustee is to transfer from the Reserve Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund and the Surplus Fund, will be sufficient to make such payments when due. In the event that moneys in the Bond Fund, the Surplus Fund, and the Reserve Fund are together insufficient to make such payments when due, the Trustee will nonetheless transfer all moneys in the Reserve Fund to the Bond Fund. Moneys in the Surplus Fund are to be used for payment of the Bonds prior to any use of moneys in the Reserve Fund.

If at any time the Reserve Fund is drawn upon or valued so that the amount of the Reserve Fund is less than the Senior Required Reserve, then the Trustee is to apply Pledged Revenue to the credit of the Reserve Fund in amounts sufficient to bring the amount credited to the Reserve Fund to the Required Reserve. Such credits are to be made at the earliest practicable time, but in accordance with and subject to the limitations of the Indenture, as described above in "—*Flow of Funds*." Nothing in the Indenture is to be construed as requiring the District to impose an ad valorem mill levy for the purpose of funding the Reserve Fund in excess of the Required Mill Levy. For purposes of the Indenture, investments credited to the Reserve Fund are to be valued on the basis of their current market value, as reasonably determined by the District, which value is to be determined at least annually, and any deficiency resulting from such evaluation is to be replenished as aforesaid. The amount credited to the Reserve Fund is to never exceed the amount of the Required Reserve.

Notwithstanding the foregoing, Permitted Refunding Bonds issued to partially refund the Bonds may be secured by the Reserve Fund in the same fashion as the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds are to have a claim upon the Reserve Fund which ranks *pari passu* with the claim of the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Costs of Issuance Fund. On the date of issuance of the Bonds and from the proceeds thereof, the amounts set forth in the Indenture are to be deposited in the Costs of Issuance Fund. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds" herein. The Trustee is to disburse amounts from the Costs of Issuance Fund at the direction of the District for payment of the fees, costs and expenses incurred in connection with the issuance of the Bonds pursuant to invoices provided to the Trustee which are consistent with the closing memorandum prepared by the Underwriter. Following receipt of the direction of the District to disburse funds in accordance with the closing memorandum (which direction may be via e-mail transmission), the Trustee may rely conclusively on the instructions provided in the closing memorandum and is not to be required to make any independent investigation in connection with such payments. Amounts to be disbursed from the Costs of Issuance Fund other than as provided in the closing memorandum must be approved in writing by the District prior to disbursement. On the date which is ninety days after the date of issuance of the Bonds, the Trustee is to transfer all amounts then remaining in the Costs of Issuance Fund, if any, to the Project Fund. At such time as no moneys remain therein, the Costs of Issuance Fund terminates.

Surplus Fund. Subject to the receipt of sufficient Pledged Revenue, the Surplus Fund is to be maintained as provided in the Indenture for so long as any Bond is Outstanding. It is acknowledged by the District that (a) the law places certain restrictions upon the use of Bond proceeds and debt service mill levies which may be credited to the Surplus Fund; and (b) the use of moneys released from the Surplus

Fund is to be subject to any pledges, liens, or other encumbrances thereon, including without limitation any pledge, lien, or encumbrance created under the terms of any other Parity Bonds or Subordinate Bonds.

The Surplus Fund is to be funded solely from deposits of Pledged Revenue as follows: subject to the receipt of sufficient Pledged Revenue, the Surplus Fund is to be funded in an amount up to the Maximum Surplus Amount from deposits of Pledged Revenue as provided in the section of the Indenture as described in "THE BONDS—Certain Indenture Provisions—*Flow of Funds*" above, and except to the extent Pledged Revenue is available under such section, the District has no obligation to fund the Surplus Fund after issuance of the Bonds in any amount. For purposes of this section in the Indenture, investments credited to the Surplus Fund are to be valued on the basis of their current market value, as reasonably determined by the District, which value is to be determined at least annually.

In the event the amounts credited to the Bond Fund are insufficient to pay the principal of, premium if any, or interest on the Bonds when due, the Trustee is to transfer from the Surplus Fund to the Bond Fund an amount which, when combined with moneys in the Bond Fund, will be sufficient to make such payments when due; and in the event the amounts in the Bond Fund and the Surplus Fund are insufficient to pay all principal, premium if any, and interest on any due date, the Trustee is to nonetheless transfer all of the moneys in the Surplus Fund to the Bond Fund. Amounts in the Surplus Fund (a) are to be used for payment of the Bonds before any use of moneys in the Reserve Fund, and (b) are not to be used to redeem Bonds being called pursuant to any optional redemption provisions of the Indenture unless such redemption is of all Outstanding Bonds, but are to be used to pay Bonds coming due as a result of any mandatory redemption provisions of the Indenture.

Notwithstanding the foregoing, Permitted Refunding Bonds issued to partially refund the Bonds may be secured by the Surplus Fund in the same fashion as the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds, and if so secured, such Permitted Refunding Bonds are to have a claim upon the Surplus Fund which ranks pari passu with the claim of the Bonds remaining Outstanding after issuance of such Permitted Refunding Bonds.

Additional Covenants and Agreements of the District in the Indenture. The 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 District shall not dissolve, merge, or otherwise alter its corporate structure in any manner or to any extent as might materially adversely affect 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; provided however, that the foregoing shall not prevent the District from dissolving pursuant to the provisions of the Special District Act.

(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 reasonable efforts to have such audit report completed no later than September 30 of the calendar year after the calendar year which is the subject of such audit. 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 any 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 on insurable District property upon the terms and conditions, in such amounts,

and issued by recognized insurance companies, 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 the Pledged Revenue is insufficient or is anticipated to be insufficient to pay principal amount of and premium, if any, and interest on the Bonds when due, the District is to use its best efforts to refinance, refund, or otherwise restructure the Bonds so as to avoid such an insufficiency.

(f) 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.

(g) The District will enforce the collection of the Add-On PIF and the Credit PIF in such time and manner as the District reasonably determines in accordance with the PIF Collection Agreement that will be most efficacious in collecting the same.

(h) The District will enforce all remedies available to the District pursuant to the Public Finance Agreement, in particular to enforce collection of all revenues due to the District thereunder and to have CRURA remit such revenues owed to the District as soon as practicable, but in no event more than 30 days of receipt thereof by CRURA.

(i) The District covenants to use its best efforts to cooperate with the Pledge Districts to establish the amount of the Required Mill Levy and the Mandatory Capital Levy such that the combined amount of revenues received from such mill levies are sufficient to pay, when due the principal of and premium, if any, and interest when due.

(j) The District will enforce the provisions of the Inclusion Agreement against the Developer in such time and manner as the District reasonably determines is necessary and appropriate to result in the inclusion of certain property into the requisite District, in accordance with the terms of the Inclusion Agreement.

(k) The District covenants and agrees that the District is to comply with the terms and provisions of the Capital Pledge Agreement and is to promptly notify the Trustee whenever the District is to have reason to believe that any material provision of the Capital Pledge Agreement is to have been violated by the District or any party thereto. In the event of a violation of any provision of the Capital Pledge Agreement which materially affects the security for the Bonds, as determined by counsel to the District or by the Trustee, the District is to, in cooperation with the Trustee, use its best efforts to diligently and promptly enforce the provisions of the Capital Pledge Agreement and, in doing so, is to pursue all rights and remedies, including, but not limited to, litigation, which the District may have as a result of any such violation.

(l) The District covenants to enforce the collection of the PILOT Revenue in such time and manner as the District reasonably determines in accordance with the PILOT Declaration that will be most efficacious in collecting the same.

Additional Bonds.

In General. After issuance of the Bonds, no Additional Bonds may be issued except in accordance with the provisions of the Indenture. Nothing in the Indenture shall affect or restrict the right of the District to issue or incur obligations which are not Additional Bonds thereunder; provided that notwithstanding the foregoing or anything in the Indenture to the contrary, the District is not to create, incur, assume, or suffer to exist any liens upon the ad valorem tax revenues of the District or the Pledged Revenue or any part thereof superior to the lien thereon of the Bonds.

Permitted Refunding Bonds. The District may issue Permitted Refunding Bonds at such time or times and in such amounts as may be determined by the District in its absolute discretion without compliance with any of the other terms and conditions of the Indenture.

Parity Bonds. The District may issue additional Parity Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue additional Parity Bonds if each of the following conditions are met as of the date of issuance of such additional Parity Bonds:

(a) no Event of Default has occurred and is continuing and no amounts of principal or interest on the Bonds or any other Parity Bonds are due but unpaid;

(b) the amount of the Reserve Fund is not less than the Required Reserve;

(c) upon issuance of the additional Parity Bonds, the Debt to Assessed Ratio will be 50% or less;

(d) Upon issuance of the additional Parity Bonds, the Debt Service Coverage Ratio shall be not less than 1.25x;

(e) a separate reserve fund is created for the security of the additional Parity Bonds in an amount not less than 10% of the issue price of such Parity Bonds or such lesser amount as may be permitted to be used for deposits of the proceeds of tax-exempt obligations to reasonably required reserve or replacement funds under then-existing federal income tax rules and regulations, such separate reserve fund to function in substantially the same fashion as the Reserve Fund for the Bonds, which separate reserve fund is to be fully funded as of the date of issuance of the Parity Bonds from the proceeds of the Parity Bonds or from any other source other than Pledged Revenue, and which may be replenished from Pledged Revenue in accordance with the section of the Indenture as described in "—THE BONDS—Certain Indenture Provisions—*Flow of Funds*" above; and

(f) a separate surplus fund is created for the security of the additional Parity Bonds to function in substantially the same fashion as the Surplus Fund for the Bonds, which separate surplus fund may be funded in whole or in part from excess Pledged Revenue in accordance with the section of the Indenture as described in "—THE BONDS—Certain Indenture Provisions—*Flow of Funds*" above, up to a maximum amount of 10% of the issue price of such Parity Bonds.

Subordinate Bonds. The District may issue Subordinate Bonds if such issuance is consented to by the Consent Parties with respect to a majority in aggregate principal amount of the Bonds then Outstanding, provided that, with or without such consent, the District may issue Subordinate Bonds if each of the following conditions are met as of the date of issuance of such Subordinate Bonds:

(a) the maximum mill levy which the District promises to impose for payment of the Subordinate Bonds is not higher than the maximum Required Mill Levy as determined under paragraph (a) of the definition of such term in the Indenture, less the mill levy required to be applied in connection with the Bonds, and subject to the same deductions and adjustments as the Required Mill Levy; and

(b) the Subordinate Bonds are payable as to both principal and interest on an annual basis, on a date in any calendar year which is after the principal or interest payment date due in that calendar year on the Bonds.

District Certification. A written certificate by the President or Treasurer of the District that the conditions for issuance of Additional Bonds set forth in the Indenture are met is to conclusively determine the right of the District to authorize, issue, sell, and deliver such Additional Bonds in accordance with the Indenture.

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 thereunder except as provided in the Indenture:

(a) the District fails or refuses to impose the Required Mill Levy or to apply the Pledged Revenue as required by the Indenture;

(b) the District defaults in the performance or observance of any of the covenants, agreements, or conditions on the part of the District in the Indenture or the Bond Resolution, other than as described in paragraph (a) above, and fails to remedy the same after notice thereof pursuant to the Indenture; or

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

It is acknowledged in the Indenture that due to the limited nature of the Pledged Revenue, the failure to pay the principal amount of and premium, if any, and interest on the Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. WITHOUT LIMITING THE FOREGOING, AND NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THE INDENTURE, 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 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 DISTRICT IN LAW OR IN EQUITY, AS MORE PARTICULARLY PROVIDED IN THE INDENTURE. THE DISTRICT FURTHER ACKNOWLEDGES AND AGREES 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 DISTRICT TO RETAIN ANY PORTION OF THE PLEDGED REVENUE.

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, of all Events of Default known to the Trustee (as determined pursuant to the Indenture), within 90 days after the occurrence of such Event of Default unless such 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 or by the Owners of not less than 25% in aggregate principal amount of all Bonds Outstanding to the District, and the District 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 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, 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 thereunder, 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) of "*—Events of Default*" above is to have occurred and if requested by the Owners of not less than 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; provided that the Trustee at its option is to be indemnified as provided in the Indenture.

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

The Consent Parties with respect to 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 thereunder; provided that such direction is not to be otherwise than in accordance with the provisions in 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 thereof or for the appointment of a receiver or any other remedy thereunder, unless a default has occurred of which the Trustee has been notified as provided in the Indenture, or of which under that section of the Indenture it is deemed to have notice, and unless such default is to have become an Event of Default and the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding are to have made written request to the Trustee and are 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, nor unless they have also offered to the Trustee indemnity as provided in the Indenture, nor unless 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; and 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 thereunder; 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 thereunder 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 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) in "*—Events of Default*" above. 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 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 Not Requiring Consent. Subject to the provisions of the Indenture, the District and the Trustee may, without the consent of or notice to the Owners or Consent Parties, enter into such indentures supplemental thereto, which supplemental indentures are to thereafter form a part thereof, 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 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.

Supplemental Indentures Requiring Consent. Except for supplemental indentures delivered pursuant to the Indenture, as described in "—*Supplemental Indentures Not Requiring Consent*" above, and subject to the provisions of the Indenture, the Consent Parties with respect to a majority (or for modifications of provisions thereof 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 are to 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 thereto as are to 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 the Indenture; provided however, that without the consent of the Consent Parties with respect to all the Outstanding Bonds affected thereby, nothing contained in the Indenture is to permit, or be construed as permitting: (a) 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; (b) 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; (c) a privilege or priority of any Bond or any interest payment over any other Bond or interest payment; or (d) 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.

Amendments to Credit PIF Covenant, Add-On PIF Covenant and PILOT Declaration. So long as the Bonds are Outstanding, the Add-On PIF Covenant, the Credit PIF Covenant and the PILOT Declaration may not be amended, modified or any provisions waived thereunder without the prior written consent of the District and the Trustee. Except for the amendments, modifications or waivers set forth above, the Trustee shall only consent to the amendment, modification or waiver of any provision in the Add-On PIF Covenant, the Credit PIF Covenant or PILOT Declaration with 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.] [To be updated - harmonized amendment language in PIFs to Indenture amendment language]

Discharge of the Lien of the Indenture. If the District pays or causes to be paid to the Trustee, for the Owners of the Bonds, the principal of, premium if any, and interest to become due thereon at the times and in the manner stipulated in the Indenture, and if the District keeps, performs, and observes 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 are have to been paid, then these presents and the estate and rights thereby granted 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 District such instruments in writing as are to be requisite to satisfy the lien thereof, and assign and deliver to the 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 District under the Indenture, except for moneys and Federal Securities held by the Trustee for the payment of the principal of and the 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 (a) 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 (b) 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 and the 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 are 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 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 is 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 is to be withdrawn or used for any purpose other than, and is to be held in trust for, the payment of the principal of, premium if any, 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 the premium, if any, 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 may require and may rely upon: (a) an opinion of nationally recognized municipal bond Counsel experienced in matters arising under Section 103 of the Code and acceptable to the Trustee, that the investment or reinvestment of such moneys or such Federal Securities complies with the Indenture; and (b) 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 the premium, if any, and interest on the Bonds when due.

The release of the obligations of the District under the Indenture is to be without prejudice to the rights of the Trustee to be paid reasonable compensation by the 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 thereby created, the exercise of its powers, and the performance of its duties thereunder.

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.

Discharge of Bonds on Termination Date. Notwithstanding anything in the Indenture to the contrary, all of the Bonds and interest thereon are to be deemed to be paid, satisfied, and discharged on the Termination Date, regardless of the amount of principal and interest paid prior to the Termination Date; provided however, that the foregoing is not to relieve the District of the obligation to impose the Required Mill Levy each year prior to the year in which the Termination Date occurs and apply the Pledged Revenue in the manner required in the Indenture prior to the Termination Date.

USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS

Application of Bond Proceeds

General. Proceeds from the sale of the Bonds will be used for the purposes of (a) financing or refinancing the costs of acquiring, constructing and installing certain public improvements to serve the Development; and (b) fund the costs of issuing the Bonds. A portion of the proceeds from the sale of the Bonds will also be used to (i) fund the Reserve Fund in the amount of the Required Reserve; and (ii) fund a portion of the interest to accrue on the Bonds.

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]	
Total	
USES:	
Deposit to the Project Fund	
Deposit to Reserve Fund	
Deposit to Bond Fund (representing capitalized interest)	
Deposit to the Costs of Issuance Fund[1]	
Total	

[1] Costs of issuance, including underwriting discount. 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 and the forecasted payments for the Bonds.

TABLE I
Debt Service Requirements and Forecasted Payments[1]

	Bonds[2, 3]		
Year[1]	**Principal[1]**	**Interest**	**Annual Total**
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			
2055			
Total	$70,090,000	$	$

[1] Preliminary; subject to change.
[2] A portion of the debt service payments will be paid from capitalized interest funded with a portion of the proceeds of the Bonds. Includes the payment of interest on June 1 and on December 1 of each year and the payment of principal on December 1 of each year indicated. Amounts shown assume that mandatory sinking fund redemption payments are made when due and further assume no optional redemptions will be made prior to maturity. See "THE BONDS—Redemption" herein.
[3] Figures may not total due to rounding.
Sources: The Underwriter and the Financial Forecast

THE DISTRICTS

Organization and Description

The Districts are quasi-municipal corporations and political subdivisions of the State created pursuant to the Special District Act for the purpose of financing and constructing the Public Improvements and for dedicating, when appropriate, such Public Improvements to the Town or to such other entity as appropriate for the use and benefit of the Districts' residents and property owners.

The District, District No. 2, and District No. 3 were organized as metropolitan districts pursuant to orders and decrees issued by the District Court in and for the County (as previously defined, the "District Court") on May 28, 2025, and recorded in the real property records of the County on June 4, 2025, at reception numbers 2025025530, 2025025531 and 2025025532, respectively. Corrected orders and decrees were issued by the District Court, Douglas County, Colorado on July 15, 2025, *nunc pro tunc* to May 28, 2025, and recorded in the real property records of the County on July 17, 2025. The creation of each of the Districts was approved by the eligible electors of the District, District No. 2 and District No. 3, as applicable, voting at the election held within the District, District No. 2 and District No. 3, as applicable, on May 6, 2025 (as previously defined, the "District Election," the "District No. 2 Election" and the "District No. 3 Election," collectively, the "2025 Elections"). The Districts are governed by separate boards of directors collectively, the "Boards" and individually, with respect to the District, the "District Board," with respect to District No. 2, the "District No. 2 Board" and with respect to District No. 3, the "District No. 3 Board." See "—Governing Boards" below.

The District, District No. 2 and District No. 3 were organized contemporaneously as part of a plan to serve the needs of the Development, generally located Southeast of Topeka Way; West of Prairie Hawk Drive; and North of West Plum Creek Parkway in the Town of Castle Rock, Douglas County, Colorado. See "THE DEVELOPMENT." See also the preceding "AERIAL MAP," "BRICKYARD DEVELOPMENT SITE PLAN AND RENDERINGS," and "REGIONAL MAP."

The Districts operate in accordance with the authority, and subject to the limitations of, a Service Plan for Brickyard Metropolitan District No. 1, Service Plan for Brickyard Metropolitan District No. 2 and Service Plan for Brickyard Metropolitan District No. 3, respectively, each approved by the Town Council (the "Town Council") on March 4, 2025 (each a "Service Plan" and, collectively, the "Service Plans").

Upon their organization, the District contains approximately 1.380 acres, District No. 2 contains approximately 0.470 acres and District No. 3 contains approximately 0.290 acres, with the total combined acreage of the Districts approximately 2.140 acres. The District and the Pledge Districts are currently undergoing certain boundary adjustments and upon completion of such adjustments, the Districts will include a total of approximately 21 acres. For a discussion of the anticipated future inclusions of property into the Districts pursuant to the Inclusion Agreement, see "—*Inclusion and Exclusion of Property*" and "—Material Agreements of the Districts—*Inclusion Agreement*."

While residents are ultimately anticipated to live within two of the Districts, as of the date of this Limited Offering Memorandum, the population of the Districts is currently zero.

Due to their recent formation, the Districts' preliminary 2025 gross assessed valuations are currently not available and are generally provided in August. Each Districts' 2025 preliminary certified assessed valuations, when available, are subject to change prior to the December 10, 2025, final certification date.

Pursuant to the Public Finance Agreement, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the URA Plan is equal to $805,670 (the "Property Tax Base Valuation"). The Property Tax Base Valuation and increment value will be calculated and adjusted from time to time by the County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado. "TIF Area" is defined in the Public Finance Agreement to mean the property described on Exhibit A to the Public Finance Agreement, within which the tax increment provisions of Section 31-25-107(9) of the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes (the "Colorado Urban Renewal Law") apply, as such area may be expanded or contracted from time to time by CRURA in compliance with the Colorado Urban Renewal Law.

Brickyard Urban Renewal Plan. Pursuant to the Public Finance Agreement, CRURA is generally obligated to remit back to the Trustee all tax increment revenues attributable to the levies of the Districts and other taxing entities including the Overlapping Taxing Entities. See "SECURITY FOR THE BONDS—District Tax Levy Revenues."

District Powers

The rights, powers, privileges, authorities, functions and duties of the District are established by the laws of the State, particularly the Special District Act. The powers of the District are, however, limited both by the provisions of the District's Service Plan and its electoral authorization. See "—Service Plan Authorizations and Limitations" below.

Pursuant to the Special District Act, special districts each have 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 have the management, control and supervision of all the business affairs of the 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 any such fees or extend the time period for paying all or part of such fees for property within the 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 in, 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 applicable 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 OF THE DISTRICTS—Ad Valorem Property Taxes."

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 is to 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. 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 or excluded to or 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. Inclusion or exclusions that occur after May 1 are considered in the following assessment year. See also "—Service Plan Authorizations and Limitations."

Upon their organization, the District contains approximately 1.380 acres, District No. 2 contains approximately 0.470 acres and District No. 3 contains approximately 0.290 acres. The District and the Pledge Districts are currently undergoing certain boundary adjustments and upon completion of such adjustments, the Districts will include a total of approximately 21 acres. ***Completion of the boundary adjustments is a condition to the issuance of the Bonds.***

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. See also "—Service Plan Authorizations and Limitations."

Dissolution of the District. 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. See also "—Service Plan Authorizations and Limitations."

Multiple District Structure; Town IGA

In order to provide a more efficient and streamlined structure as stated in the Service Plans, the District is the "Operating District" for all of the Districts coordinating the financing, construction and maintenance of all Public Improvements. The primary purpose of the Pledge Districts is to provide the revenue to support the Public Improvements and other services financed by the District. Pursuant to the Service Plans, the District will be permitted to provide public services and facilities throughout the Districts. As described below in "—Material Agreements of the District—Town IGA," the Districts have entered into an intergovernmental agreement with the town that sets forth the nature of the functions and services to be provided by the District and the funding thereof. In addition, the Pledge Districts and the District have entered into a separate memorandum of understanding, dated as of [_____], 2025, until the Districts finalize a facilities funding, construction and operations agreement among them. See "—Material Agreements of the District—*Memorandum of Understanding*."

Only revenue generated from the property within the Districts (i.e., the Development) will be available to pay debt service on the Bonds.

Service Plan Authorizations and Limitations

Pursuant to the Service Plans, the Districts have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the Special District Act, and other applicable statutes, common law and the State Constitution, subject to the limitations set forth therein, as described below, and in an intergovernmental agreement with the Town with respect to the provision of the Public Improvements and services. See "—Material Agreements

of the District" below. *The authorizations and limitations of the Service Plans may be modified or amended with the approval of the Town, and as otherwise provided in the Special District Act.*

The Service Plans, the Special District Act and the 2025 Elections authorize the Districts to provide for the planning, design, acquisition, construction installation, relocation, redevelopment and financing (to the extent permitted in the Service Plans, and the Town IGA) of certain Public Improvements (limited as described below), within and without the boundaries of the Districts to serve the future taxpayers and inhabitants of the Districts. It is anticipated that all Public Improvements are to be dedicated to the Town or other appropriate jurisdiction or owners' association.

The Districts are not authorized to operate and maintain any part or all of the Public Improvements, except for certain parks and recreation, water and sanitary sewer service, and street improvements as set forth in the Service Plans, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the Town. The Districts are not authorized to provide for fire protection facilities and will obtain its fire protection and emergency response services from the Town. Further, the Districts agree not to exercise eminent domain powers for any real property without prior written consent of the Town. None of the foregoing agreements or modifications thereto presently exist or are anticipated.

The Service Plans provide that the total aggregate Debt limit for all of the Districts is $76,500,000. For purposes of the Service Plans, "Debt" is defined as bonds or other obligations for the payment of which the Districts have promised to impose an ad valorem property tax mill levy.

The Service Plans provide that the "Maximum Debt Mill Levy" the Districts are permitted to impose upon taxable property within the Districts for payment of Debt is to be 50 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025). To provide for the payment of ongoing administration, operations, and maintenance costs, the Districts are also subject to a "Maximum Operating Mill Levy" of 10 mills (subject to adjustment for changes occurring in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut, or abatement occurring after March 4, 2025), until such time as the majority of the board of directors are owners or tenants of property within the District that is subject to the imposition of ad valorem property taxes and the Maximum Debt Mill Levy. At such time, the board of directors may determine by majority vote to increase the Maximum Operating Mill Levy to any amount necessary to fund eligible expenses for ongoing administration, operation and maintenance. The Districts are not to use the Maximum Operating Mill Levy for the repayment of Debt.

Additionally, under the Service Plans the Districts are not to impose a mill levy for the repayment of any and all Debt (or use the proceeds of any mill levy for repayment of Debt) on any single property developed for residential uses which exceeds thirty-five (35) years after the year of the initial imposition of such mill levy unless a majority of the board of directors of the District imposing the mill levy are End Users (as defined in the Service Plans) and have voted in favor of a refunding of a part or all of the Debt and such refunding will result in a net present value savings. Notwithstanding the above, any Debt instrument incurred by the District, including bonds, loans, or other multiple-fiscal-year financial obligations, and any refunding Debt instrument evidencing the District's repayment obligations, shall provide that the District's obligations thereunder shall be discharged forty (40) years after the date such Debt is issued or such obligation is entered into, regardless of whether the Debt or obligations are paid in full. This Debt discharge date may be extended by approval of the District if, at such time, a majority of the board of directors of the District are End Users.

While the Service Plans provide that the Districts may impose and collect Development Fees as a source of revenue for repayment of debt and capital costs, no Development Fee related to repayment of Debt is currently contemplated. "Development Fees" are defined in the Service Plans to mean the one-time

development fee imposed by the District on a per-unit basis, at or prior to the issuance of a certificate of occupancy for the unit, to assist with the planning, development, and financing of the Public Improvements, subject to the limitations set forth in the Service Plans.

Pursuant to the Service Plans, the Districts are not authorized to include within their boundaries any property outside of an approximately 21-acre area referred to as the "Service Area" without the prior written consent of the Town. Any property included within the boundaries of the Districts may subsequently be excluded upon petition of the fee owners of 100% of such property. The Districts also require the written consent of the Town prior to any consolidation with another special district. With respect to dissolution, pursuant to the Service Plans, the Districts agree to file petitions in the appropriate district court for dissolution, pursuant to the applicable State statutes, upon an independent determination of the Town Council that the purposes for which the Districts were created have been accomplished. However, in no event is dissolution to occur until the Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

The Districts are not authorized to consent to the organization of any other special district within the Service Area which will overlap the boundaries of the Districts, unless the aggregate mill levy for payment of Debt of such proposed district will not at any time exceed the Maximum Debt Mill Levy.

Additionally, under the Service Plans the Districts agree to create a public website, on which information related to upcoming meetings and elections will be timely posted, and relevant District documents and information, including, but not limited to, the Service Plans, meeting minutes, annual budgets, audits, and annual reports will be made available. Within twelve months of after the issuance of the first certificate of occupancy within the boundaries of any of the Districts, the Districts are to hold all regular and special meetings at a location that is within the boundaries of one of the Districts, or, if such a location is not reasonably available, at a location within a five mile radius of the Districts' boundaries.

The Service Plans require that the following statement be included in this Limited Offering Memorandum:

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

Governing Board

The District is governed by a five-member board of directors, provided that State law permits the board of directors to have up to seven members, subject to certain conditions. The members must be eligible electors of the District as defined by State law and are elected to alternating four-year terms of office at successive biennial elections. 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 the 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 District Election, the eligible voters in the District voted to waive the statutory term limits, and therefore the District's directors are not subject to such limitations.

The directors 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 District. Members of the Board are not currently compensated for attending their respective Board meetings. The present directors of the District, their positions on the Board, their principal occupations and their terms of office are as follows:

Board of Directors

Name	Office	Occupation	Years of Service	Term Expires (May)
Matthew McBride	President		< 1 year	2027
Anthony De Simone	Secretary		< 1 year	2027
Tiffany Sweeney	Assistant Secretary		< 1 year	2029
Tucker Bennett	Treasurer		< 1 year	2029
Dan Tovado	Assistant Secretary		< 1 year	2029

Pursuant to State law, 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. Additionally, no contract for work or material including a contract for services, regardless of the amount, is to be entered into between the District and a Board member, or between the District and the owner of 25% or more of the territory within the District, unless a notice has been published for bids and such Board member or owner submits the lowest responsible and responsive bid. According to disclosure statements filed with the Secretary of State and the District by Board members prior to taking any official action relating to the Bonds, all of the directors have potential or existing personal or private interests relating to the issuance or delivery of the Bonds or the expenditure of the proceeds thereof. See "RISK FACTORS—Directors' Private Interests."

Administration

The Boards are responsible for the overall management and administration of the affairs of the Districts. The Districts have no employees. CliftonLarsonAllen LLP, Denver, Colorado, serves as the Districts' accountant and manager; McGeady Becher Cortese Williams P.C., Denver, Colorado, serves as General Counsel to the Districts. It is anticipated that the Districts will engage an auditor for the fiscal year ending December 31, 2025.

Material Agreements of the District

The Special District Act authorizes the Districts to enter into agreements and contracts affecting its affairs. According to the District's General Counsel, the Districts are not a party to any agreements which materially affect the Districts' financial status or operations, other than the agreements described below. Copies of these agreements are available from District as provided in "INTRODUCTION—Additional Information."

Town IGA. In accordance with the Service Plan, the Districts entered into an Intergovernmental Agreement with the Town of Castle Rock (the "Town IGA"), approved by the Districts on [July 10], 2025. In accordance with the Town IGA, the Districts agree to comply with all provisions of the Service Plan and the Special District Act. Also, in accordance with the Town IGA, at any time a District imposes a mill levy for Debt, such District shall also impose a Regional Mill Levy (defined in "FINANCIAL INFORMATION OF THE DISTRICTS–Regional Mill Levy"). The revenues received from the Regional Mill Levy shall be remitted to the Town on an annual basis by no later than December 1. ***Regional Mill Levy revenues of the Districts, if any, are not pledged to the Bonds*.** The parties to the Town IGA agree that such agreement may

be enforced at law or in equity, specifically including suits for specific performance and/or monetary damages. See "—Service Plan Authorizations and Limitations" above.

Memorandum of Understanding. The District and the Pledge Districts entered into a Memorandum of Understanding dated August [_], 2025 (the "MOU"), pursuant to which the District was designated as the coordinating district for purposes of providing any financing, construction, design, operation and maintenance of the Public Improvements benefiting the property within the Districts, as well as the overall administration of the Districts, until the Districts finalize operations agreement among them (the "Operations Agreements"). Pursuant to the MOU, the Districts agreed that funds for construction, administration, operation and maintenance of Public Improvements may be allocated among the Districts in accordance with the Operations Agreements and that revenues received District No. 2 and District No. 3 from the imposition of their respective general fund mill levies will be remitted to and allocated by the District Accountant.

Facilities Funding and Acquisition Agreement. On August 27, 2025, the District and the Developer entered into a Facilities Funding and Acquisition Agreement (the "Facilities Funding and Acquisition Agreement") to encourage development within the Districts. The District (as the coordinating district under the MOU) and the Developer have determined that until debt is issued it is in the best interests of the District for the Developer to advance funds to the District for the certain Construction Related Expenses (as defined in the Facilities Funding and Acquisition Agreement) and/or for the District's acquisition of the Public Improvements upon completion. In addition, the District agreed to reimburse the Developer for the expenses of creating the District (the "Organization Expenses"). Prior to the Developer requesting that the District acquire any Public Improvements, the District shall obtain a certification of an independent engineer that the Construction Related Expenses are reasonable, and verification from the District's accountant that the Construction Related Expenses are reimbursable ("Verified Costs") based on the copies of the invoices, bills, and requests for payment provided to the District. The Developer's obligation to advance costs for the Public Improvements under the Facilities Funding and Acquisition Agreement is limited to [$55,000,000].

Operation Funding Agreement. On August 27, 2025, the District and the Developer entered into an Operation Funding Agreement (the "Operation Funding Agreement") to finance operations of the District. The Developer shall advance funds necessary to fund, or shall directly pay, the District's operations, maintenance and administrative expenses on a periodic basis as needed for the fiscal years 2025 through 2026 up to $100,000 (the "Shortfall Amount"). If the District requires additional advances above the Shortfall Amount from the Developer in order to meet its operation and maintenance expenses, the District shall request such additional funds in writing. It is its intention of the District to repay the amounts the Developer has advanced or directly paid pursuant to the Operation Funding Agreement plus interest to the extent it has funds available from the imposition of its taxes, fees, rates, tolls, penalties and charges, and from any other revenue legally available, after the payment of its annual debt service obligations and annual operations, maintenance and administrative expenses, which repayment is subject to annual budget and appropriation.

Inclusion Agreement. On August 27, 2025, the District and the Developer entered into an Inclusion Agreement (as previously defined, the "Inclusion Agreement") whereby the Developer agrees to include certain property into the boundaries of the Districts so that such property is subject to the applicable Required Mill Levy or Mandatory Capital Levy, as applicable. Specifically, the Inclusion Agreement specifies that Developer is the owner of certain property constituting the Development described therein (the "Property"). The Property is not yet included in the boundaries of any of the Districts.

Anticipating issuance of Bonds by the District, the proceeds of which will be used to finance the construction of Public Improvements for the Districts, the Developer, agrees in the Inclusion Agreement to

include all or any portion of the Property (a "Triggered Parcel") into the District, District No. 2 or District No. 3, as applicable, upon the earlier to occur of the following (each, a "Triggering Event"):

a. Issuance of a building permit for the construction of any residential, mixed-use, retail, office, industrial, or other commercial improvements on the Triggered Parcel; provided, however, that if the improvements will be subjected to a condominium regime form of ownership, the Triggering Event shall instead be the recordation of a condominium declaration and condominium map in the real property records of the County for such Triggered Parcel; or

b. The date that is 21 days prior to the date of closing on any transfer of any Triggered Parcel to a third party, provided a transfer to an affiliated entity (i.e., an entity that controls, is controlled by, or is under the common control with Owner) shall not be deemed a transfer to a third party for purposes of this subparagraph, however, in the event a Triggered Parcel is transferred to an affiliated entity, prior to such transfer the Owner shall cause the affiliated entity to execute a joinder to this Agreement binding such affiliated entity to the terms and conditions herein.

In order to include certain property into the District, District No. 2 or District No. 3, as applicable, the Districts agree in the Inclusion Agreement, respectively and as appropriate, to accept a petition from the Developer requesting the inclusion and conduct a public hearing in accordance with any applicable statute.]

Public Finance Agreement. *Any capitalized terms not defined under this subheading "Public Finance Agreement" have the respective meanings set forth in the Public Finance Agreement, unless the context clearly indicates to the contrary.* In furtherance of the provisions of the Service Plans, CRURA, the Town, the Developer and District No. 1 entered into that certain Public Finance Agreement, dated as of [_____], 2025 (the "Public Finance Agreement"). Amongst other things, pursuant to the Public Finance Agreement, CRURA agrees to deposit into a separate account, the annual ad valorem property tax revenue received CRURA from the County Treasurer in excess of the amount produced by the levy of those taxing bodies that levy property taxes against the Property Tax Base Valuation in the TIF Area in accordance with the Colorado Urban Renewal Law and the regulations of the Property Tax Administrator of the State of Colorado, but not including, (a) the District Operating Revenue (as defined in the Public Finance Agreement), (b) the CRURA Administrative Fee (as defined herein), and (c) any offsets collected by the County Treasurer for return of overpayments or any reserve funds retained by the Authority for such purposes in accordance with Sections 31-25-107(9)(a)(III) and (b) of the Colorado Urban Renewal Law (the "Pledged Property Tax Increment Revenue"). Commencing on the date of the Public Finance Agreement and for a period of 25 years from the effective date of the Brickyard Urban Renewal Plan (as previously defined, the "URA Plan"), CRURA is to remit to the Trustee all Pledged Property Tax Increment Revenue owed to the District in accordance with the terms of the District Bond Documents (as defined in the Public Finance Agreement). CRURA's obligation to remit the Pledged Property Tax Increment Revenue it receives to the Trustee constitutes a multiple fiscal year obligation of CRURA. See "—Service Plan Authorizations and Limitations" above.

Pursuant to the Pledge Agreement and the Indenture, the Pledged Property Tax Increment Revenue attributable to the Mandatory Capital Levy of the Pledge Districts are a portion of the Pledge Agreement Revenues available for payment of debt service on the Bonds. Pursuant to the Indenture, the Pledged Property Tax Increment Revenue attributable to the Required Mill Levy of the District are District Tax Levy Revenues which revenues are a portion of the Pledged Revenue available for payment of debt service on the Bonds. Colorado Urban Renewal Law limits the availability of Pledged Property Tax Increment Revenue to CRURA to 25 years from the effective date of the URA Plan. The URA Plan was adopted on May 20, 2025. Accordingly, the District will not be able to rely on the Pledged Property Tax Increment

Revenue as a revenue source after May 20, 2050. See "RISK FACTORS—Risks Related to the Public Finance Agreement."

The Public Finance Agreement provides that the Developer or the District, as applicable, in accordance with the provisions of the Public Finance Agreement, will be responsible for (a) financing and constructing all Eligible Improvements, (b) compliance in all material respects with the Town Requirements, (c) payment of Town Fees related to development of the Property, and (d) developing the Project as required by this Agreement and the CRMC. Further, the Public Finance Agreement provides that the Developer may, in its sole discretion, elect to undertake all or only certain phases of the Development, subject to the Public Finance Agreement.

Pursuant to the Public Finance Agreement, the Developer agrees to impose the Add-On PIF and Credit PIF and to irrevocably assign the Pledged PIF Revenue (as defined in the Public Finance Agreement) to the District, through and until the payment in full of the District Bonds, including the Bonds, contemplated under the Public Financed Agreement. Upon the issuance of any District Bonds, the District agrees to pledge the Pledged PIF Revenue exclusively to the District Bonds until the District Bonds are paid in full or defeased. In the event any of the Eligible Improvements cannot be paid for from the proceeds of District Bonds, the Pledged PIF Revenue may be used to pay for or reimburse the Developer for any Developer Advances made to so fund in accordance with the Public Finance Agreement. Any remaining Add-On PIF Revenue shall be remitted to the Developer, which may use any Remaining Add-On PIF Revenue for any lawful purpose. For the avoidance of any doubt, the amount of the Add-On PIF and Credit PIF will be as determined by Developer from time to time, in its discretion, provided that after District Bonds are issued (and so long as the same remain outstanding) the Developer agrees not to reduce the rate of the Add-On PIF or the Credit PIF so that the aggregate of the Add-On PIF and the Credit PIF is less than 2% prior to the repayment in full of the District Bonds.

The Developer is to terminate the Credit PIF upon the earlier to occur of (a) payment in full or defeasance of all outstanding District Bonds and payment of all amounts due to the Developer under any Reimbursement Agreements; (b) the aggregate Credit PIF Revenue received by the PIF Collection Agent and offset by the Sales Tax Credit equals the Town Contribution Cap ($36,000,000); or (c) December 31, 2050. The Developer, at its election, may discontinue, continue, increase, or decrease the Add-On PIF following payment in full of the District Bonds and payment of all amounts due to the Developer under any Reimbursement Agreements and use such revenues for any legal purpose.

The term of the Public Finance Agreement commences on the date that the ordinance approving the Public Finance Agreement is final and no longer subject to referendum. The Public Finance Agreement is to terminate upon the later to occur of: (i) the date of payment in full of the District Bonds, or (ii) the full performance of the covenants of the Public Finance Agreement; provided, however, that the Public Finance Agreement may also be terminated earlier pursuant to the provisions thereof.

Facilities and Services Provided by the Districts

Pursuant to the Service Plans and the Special District Act, the Districts are authorized to provide for the Public Improvements, subject to the limitations of the Service Plans more particularly described therein. The Districts are to dedicate the Public Improvements to the Town or other appropriate jurisdiction or owners' association in a manner consistent with the development plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts are not authorized to operate and maintain any part or all of the Public Improvements, except for certain parks and recreation, water and sanitary sewer service, and street improvements as set forth in the Service Plans, unless the provision of such operation and maintenance is pursuant to an intergovernmental agreement with the Town. See "THE

DEVELOPMENT—Status of Construction and Funding of Public and Private Improvements" for a discussion of ownership, operation, and maintenance of the Public Improvements once constructed.

Other Services Available Within the Districts

Residents within the District will be provided a wide range of services by various entities other than the District. The Town will provide police protection and fire protection. Water services are to be provided by the Town; sewer sanitation services are to be provided by the Town; Natural gas service is provided CORE Electric Cooperative, and electrical service is provided by Black Hills Energy. The Districts are served by Douglas County School District. See "THE DEVELOPMENT—Schools."

THE DEVELOPMENT

The following information has been supplied by the Developer or its related entities (collectively, the "Developer Entities"), provided that, where noted herein, certain information has been obtained from other sources, including publicly available records of the Town and the County. Furthermore, no assurance can be provided by the Developer that the following summarizes all development activities and due diligence efforts undertaken with respect to the Development by any future purchaser of property in the Development. ***No purchaser of property within the Development have participated in the preparation of this Limited Offering Memorandum except to provide documentation and information in response to specific requests by the Developer, including the information specifically attributed to such parties herein.***

Neither the Districts, the Districts' advisors, nor the Underwriter make any representation regarding projected development plans within the Districts, the financial soundness of the Developer, the Developer Entities or future owners of property in the Development, or their managerial ability to complete the Development as planned. The development of the property within the Districts may be affected by factors such as governmental policies with respect to land development, the availability of water and other utilities, the availability of energy, construction costs, interest rates, performance of the Developer and by The Bowl @ Castle Rock LLC, competition from other developments, and other political, legal, and economic conditions. Further, while certain information is provided herein with respect to existing and anticipated encumbrances of the property, in particular encumbrances recorded or to be recorded by the Developer, or the Developer Entities or future property developers, property within the Districts not owned by the Districts, the Developer, the Developer Entities, may be subject to encumbrances as security for obligations payable to various parties, the default of which could adversely affect construction activity. See "RISK FACTORS—Development Not Assured."

Development Overview

The Development is an approximately 21-acre planned in-fill redevelopment of a former brickyard that will connect to downtown Castle Rock via the Industrial Tributary Trial as a part of the Town's ongoing redevelopment efforts in its downtown core area. The Development is expected to include for-sale residential condominiums and for-rent multi-family residential components, along with commercial, hospitality, and recreation components. All of the Development, as described herein, is located within the boundaries of the Districts or is subject to an Inclusion Agreement and required to be included within the boundaries of the Districts as more particularly set forth therein.

The Brickyard Development Site Plan[1]

The Brickyard Development Conceptual Rendering

[1] This site plan is conceptual in nature and provided only for a depiction of what the Development could be upon full build out. None of the property within the Development has been finally platted as of the date of this Limited Offering Memorandum.

Only the property located within the Development (i.e., the property within or, pursuant to the Inclusion Agreement, to be included within the Districts) will generate revenues pledged to the payment of the Bonds. *See* "*—The Developer and Related Entities*" *below, as well as the preceding* "*BRICKYARD DEVELOPMENT SITE PLAN AND RENDERINGS.*"

The developer of the property is CD-Acme, LLC, a Colorado limited liability company (as previously defined, the "Developer"). The Developer is managed by Confluence Companies (www.confluenceco.com). See "—The Developer and Related Entities" below. According to the Developer, the Development is being planned as a mixed-use development on approximately 21-acres, which is planned to include 178 for sale condominiums (the "Residential Condominiums"), 298 multi-family apartments (the "Multi-Family Development"), approximately 144,000 square feet of commercial retail, restaurant, entertainment, and office space, and an approximately 125-room hotel (the "Commercial Development" and, together with the Multi-Family Development and the Residential Condominiums, the "Development"). See "TABLE II—Status of Residential Development" and "TABLE III—Status of Commercial Development" below.

Pursuant to the Inclusion Agreement, the Developer had agreed to populate the Districts with all of the property consisting of the Development. As of the date of this Limited Offering Memorandum, the Developer intends to include property (including condominium property ownership interests) among the three Districts so that each of the Districts would be comprised of one of the following: (1) rental apartments, (2) residential condominiums and (3) commercial property. All of the Multi-Family Development, as described herein, is planned to be located within, and coterminous with, the boundaries of the District. All the Residential Condominiums, as described herein, are planned to be located, and coterminous with, the boundaries of District No. 2. All of the Commercial Development, as described herein, is planned to be located within, and coterminous with, the boundaries of District No. 3. Pursuant to the Inclusion Agreement, the composition of the Districts could change to accommodate the build-out, market demands and other factors, so no assurance can be made as of the date hereof that the final makeup of the Districts will be made as set forth herein; provided, however, notwithstanding the final mix of property types within the three Districts, all property in the Development will be included in one of the Districts according to the terms of the Inclusion Agreement. See also "AERIAL MAP," "BRICKYARD DEVELOPMENT SITE PLAN AND RENDERINGS," "DEVELOPMENT PHASING MAP" and THE DISTRICTS—Material Agreements of the Districts—*Inclusion Agreement*.

The Districts were created in 2025. With the approval of the Public Finance Agreement by the Town on May 20, 2025, the Developer expects the Development to occur as set forth in the Market Study and the Financial Forecast as further described herein and therein, respectively. See "RISK FACTORS—Development Not Assured," "APPENDIX A—FINANCIAL FORECAST," and "APPENDIX B—MARKET STUDY."

Development Construction; Parking. With the one exception regarding a bowling and entertainment center as noted below, the Developer or its affiliates anticipate being the entity constructing all improvements within the Development, including the Residential Condominiums, the buildings comprising the Multi-Family Development and the Commercial Development. Approximately 2.13 acres of land is expected to comprise a 60,000 square foot bowling alley and entertainment center (the "Bowling and Entertainment Center") and certain of the other commercial space is currently under contract for sale. See "Construction and Sales Activity; Purchase and Sale Agreements; Letters of Intent—Bowling Center Purchase and Sale Agreement" herein. The Bowling and Entertainment Center will be constructed by the purchaser of such land.

A Parking Study for the entire Development was commissioned as part of the Site Development Plan. The Developer anticipates constructing both structured and surface parking sufficient to

accommodate residents, visitors to the Hotel and other commercial visitors to the Development. Proceeds of the Bonds are anticipated to be used to construct a portion of the structured parking and surface parking.

Financing Plan for Development. The financing for the various phases of the Development project will be structured based upon buildings rather than by product type. The building constituting the Multi-Family Development (with ground floor commercial) is expected to be the first major building constructed in the Districts. Construction drawings for the apartment units as well as the first-floor commercial units are complete and the construction budget has been informed by recent bids from subcontractors and suppliers. A well-known regional bank has provided a letter of intent to finance 65% of the costs of the Multi-Family Development (including the commercial units located within the building). Additionally, an institutional investor has issued a letter of intent to provide 80% of the required equity with the remaining 20% of the equity to be provided by affiliates of the Developer and other investors.

Financing for the Residential Condominiums is expected to be provided by groups similar to those who provided financing for the Prior Castle Rock Projects. Confluence Companies has financing relationships with several regional and national banks, debt funds, and equity investors.

In addition to the Bowling and Entertainment Center, the Commercial Development will include the commercial units located on the first floor of the Multi-Family Development and commercial units located within the primary free-standing commercial building in the Development ("Weatherford Hall'). Construction drawings for Weatherford Hall are complete and the construction budgets have been informed by recent bids from subcontractors and suppliers. Several regional banks have expressed interest in providing debt financing for Weatherford Hall. Equity is anticipated to be provided by affiliates of the developer and local investors.

The Hotel is planned to be funded with equity and debt financing. Several equity investors have expressed interest in the project. Confluence Companies has financing relationships with several lenders and brokers specializing in hospitality properties.

Residential Development.

TABLE II
Status of Residential Development

Development Type	Planned Builder	Financing Status	Expected Completion
Residential Condominiums	The Developer	TBD[1]	2031
Multifamily Development	The Developer	Negotiating Term Sheet[2]	2028

[1] See —*Residential Condominiums* herein.
[2] See —*Multifamily Development* herein.

Residential Condominiums. The Developer's currently planned 178 residential for sale condominiums in the Development have been zoned and approved by the Town and are expected to ne finally sited pursuant to the Brickyard SDP (as defined and described below) and in accordance with the Town Code on or after the date of issuance of the Bonds. According to the Developer, condominium units are expected to range from 850 square feet to 1,800 square feet with prices ranging from $475,000 to $825,000, respectively, with an average closing price of $644,184 according to the Market Study. Condominium owners are expected to have access to the amenities of the neighboring Hotel (as defined below) as well as structured parking. The Developer anticipates construction of the condominium units to begin in 2028 and be completed by 2031. See "DEVELOPMENT PHASING MAP" herein for a graphic

depiction of the phasing anticipated by the Developer related to the Residential Development. See "—The Developer and Related Entities—*Prior Castle Rock Projects*" below for a discussion around a prior 124-unit condominium project located in the Town that the parent company of the Developer previously developed.

Residential Condominiums Conceptual Rendering

Multi-Family Development. The Developer has generated a multi-family for-rent concept plan which included 298 units of class "A" multi-family rental housing that contains units ranging from studio apartments to three-bedroom/two-bathroom apartments and 500-square feet to 1,500 square feet, respectively. The Developer's currently planned 298 multi-family units in the Development are not yet platted and are expected to be approved pursuant to the Brickyard SDP (as defined and described below) and in accordance with the Town Code on or after the date of issuance of the Bonds. See "—Potential Multi-Family Development Site Plan" below. Per the concept plan, community amenities are expected to include (a) an elevated pool deck with a pool and hot tub, (b) a community club room with a golf simulator and spa component including a sauna and cold plunge tub, and (c) a health and wellness fitness facility. The Developer anticipates construction of the Multi-Family units to begin in 2025 and be completed by 2028. The Developer anticipates the Multi-Family Development to be developed like the 258 rental units in the Town that the Confluence Companies currently continues to manage. See "—The Developer and Related Entities—*Prior Castle Rock Projects*" below for a discussion of the rental apartment projects located in the Town that the parent company of the Developer previously developed.

Multi-Family Development Conceptual Rendering

Commercial Development. According to information provided by the Developer, the Development is anticipated to contain approximately 144,000 square feet of commercial retail, restaurant, entertainment, and office space and an approximately 125-room hotel. As of the date hereof, none of the Commercial Development is platted, although the Commercial Development is expected to be re-zoned pursuant to the Brickyard SDP (as defined and described below) and in accordance with the Town Code on or after the date of issuance of the Bonds. According to the Developer, it is currently marketing the Commercial Development to potential commercial tenants with certain portions subject to a purchase and sale agreement ("PSA") and others subject to letters of intent ("LOI"). See "TABLE III—Status of Commercial Development" for a summary of the current status of such marketing efforts. At full buildout, the Developer anticipates that the Commercial Development could include: (a) 29,980 square feet of retail and restaurant space which could include; clothing retailers, food and beverage retailers (restaurants, ice cream and coffee) and other retail experiences; (b) 54,131 square feet of medical and general office space; (c) a 125-room hotel with a 3,000 square foot restaurant; and (d) a 60,000 square foot bowling alley and entertainment center (the "Bowling Center"). The approximately 2.13 acres of land expected to comprise the Bowling and Entertainment Center is currently under contract for sale. The Developer is expected to construct the remainder of the Commercial Development (with the exception of the Bowling and Entertainment Center) and the Developer anticipates construction of the Commercial Development to begin in 2025 and be completed by 2028. The Developer is currently exploring financing sources for the construction of the Commercial Development and expects to have such financing in place prior to commencement of construction. See "Construction and Sales Activity; Purchase and Sale Agreements—*Bowling Center Purchase and Sale Agreement*" herein for a discussion of the current status of sales of units within the Commercial Development.

Land Ownership

As of the date of this Limited Offering Memorandum, the Developer owns all of the developable property within the Development. See "FINANCIAL INFORMATION OF THE DISTRICTS—Ad

Valorem Property Tax Data" and "RISK FACTORS—Financial Condition of the Developer and Related Entities" and "—The Developer and Related Entities" below. However, the Developer has executed certain purchase and sale agreements with commercial entities, including an entity that is to build and operate the Bowling and Entertainment Center on approximately 2.13 acres feet of the site. In addition, pursuant to the Town Recreation Center Agreement, the Developer will construct a new approximately 145,177 square foot recreation center to be dedicated the Town. The Town will own and operate the Town Recreation Center. The Town has financed the Town Recreation Center through certificates of participation, issued on August 6, 2025.

The Developer has entered into certain purchase and sale agreements for approximately 81,500 square feet of the developable commercial property within the development, including the approximate 60,000 square foot bowling alley and entertainment center. Current purchase and sale agreements have been executed with entities that include a local brewery, medical office, retail restaurant providers and a local marketplace. It is anticipated that the remaining commercial space ownership will be through commercial condominiums. See "*—Construction and Sales Activity; Purchase and Sale Agreements; Letters of Intent*."

TABLE III
Status of Commercial Development

Anticipated Type of Commercial Development	Approximate Size	Planned Developer	Financing Status	Subject to PSA, LOI
Bowling Alley	60,000 sq ft	Developer	Purchaser	PSA[1]
Hotel	99,000 sq ft (125 rooms)	Developer	Negotiating with possible lenders	N/A [2]
Dentist Office	4,100 sq ft	Developer	Lender LOI	PSA[3]
Brewery & Restaurant	5,500 sq ft	Developer	Lender LOI	PSA[4]
Veterinarian	4,000 sq ft	Developer	TBD	none
Ice Cream Shop	2,500 sq ft	Developer	TBD	LOI[†]
Coffee Shop/Market	2,500 sq ft	Developer	TBD	LOI[†]
Restaurant	4,500 sq ft	Developer	TBD	PSA[5]
Restaurant	6,000 sq ft	Developer	Lender LOI	PSA[6]
Pediatric	4,000 sq ft	Developer	Lender LOI	none
Physical Therapy	3,500 sq ft	Developer	TBD	LOI[†]
Other/Retail[1,2]		Developer	TBD	
Other/Office[1,3]		Developer	TBD	

[1] See —Construction and Sales Activity; Purchase and Sale Agreements—*Bowling Center Purchase and Sale Agreement* herein.
[2] The Developer has entered into an Operations Agreement with a hotel operator. See —Development Overview—*Hotel Castle Rock* herein.
[3] See —Construction and Sales Activity; Purchase and Sale Agreements—*The HQ Stroup Capital, LLC Purchase and Sale Agreement* herein.
[4] See —Construction and Sales Activity; Purchase and Sale Agreements—*The 308 CR, LLC Purchase and Sale Agreement* herein.
[5] See —Construction and Sales Activity; Purchase and Sale Agreements—*The Where Food Comes From Purchase and Sale Agreement* herein.
[6] See —Construction and Sales Activity; Purchase and Sale Agreements—*The MJ Meadows, LLC Purchase and Sale Agreement* herein.
[†] See —Construction and Sales Activity; Purchase and Sale Agreements—*Letters of Intent*" herein.

Hotel Castle Rock. According to the Developer, it plans to construct an approximately 125-room hotel to be known as Hotel Castle Rock (the "Hotel"). The Developer intends to construct the Hotel to be retreat style lodging with conference facilities, a wellness spa, dining, a fitness center and a pool. The Developer has entered into a contract with CoralTree Hospitality Group ("CoralTree") to manage the operations of the Hotel. Through its subsidiaries, Colorado-based CoralTree specializes in the management independent hotels and resorts. Launched in December 2018, CoralTree is a wholly-owned subsidiary of Los Angeles based Lowe from the acquisition of Two Roads Hospitality by Hyatt Hotels Corporation. The Developer is currently negotiating with several different potential financing sources to provide the financing for the construction and development of the Hotel.

Hotel Castle Rock is inspired by the Eddy Taproom & Hotel, Golden, CO (the "Eddy Hotel"), a property developed by Confluence Companies and operated by CoralTree. The Eddy Hotel is a 49-room

that features a popular restaurant and taproom on property and was recently featured in Condé Nast Traveler's Top 15 hotels in Colorado: Readers' Choice Awards 2024. In addition to representing independent and soft-branded properties, CoralTree is also an approved partner of major hotel brands such as Hilton, Marriott, Hyatt, and IHG. For a list of other properties managed by CoralTree see https://www.coraltreehospitality.com/.

The Hotel is expected to be open in 2028. Pursuant to the Market Study, an average room rate of $243 is forecasted for the Hotel.

Bowling and Entertainment Center. The Bowling and Entertainment Center is anticipated to include 56 bowling lanes for both league and open play, a full-service sports bar and restaurant, arcade games, Krazy Darts, axe throwing, golf simulation and other amusement activities. The planned operator of the center has over 30 years' experience managing a successful bowling center in nearby Arapahoe County. Currently there is no local bowing in the Castle Rock area with the nearest alleys over 12 miles north and 25 miles south.

Medical/Office Building. The Developer anticipates constructing approximately 54,131 square feet of medical and office space to be focused primarily in the Multi-Family building and in the freestanding Weatherford Hall described below.

Restaurant and Retail. The Developer anticipates constructing approximately 29,980 square feet of retail and restaurant space to be located on the ground floor of the Multi-Family Development and in Weatherford Hall. Weatherford Halls is anticipated to be a destination for dining and retail and will open up to Brickyard Square, a center for community events. Planned uses for Brickyard Square include winter ice skating and musical performances. Interested and committed retailers include restaurants and coffee and ice cream retailers. The second and third floors of Weatherford Hall will include Class A office space. In addition, the Developer expects a 3,000 square foot restaurant to be incorporated into the Hotel

Commercial Development Conceptual Rendering (Weatherford Hall)

Hotel Conceptual Rendering

The Developer is responsible for the provision of entitlements and is responsible for obtaining the necessary approvals from the Town to advance the Development in the manner described herein and is undertaking site development therefor, including site planning and engineering. The Developer is expected to be responsible for certain Public Improvements and infrastructure serving the Development, with the exception of off-site improvements that are currently expected to be the responsibility of the Districts.

Platting, Zoning/Land Use and Public Approvals

The development of the property comprising the Development will be subject to the Town's 2030 Vision and Comprehensive Master Plan (https://www.crgov.com/2442/Vision-and-Master-Plan), the Town Code and will be undertaken in accordance with: (a) limitations on land uses provided in the applicable zoning documentation, including the Brickyard SDP (defined below); (b) the subdivision of property in accordance with any final plat; (c) any development agreement, including the Development Agreement; and (d) the issuance by the Town of building permits and certificates of occupancy pursuant to the Town Code.

Platting. The Town's subdivision process, as set forth in its Town Code, provides for consideration and approval by Town Council of one or more site-specific "Plats," but only after consideration and approval of the applicable Brickyard SDP (described herein), and provided that simultaneous with a Plat there is to be executed a subdivision improvement agreement (as more particularly described below). Plat approval for the Development is required prior to the issuance of any building permit for property within the Development. None of the property within the Development is currently platted and, according to the Developer, the Brickyard SDP is anticipated to be finalized and recorded after the date of issuance of the Bonds.

Zoning. All of the property in the Development is subject to the Brickyard Site Development Plan, which is anticipated to be recorded in the records of the County after the date of issuance of the Bonds (the "Brickyard SDP"). The Brickyard SDP sets forth various permitted land uses and limits for the property. Pursuant to the Brickyard SDP, the current maximum aggregate amount of multifamily and condominium units allowed in the Development is 540 units and the total aggregate amount of non-residential developed square footage is 336,000 square feet, including the Town Recreation Center to be financed and owned by

the Town. The Developer plans to administratively amend the Brickyard SDP zoning to increase the non-residential square footage to allow an additional ten percent of the maximum allowable square footage of non-residential development to accommodate the approximate 60,000 square foot bowling alley and entertainment center.

Storm Water and Drainage. The Developer has prepared a master drainage plan providing the Developer's responsibility for on-site and off-site drainage improvements, including upsizing and undergrounding the storm sewer in Prairie Hawk Drive, increasing and tying into the Town's storm water system under Prairie Hawk Drive for the outfall from the onsite detention pond. Detention ponds, private storm sewers, underdrains, and other drainage facilities are to be owned and maintained by the Developer or the District unless otherwise agreed to by the Town. According to the Developer, no portion of the Development lies within a floodplain.

Water and Sewer Service. The Development will receive domestic water and sanitary sewer service from the Town in accordance with the Development Agreement and Public Finance Agreement upon compliance with the Town Code, Town Code, and other requirements, if any.

Land Dedication, Parks and Open Space. Certain public easements for utilities, rights-of-way for streets and other public ways, as well as land for parks and open space and other public purposes are to be dedicated to the Town or the District. During the site development plan and final plat process, the Developer will dedicate certain land to adhere to the Brickyard SDP and Town Code. The Brickyard SDP states that required public land dedication is to equal approximately 12.4 acres, 10.47 of which are identified for the Town Recreation Center. Cash-in-lieu of any further public land dedication is at the discretion of the Town. The Developer anticipates cash-in-lieu any further dedication for the remaining approximate 1.93 acres.

School Fees and Mitigation Fees. Douglas County Schools fees are handled by the Town, and pursuant to the Development Agreement, the Developer will not be required to pay any school dedication fees.

Development Impact Fees. The Town has established certain uniform development impact fees, as may be amended from time to time, that directly address the effect of development intended to occur within the Development upon the Town's infrastructure, administration, and delivery of governmental services, to which the Developer has agreed or will agree to the payment thereof (the "Development Impact Fees"). However, pursuant to the Public Finance Agreement the Town is waiving the transportation impact, park dedication and parks impact fees until 2035, a value over $10,000,000.

Statutory Vested Property Rights. In Colorado, property rights vest in a particular land use after a building permit has been issued and the Developer acts in reliance on it. Under certain circumstances, prior to the issuance of a building permit, State law provides for the "vesting" of property rights in a property owner for a specified period of time, during which the applicable municipality generally is not permitted to take any zoning or land use action which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay development or use of the property subject to the applicable zoning documents, or unilaterally amend the applicable zoning documents.

As set forth in the Town Code, vested property rights mean the right to undertake and complete the development and use of property under the terms and conditions of a site-specific development plan, subject to the land use regulation of the Town. Site specific development plan means and is limited to the final plat of a subdivision or a final site plan (for multi-family and commercial development) when approved by the Town Council by ordinance duly adopted. Pursuant to the Town Code, a property right which has been vested remains vested for a period of three years; except as provided in the State statute. Per the

Development Agreement, the Development will have Vested Property Rights (as defined in the Development Agreement) through March 1, 2045. The Brickyard SDP constitutes a site-specific development plan pursuant to Chapter 17.08 of the Town Code and §24-68-101, et seq., C.R.S., and establishes vested property rights that shall extend through March 1, 2045, to undertake and complete the development and use of the property in accordance with the Brickyard SDP. See "*—Development Plan*" below.

Development Plan. Pursuant The Developer is pursuing a site-wide and concurrent site development plan and final plat to be completed in 2025. The development plan is described in detail within the Brickyard SDP, which includes civil, landscape, and architectural plans, along with phasing and parking plan. Pursuant to the Developer, the Brickyard SDP is anticipated to be final and recorded in the County records after the date of issuance of the Bonds. The Developer plans to administratively amend the Brickyard SDP to increase the non-residential square footage to allow for the approximate 60,000 square foot bowling alley and entertainment center.

Notwithstanding the foregoing, development plans are subject to change, and no assurance is given that the Developer Entities will submit or that the Town will approve final plats in the manner or timeframe anticipated herein or at all See "RISK FACTORS—Development Not Assured."

Adjacent Town/Development Related Construction

Town Recreation Center. The Developer also intends to construct an approximately 145,177 square foot recreation center (the "Town Recreation Center") on behalf of the Town which will be dedicated to the Town pursuant to a Town Recreation Center Agreement approved by the Town on May 20, 2025 (the "Town Recreation Center Agreement"), between the Town and the Developer. The Town owns the site upon which the Town Recreation Center will be constructed and, as such, no Pledged Revenue will be generated by the Town Recreation Center or the land underlying the same. The Town Recreation Center will include a competition gymnasium, a recreational gymnasium, a competition pool with spectator seating for 200 people, an indoor adventure loop track and a flat track, fitness center, group fitness rooms, and meeting rooms. The Town Recreation Center is anticipated to have sufficient surface parking to accommodate its visitors. *The construction of the Town Recreation Center was financed by the Town through the Town's issuance of certificates of participation on August 6, 2025, and no proceeds of the Bonds will be used to construct the Town Recreation Center*

Castle Rock Downtown Trail Redevelopment. The Development is located immediately to the west of Interstate 25 and will be connected to the Town's existing trail system on the west and to the downtown area of the Town including Town Hall via the construction of the $5 million Industrial Tributary Trail. The Industrial Tributary Trail is a one mile long paved trail under Prairie Hawk Drive and the BNSF railroad line, connecting to the existing Plum Creek Trail along Plum Creek and beneath Interstate 25. The Town's trail extension can be found via the Town's website at: https://www.crgov.com/3640/Industrial-Tributary-Trail. The Industrial Tributary Trail will be financed by a $5 million grant from the Denver Regional Council of Governments Transportation Improvement Program. To the west of the Development the trial system will connect to Philip S. Miller Park, a regional park that includes an amphitheater, a field house with an indoor soccer field, trampoline park, kids play structure, and pool, a zipline and high ropes course, and mountain bike and hiking trails. Upon completion of the Development (as well as the construction of a new Town Recreation Center adjacent to the Development), it is anticipated the trail network will traverse the Development both in the western and eastern directions.

Agreements Concerning Public Improvements

For the purpose of providing assurances to the Town concerning the construction and funding of Public Improvements necessary to serve the Development, the following agreements have been executed, as further described below.

Development Agreement. The Development Agreement between the Developer and the Town, dated as of February 18, 2025, (the "Development Agreement") outlines the agreement between the Town of Castle Rock and the Developer, establishing reasonable conditions and requirements to be imposed upon the Development, and that these restrictions are imposed to protect and enhance the public health, safety and welfare of the Town and its residents. Except as specifically set forth to the contrary in the Development Agreement, and so long as the Developer has satisfied its obligation to develop the necessary public improvements set forth in the Development Agreement and under the Town Code, the Town is to provide the Development with Municipal Services (as defined in the Development Agreement) at an equivalent service level and on the same terms and conditions, including non-discriminatory fees and charges, as provided elsewhere to similarly-situated properties within its municipal boundaries. The Town reserves the right to contract with other governmental or private entities for delivery of Municipal Services to the Development, provided such service level is comparable to that provided by the Town in its proprietary capacity and services are provided on similar terms and conditions as provided to similar developments in other portions of the Town.

Public Finance Agreement. Pursuant to the Public Finance Agreement (as described more fully above), the Developer is required to perform certain duties with respect to "Public Improvements". The Public Finance Agreement defines public improvements to include all costs associated with the infrastructure, demolition of the existing ACME Brick facility, and the design and construction of Prairie Hawk Drive, Praxis Street (and off-site roadway from Plum Creek to the Development), and onsite grading roads, utilities, and parking. The total amount of the "Public Improvements" is estimated at $62,000,000 in PFA and such amounts are eligible for reimbursement under the Public Finance Agreement as "Eligible Improvements."

Subdivision Improvement Agreement. Pursuant to the Town Code and in connection with each subdivision filing, the subdivider, here, the Developer, is required to construct certain public improvements necessary to provide municipal utilities and services to the subdivision in accordance with Town Regulations. In order to memorialize such requirements, the Developer is expected to enter into a subdivision improvement agreement with the Town for each subdivision filing in the Development. The purpose of each subdivision improvement agreement is to address the conditions for construction of such improvements and certain other issues concerning the development of the subdivision.

Town Recreation Center Agreement. Pursuant to the Public Finance Agreement, the Developer is required to execute a Recreational Center Agreement whereby the Developer will dedicate land to the Town and construct an approximately 145,177 square foot recreational facility to be owned and operated, and financed by the Town. The Town approved the Recreational Center Agreement on May 20 and issued certificates of participation on August 6, 2025, to finance the construction of the Recreational Center. Although centrally located within the Development, it is expected that the Recreational Center will be owned by the Town and not located within any of the Districts.

Parking Garage Funding and Construction Agreements. The Developer and the District are expected to enter into agreements for the construction and operation of the two primary parking structures within the Development pursuant to the terms of Memorandum of Understanding to be executed before the issuance of the Bonds (the "Parking MOU"). Pursuant to the terms of the Parking MOU, the Developer will construct a parking garage as part of the construction of the apartment building constituting the Multi-

Family Development ("Garage No. 1") and a 2nd parking garage as part of the construction of the Hotel ("Garage No. 2"). It is anticipated that all or a portion of such garages will be constructed with proceeds of the Bonds to accommodate public parking within the Development. Upon its completion, it is anticipated that the Developer will purchase a portion of Garage No. 2 from the District for the parking needs of tenants and customers of the Development. Costs of the portion of Garage No. 2 to be so purchased are to be verified by a Cost Verification Report. To the extent any portion of Garage No. 2 to be purchased by the Developer is allocable to expenditure of proceeds of the Bonds of the District, the District shall remit such funds to the Trustee to the Project Fund.

Purchase and Sale Agreements;
Letters of Intent

Purchase and Sale Agreements. Certain of the property within the Development planned for commercial purposes is anticipated to be sold to commercial entities pursuant to purchase and sale agreements, respectively, as further described below.

The below described purchase and sale agreements are subject to various contingencies. No assurance is provided that the commercial property described below will be closed and sold to the respective purchasers on the terms and conditions described below, in the timeframe described below, or at all.

The Developer has entered into five separate Purchase and Sale Agreements (collectively, the "Purchase and Sale Agreements") with certain commercial vendors for property within the Development, including a local brewery, retail restaurants, a medical provider and a bowling and entertainment provider. and an entity providing third-party food verification services.

Pursuant to the Purchase and Sale Agreements, the Developer is responsible for developing each commercial space in accordance with the agreed upon "Commercial Unit Plan" attached to the applicable Purchase and Sale Agreement. The closing of the Purchase and Sale Agreements will occur on the date and time no sooner than 20 days and no longer than 31 days after written notice of substantial completion of the applicable commercial space is provided to the respective purchaser.

Bowling Center Purchase and Sale Agreement. The Developer and The Bowl @ Castle Rock LLC (the "Bowling Center Entity") have executed a Purchase and Sale Agreement Brickyard, effective as of July 1, 2025 (the "Bowling Center PSA"). Pursuant to the Bowling Center PSA, the Developer has agreed to sell and the Bowling Center Entity has agreed to purchase approximately 2.13 acres within the Development, together with all rights, permits, privileges, licenses, and easements appurtenant thereto and all vegetation and improvements located thereon, and any additional rights and interest (if any) of the Developer, as more specifically set forth therein (collectively, the "Property"). The Bowling Center Entity has deposited $18,600 in earnest money deposit (the "Initial Deposit"). The total purchase price of the Property is approximately $930,000 (the "Purchase Price"), to be determined based on the commercial plat and a formula within the Bowling Center PSA. Payment of the Purchase Price is expected to occur on or about the issuance of the Series 2025 Bonds. The Purchase Price is to be payable by delivery of cash or other immediately available funds, subject to adjustments, prorations and credits as provided in the Bowling Center PSA. The Earnest Money is to be applied to the Purchase Price at Closing.

The 308 CR, LLC Purchase and Sale Agreement. The Developer and 308 CR, LLC ("308 CR") entered into a Purchase and Sale Agreement dated February 11, 2025, for the purchase of a Commercial Unit C 102 ("Unit C 102") within the Development (the "Unit C 102 PSA"). Unit C 102 is expected to be an approximate 5,500 square foot brewery and restaurant located on the ground floor of the apartment building constituting the Multi-Family Development. The Unit C-102 PSA provides the details for 308

CR's purchase of Unit C 102 including purchase price and various closing conditions thereto. The Unit C 102 PSA also provides that 308 CR may terminate the Unit C 102 PSA at any time during the due diligence period (as defined in therein). 308 CR has made an initial deposit of $5,000 in connection with its purchase of Unit C 102 and will need to make an additional deposit upon the Developer's commencement of vertical construction of Unit C 102 in order to proceed with its purchase of Unit C 102. The Unit C 102 PSA transaction is scheduled to close no sooner than 20 days nor longer than 30 days after the date of the completion notice (as defined therein), subject to extensions and force majeure delays as set forth therein. It is currently expected that 308 CR will operate a Brewery and Restaurant in Unit C 102. The Developer currently expects the Unit C 102 transaction to close as described herein. However, the Unit C 102 PSA transaction is in an early stage and no assurance is given that the Unit C 102 PSA transaction will close as currently contemplated or at all.

The Where Food Comes From Purchase and Sale Agreement. The Developer and Where Food Comes From, Inc. ("WFCFI") entered into a Purchase and Sale Agreement dated January 28, 2025, for the purchase of Commercial Unit ST 101 ("Unit ST 101") within the Development (the "ST 101 PSA"). Unit ST 101 is expected to be an approximate 4,100 square foot restaurant located in Weatherford Hall. The ST 101 PSA provides the details for WFCFI's purchase of ST 101 including purchase price and various closing conditions thereto. The ST 101 PSA also provides that WFCFI may terminate the ST 101 PSA at any time during the due diligence period (as defined in therein). WFCFI has made an initial deposit of $5,000 in connection with its purchase of Unit ST 101 and will need to make an additional deposit upon the Developer's commencement of vertical construction of Unit ST 101 in order to proceed with its purchase of Unit ST 101. The ST 101 PSA transaction is scheduled to close no sooner than 20 days nor longer than 30 days after the date of the completion notice (as defined therein), subject to extensions and force majeure delays as set forth therein. It is currently expected that WFCFI will operate a Restaurant in ST 101. The Developer currently expects the ST 101 transaction to close as described herein. However, the ST 101 PSA transaction is in an early stage and no assurance is given that the ST 101 PSA transaction will close as currently contemplated or at all.

The HQ Stroup Capital, LLC Purchase and Sale Agreement. The Developer and HQ Stroup Capital, LLC ("Stroup") entered into a Purchase and Sale Agreement dated August 8, 2024, for the purchase of a commercial unit (the "Stroup Unit") within the Development (the "Stroup PSA"). The Stroup Unit is expected to be a 6,000 square foot dental office located on the ground floor of the apartment building constituting the Multi-Family Development. The Stroup PSA provides the details for Stroup's purchase of ST 101 including purchase price and various closing conditions thereto. Stroup has made an initial deposit of $5,000 in connection with its purchase of the Stroup Unit and will need to make an additional deposit upon the Developer's commencement of vertical construction of the Stroup Unit in order to proceed with its purchase of the Stroup Unit. The Stroup PSA transaction is scheduled to close no sooner than 21 days nor longer than 35 days after the date of the completion notice (as defined therein), subject to extensions and force majeure delays as set forth therein. It is currently expected that Stroup will operate a dental office in the Stroup Unit. The Developer currently expects the Stroup Unit transaction to close as described herein. However, the Stroup PSA transaction is in an early stage and no assurance is given that the Stroup PSA transaction will close as currently contemplated or at all.

The MJ Meadows, LLC Purchase and Sale Agreement. The Developer and MJ Meadows, LLC ("MJ Meadows") entered into a Purchase and Sale Agreement dated January 16, 2025 (the "MJ Meadows PSA"), for the purchase of a 6,000 square foot commercial unit (the "MJ Meadows Unit") within the Development. The MJ Meadows Unit is expected to be built out as two 3,000 square foot restaurants located in Weatherford Hall. The MJ Meadows PSA provides the details for MJ Meadows's purchase of C 101 including purchase price and various closing conditions thereto. MJ Meadows has made an initial deposit of $45,000 in connection with its purchase of the MJ Meadows Unit and will need to make an additional deposit upon the Developer's commencement of vertical construction of the MJ Meadows Unit in order to

proceed with its purchase of the MJ Meadows Unit. The MJ Meadows PSA transaction is scheduled to close no longer than 30 days after the date of the completion notice (as defined therein), subject to any extensions and force majeure delays as set forth therein. It is currently expected that MJ Meadows will operate a restaurant in the MJ Meadows Unit. The Developer currently expects the MJ Meadows Unit transaction to close as described herein. However, the MJ Meadows PSA transaction is in an early stage and no assurance is given that the MJ Meadows PSA transaction will close as currently contemplated or at all.

No assurance is given that the commercial space under contract for purchase will proceed to closing, or that commercial operations will begin in any particular timeframe or at all.

Letters of Intent. The Developer is currently negotiating letters of intent to sell or lease retail space within the Development setting forth the terms and conditions upon which commercial vendors may be interested in purchasing or leasing retail space within the Development and operating in such space. Letters of Intent are non-binding on the either the Developer or prospective purchasers/lessors.

Lolley's Ice Cream. The Developer is currently negotiating a letter of intent to lease retail space within the Development with Lolley's Ice Cream ("Lolley's") dated June 25, 2025 (the "Lolley's Letter") setting forth the terms and conditions upon which Lolley's may be interested in leasing or purchasing retail space within the Development and operating an ice cream shop in such space. The Lolley's Letter is non-binding on the either the Developer or Lolley's. According to the Developer, Lolley's and the Developer continue to negotiate a lease for Lolley's to lease certain retail space within the Development.

Square Lights, LLC. The Developer is currently negotiating a letter of intent to lease retail space within the Development with Square Lights, LLC ("Square Lights") dated May 27, 2025 (the "Square Lights Letter") setting forth the terms and conditions upon which Square Lights may be interested in leasing or purchasing retail space within the Development and operating a coffee shop/marketplace in such space. The Square Lights Letter is non-binding on the either the Developer or Square Lights. According to the Developer, Square Lights and the Developer continue to negotiate a lease for Square Lights to lease certain retail space within the Development.

Physical Therapy Entity. The Developer is currently negotiating a letter of intent to lease commercial space within the Development with a certain individual, dated January 9, 2024 (the "TBD Letter") setting forth the terms and conditions upon which such entity may be interested in leasing or purchasing certain commercial space within the Development and operating a physical therapy practice in such space. The TBD Letter is non-binding on the either the Developer or said individual. According to the Developer, said individual and the Developer continue to negotiate a lease for certain commercial space within the Development.

No assurance is given that the commercial space subject to discussions under any letter of intent will lead to a purchase and sale agreement, lease agreement, or that anything will proceed to closing, or that commercial operations will begin in any particular timeframe or at all.

Status of Construction and Funding of Public Improvements and Infrastructure

As of August 2025, the only Public Improvements completed in the Development, funded by the Developer, were demolition of a decommissioned brick factory and approximately 25% of the grading effort required to be done on site. No other Public Improvements or vertical construction has commenced within the Development.

According to the Developer, the total cost of Public Improvements $62,306,253 will be funded jointly between the Districts and the Developer. Net Series 2025 Bond proceeds of approximately [$55,000,000] will be supplemented by a Developer contribution of approximately [$7,300,000]. See "TABLE IV—Approximate Projected Public Improvements and Costs," and "TABLE V—Sources and Uses of Funds for the Development" below. Other than the construction of the Public Improvements in the approximate amount of $4,000,000, as of the date of this Limited Offering Memorandum, no construction of the public or private infrastructure necessary to serve the Development has commenced. According to the Developer certain Public Improvements and infrastructure construction commenced in the second quarter of 2025. Public Improvements and infrastructure construction will be complete by the fourth quarter of 2027.

It is anticipated that a portion of the net proceeds of the Bonds will be applied to reimburse the Developer in accordance with the Facilities Funding and Acquisition Agreement for a portion of the costs of the District-eligible Public Improvements funded directly by the Developer.

Completion of the Development will require the completion of Public Improvements in accordance with the requirements of the Public Finance Agreement, Development Agreement, any other development agreements or any construction documents, as applicable. See "—Agreements Concerning Public Improvements" above. The Public Improvements required for the Development are anticipated to be generally comprised of streets, traffic and safety controls, water, sewer, drainage and detention, landscaping, parks, trails, and open space improvements. Upon completion, according to the Developer, it is anticipated that (a) the Town will own, operate and maintain Prairie Hawk Street and Praxis Street, internal collector roads and access roads; (b) the Town will own and operate the Town Recreation Center; and (c) the Districts will own and it is anticipated that a master HOA will operate and maintain park, open space and landscaping improvements.

Certain Public Improvements and private improvements are anticipated to be funded and constructed by the Developer (and reimbursed in part by the Districts). The Town will be responsible for financing the construction of the Town Recreation Center by the Developer. Construction of certain Public Improvements began in 2025 and all Public Improvements are anticipated to be complete by 2027.

According to the Developer, the total cost estimates of Public Improvements and private improvements required to be constructed for the Development are set forth in "TABLE IV—Approximate Projected Off-site Public Improvements and Costs," "TABLE V—Approximate Projected On-site Public Improvements" and "TABLE VI—Sources and Uses of Funds for the Development" below. Approximately $62,306,253 of such improvements are estimated to constitute costs of Eligible Improvements eligible for reimbursement by the District (including the costs of all Public Improvements required to be constructed in accordance with the Public Finance Agreement and the Developer's agreements, including the Facilities Funding and Acquisition Agreement). *The estimates of infrastructure required for the Development described herein exclude the costs of vertical construction of any portion of the Development.*

A description of the planned off-site and on-site public improvements, including, but not limited to, the construction, design, approvals and other associated costs for the Development are set forth in the table below:

TABLE IV
Approximate Projected Public Improvements and Costs

	Total[1]
Site Demolition	$ 1,860,417
Grading	3,597,036
Parking	3,509,000
Structured Parking	16,415,000
Retaining Walls	1,840,626
Roadways and Utilities (Offsite)	14,275,000
Roadways and Utilities (Onsite)	11,999,900
Industrial Tributary Trail & Drainage Culvert	1,169,437
Open Space	1,446,056
Soft Costs	2,856,677
Supervision and Construction Management Fees	1,697,112
Reasonable Contingency	1,639,992
Total Costs[1]	$62,306,253

[1] Totals may not add due to rounding.
Source: The Developer

The table below provides the Developer's projections regarding the expenditure of public improvements costs and private improvement costs in connection with the Development.

TABLE V
Sources and Uses of Funds for the Development

	2025	2026	2027	2028	2029	2030	Total[1]
SOURCES:							
Equity	$ 1,000,000	$ 35,092,968	$ 3,865,270	$ 30,626,791	$ 8,907,515	-	$ 79,492,544
Development Loans	-	65,479,589	9,018,964	72,226,586	26,722,544	-	173,447,683
Bond Proceeds[1]	55,206,235					-	55,206,235
Town Recreation Center[3] Contribution	82,900,000					-	82,900,000
Total[2]	$139,106,235	$100,572,557	$12,884,234	$102,853,377	$35,630,059	-	$391,046,462
USES:							
Development Costs	1,000,000	30,171,767	51,574,702	62,566,335	79,325,216	$28,302,207	252,940,227
District Funded Public Infrastructure	15,000,000	30,000,000	10,206,235	-	-	-	55,206,235
Town Recreation Center[3]	82,900,000						82,900,000
Total[2]	$ 98,900,000	$ 60,171,767	$ 61,780,937	$ 62,566,335	$79,325,216	$28,302,207	$391,046,462

[1] Reflects proceeds of the Series 2025 Bonds. Preliminary; subject to change.
[2] Totals may not add due to rounding.
[3] The Town has financed the Town Recreation Center through certificates of participation, issued on August 6, 2025, and the Town Recreation Center is not being financed with the proceeds of the Bonds.
Source: The Developer

No assurance is provided that the Public Improvements and private improvements will be constructed in the foregoing timeframe, in the amount anticipated, or at all. No assurance is provided that the Developer will have sufficient financing available to cause the construction of the required Public

Improvements and private improvements necessary for the development of the property in the Development as described herein. See "RISK FACTORS—Development Not Assured" herein.

Land Acquisition; Encumbrances on Land

The following describes certain encumbrances presently existing on all or portions of the property comprising the Development, to the extent known by the Developer. Such property is also subject to various easements, federal and State land patents, and rights of way of record which, to the extent of record only, the Developer has reviewed, and the Developer does not believe is inconsistent with the development of the property as described herein. Property within the Development may be subjected to additional encumbrances as development progresses. No assurance is given that encumbrances will not be recorded against portions of the Development that impact the ability of the Development to be carried out as presently planned.

Land Acquisition. In 2020, the Developer acquired the land constituting the Development for approximately $7.0 million. A deed of trust was recorded in the real property records of Douglas County, Colorado on December 16, 2020, at reference number 2020124739. A Subsequent deed of trust was recorded in the real property records of Douglas County, Colorado on October 7, 2024 at reference number 2024042755.

Appraisals. An appraisal report was conducted in March of 2025 on the property encompassing the Districts for the purpose of removal of the collateral for the Town Recreation Center. The appraised value was $13,555,000[†].

Covenants, Conditions and Restrictions. It is anticipated the Developer will record one or more declarations of covenants, conditions, and restrictions on the property within the Development, including the Credit PIF Covenant and the Add-On PIF Covenant. In addition, it is anticipated that the Developer will establish one or more homeowners associations for certain of the property within the Development; however, no HOA has been established yet and there is no assurance that the Developer will do so. According to the Developer, it is anticipated that a master HOA will be responsible for the operation and maintenance of park, open space and landscaping improvements in the Development. See "RISK FACTORS—Risks Related to PIF Revenue" and "THE BONDS—Security for the Bonds—*PIF Revenues*" herein.

Other Encumbrances. All of the developable property planned for the Development is presently owned by the Developer. Property within the Development may be subjected to additional encumbrances as development progresses. No assurance is given that encumbrances will not be recorded against portions of the Development that would impact the ability of the Development to be carried out as presently planned. The property is also subject to easements and rights of way of record.

Oil and Gas Matters

No active wells are currently located within the Development.

Environmental Matters and Potential Nuisances

Certain studies were undertaken with respect to the property in the Development. There is no assurance that there are not conditions that exist on the property that were unknown at the time of such

[†] The $13,555,000 appraisal includes the approximate 10.47 acre parcel of land to be dedicated for the Recreation Center and will not be included in the Development.

studies, and such condition(s), if any, could require further action in addition to the recommendations provided in such studies. In addition, there can be no assurance that during or subsequent to the development of the property hazardous materials or other adverse environmental conditions, or adverse soil conditions will not be discovered on the property which could hinder or prohibit further development. Should such a discovery occur, it is possible that the Development and marketing of the Development could be materially adversely affected.

Environmental Site Assessments. Confluence Companies commissioned a Phase I Environmental Site Assessment Report by Cornell and Associates, a Colorado Limited Liability Company ("C&A"). C&A prepared a Phase I Environmental Site Assessment Report dated October 5, 2020 (the "Phase I Study"). As a result of the Phase I Study findings, Confluence Companies commissioned a Phase II Environmental Site Assessment Report by C&A. C&A prepared a Phase II Environmental Site Assessment Report dated November 3, 2020 (the "Phase II Study"). See "RISK FACTORS—Environmental Matters and Potential Nuisances" herein.

Geotechnical Study. Professional Services Industries, Inc. completed a Report of Preliminary Geotechnical Engineering Evaluation dated October 24, 2020, for the purpose of describing the subsurface strata and the preliminary geotechnical recommendations for development of the Development (the "PSI Report"). The PSI Report made certain recommendations, based on site and subsurface conditions encountered, for the design and construction of foundations, pavements and slabs.

Proximity to Interstate 25. The Development is near Interstate 25, a major interstate highway that runs north and south of the Denver metropolitan area. Property near to Interstate 25 may experience effects from noise, particulate pollution, or dust from vehicle traffic, and no assurance is provided that the proximity of the Development to Interstate 25 will not adversely affect will not adversely affect the Development, including the sale of condominiums or leasing of apartments within the Multi-Family Development.

Other Property Assessments. The foregoing describes assessments conducted on behalf of the Developer with respect to the property comprising the Development. It is possible that future property owners will obtain additional geotechnical and other studies and/or assessments of the property for the purpose of identifying conditions of the subject property that may impact development and making recommendations for the appropriate course of particular development activities. However, no such reports, if any, have been made available to the District or the Developer.

Market Study

The District has retained Zonda Advisory, Centennial, Colorado (as previously defined, "Market Consultant") to prepare a report, dated July [31], 2025 (as previously defined, the "Market Study") to assesses the pricing and annual absorption for the Development based upon an analysis of the market area as well as other competing communities, conceptually competitive developments and other factors more particularly set forth in the Market Study. The Market Study contains the estimated development value of certain property anticipated to be developed within the Development, which is based on certain assumptions more particularly set forth therein. The Market Study is attached hereto as APPENDIX B and should be read in its entirety by prospective purchasers of the Series 2025 Bonds. See also "FORWARD-LOOKING STATEMENTS" and "RISK FACTORS—Risks Inherent in the Financial Forecast and the Market Study."

No assurance is provided that the Development will be completed in the manner and in the timeframes described herein or at all or that property within the Development will ultimately achieve the anticipated values described herein, in the Market Study or the Financial Forecast.

Marketing and Advertising

The Developer's in-house marketing team has commenced marketing the entire Development. The Developer, through Confluence's real estate broker entity (Clear Creek Real Estate), will act as the commercial broker for the Development and has begun entering into PSAs and LOIs for the Commercial Development. The Developer's efforts to market the Residential Condominiums and the Multi-Family Development have been established and are being used to market the property including local signage and the Development's website (https://thebrickyardcr.com/). Additional marketing efforts are expected to include social media, print and radio advertising, grand opening events, and model homes with an on-site sales force. None of such marketing materials are deemed incorporated into this Limited Offering Memorandum

Competition

The Development is expected to compete with active competitive mixed-use residential and commercial developments in the Town, and surrounding areas. Such competition may adversely affect the rate of development within the District, all as more particularly described in the Market Study attached as APPENDIX B.

Schools

The Development is currently served by Douglas County School District, including the following schools:

Douglas County School District

Name of School	Grades Served	Approximate Distance From the Development
Clear Sky Elementary School	Pre-K – 6	3.1 miles
Castle Rock Middle School	7-8	3.1 miles
Castle View High School	9-12	3.4 miles

The Developer and Related Entities

The Developer. CD-ACME, LLC, a Colorado limited liability company (as previously defined, the "Developer") filed its Articles of Organization ("Articles") with the Colorado Secretary of State (the "Secretary of State") on September 3, 2020, and operates pursuant to an operating agreement dated October 15, 2020 (the "CD-Acme Operating Agreement"). Pursuant to the CD-Acme Operating Agreement, the Developer is manager managed and was organized for the purpose of real estate development. The manager of the Developer is Confluence Companies, LLC (as previously defined "Confluence Companies"), with the founding members of the Developer being Timothy J. Walsh, Anthony J. De Simone and Matthew B. McBride, with each member holding a 33.33% interest. As of the date of this Limited Offering Memorandum, all of the developable property comprising the Development (and, therefore, the developable property within the Districts) is owned by the Developer. Confluence Companies was formed in 2012 with an aim to combine collective real estate development experience of its three founders. "Developer Entities" as used herein means Confluence Companies, the Developer, their wholly-owned subsidiaries and any related entities.

Prior Castle Rock Projects. Since 2012, Confluence Companies have successfully developed over 4,300 residential units in Colorado's Front Range, including 124 condominiums and 258 rental units in the

Town that the Confluence Companies currently continues to manage. Riverwalk and Riverwalk Luxe (collectively, the "Riverwalk Development") are 230-unit and 28-unit multi-family buildings, respectively, that also integrate an aggregate approximate 69,000 square feet of commercial retail and office space within the Riverwalk Development. According to the Developer, the multi-family aspect of the Riverwalk Development consistently achieves occupancy rates over 95% and has achieved annual rent growth since opening.

The Developer intends that the Residential Condominiums and the rest of the Development will be similar in design and location to its development named Encore, a mixed-use project with 124-unit condominiums located in the Town (the "Encore Development"). The Encore Development is approximately one-half mile from the Development and constructed by the Developer. The Developer completed the Encore Development located at the Town's Riverwalk in 2021. In addition to the residential units, the Encore Development included approximately 30,000 square feet of ground-floor commercial condominiums and a 601-stall public/private parking structure. The Encore Development's residential condominiums were 100% pre-sold and fulfilled the demand for high-end condominiums in the Town. At the time of the completion of construction, all of the residential and commercial condominiums at the Encore Development were under contract to sell. Closings began in mid-September 2021, and the final closing was completed in mid-December 2021. The Developer anticipates similar demand for the Residential Condominiums to be constructed in the Development. Through these past projects, Confluence Companies has established numerous relationships with brokers, local businesses, and the community that are anticipated to be called upon in completion of the Commercial Development.

Key Project Personnel.

Tony De Simone, CEO. Mr. De Simone is a founding member of Confluence Companies. He graduated with honors from the United States Military Academy with a B.S. in Mathematics and earning a master's degree in Engineering & Construction Management from the Missouri Institute of Science and Technology. As a former U.S. Army Engineer Officer, Mr. De Simone managed some of the largest U.S. Army construction projects completed globally during Operation Iraqi Freedom. After his Army career, he started in residential real estate development as a senior manager for Toll Brothers, Inc, America's leading builder of luxury homes. Mr. De Simone developed his insights on land planning, deal modeling, and residential construction while managing the development of some of Colorado's most prestigious neighborhoods before founding Confluence Companies in 2006.

Matt McBride, President Construction. Mr. McBride is the third founding member of Confluence Companies. Before joining Confluence, Mr. McBride worked in general contracting for a large regional GC and a national apartment builder. During his career, Mr. McBride has built over 3,000 apartments and condominiums, ski resort base villages, hotels, museums and offices. He graduated with an M.S. in Real Estate and Construction Management from The University of Denver and a B.S. in Civil Engineering from the University of Colorado. He is also a LEED Accredited Professional (LEED AP). Matt runs the day-to-day operations of Confluence Builders and takes on the role of Project Executive over select development deals.

Dan Tovado, Director of Development. Mr. Tovado joined Confluence Companies as a project engineer in 2014 after graduating from University of Colorado with a Civil Engineering degree. In the past decade, Mr. Tovado has successfully managed over $100 million of construction projects. With Mr. Tovado's knowledge of multi-family, hospitality, and mixed use residential design and construction, he now serves as the Director of Development managing a team of financial analysts and preconstruction engineers. In his role, Mr. Tovado oversees every aspect of the development phase of Confluence Companies projects, including municipal entitlements and approvals, preconstruction cost estimating and design management.

FINANCIAL INFORMATION OF THE DISTRICTS

The Bonds are payable from, among other sources, revenues resulting from certain ad valorem property taxes imposed by the District. Certain information pertaining to such ad valorem property taxes and other Pledged Revenue (with respect to the Bonds), as well as other financial information of the District is set forth below. Not all ad valorem property taxes and fees that are or may be imposed by the District as described herein are pledged to the payment of the Bonds. For a complete description of revenues pledged to the payment of the Bonds, see "THE BONDS—Security for the Bonds."

Ad Valorem Property Taxes

The Boards of the Districts 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 applicable Districts. Property taxes are uniformly levied against the assessed valuation of all taxable property within the Districts. The property subject to taxation, the assessment of such property, and the property tax procedure and collections are discussed below. The Districts' ability to impose ad valorem property taxes is subject to, among other limitations, the limitations set forth in the Service Plans. See "THE DISTRICTS—Service Plan Authorizations and Limitations.

Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses. Article X, Section 3.5 of the State Constitution grants a property tax reduction to qualified senior citizens, qualified disabled veterans and qualified surviving spouses of US armed forces service members who died in the line of duty or veterans whose death resulted from a service-related injury or disease. 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 In addition, for property tax years 2025 and 2026, the assessed value of owner-occupied senior primary residences for those who have previously qualified for the existing senior homestead exemption but are currently ineligible is reduced with the State reimbursing local governments for any decrease in property tax revenue resulting from the reduction.

Property Subject to Taxation. Both real and personal property located within the boundaries of the Districts, unless exempt, are subject to taxation by the Districts. 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 nonprofit 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 2023 levy/2024 collection year are based on market data obtained from the period January 1, 2021–June 30, 2022. "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.

The assessed value of taxable property is then determined by multiplying the "actual" value (determined as described in the immediately preceding paragraph) times an assessment ratio.

Gallagher Amendment Repeal. The assessment ratio of residential property previously changed from year to year based on a constitutionally mandated requirement to keep the ratio of the assessed value of commercial property to residential property at the same level as it was in the assessment year commencing January 1, 1985 (the "Gallagher Amendment"). The Gallagher Amendment required that statewide residential assessed values be approximately 45% of the total assessed value in the State with commercial and other assessed values making up the other 55% of the assessed values in the State. In order to maintain this 45% to 55% ratio, the commercial assessment rate was established at 29% of the actual value of commercial property (including vacant land and undeveloped lots) and the residential assessment rate fluctuated. The residential assessment ratio (which is a percentage of the "actual" value of property as determined by the county assessor) had been 7.96% since the 2003 assessment year; however, the residential rate changed to 7.20% for assessment years 2017 and 2018 (collection years 2018 and 2019) and further reduced to 7.15% for assessment years 2019 and 2020 (collection years 2020 and 2021).

In 2020, voters in Colorado approved a constitutional amendment to repeal the Gallagher Amendment (the "Gallagher Amendment Repeal"). As a result, assessment ratios are frozen at their current levels until the next assessment year for which the Colorado General Assembly adjusts one or more of the assessment ratios. The Gallagher Amendment Repeal still permits the Colorado General Assembly to adjust any assessment ratio in a downward fashion but no longer obligates a downward residential assessment ratio (an upward adjustment may require a state-wide vote under the State Constitution.

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Current Assessment Ratios. Since 2020, the General Assembly has enacted property tax legislation, among other things, creating new property classes and adjusting the assessment ratios for various property classes. The below table sets forth information regarding the current assessment ratios for residential and commercial property classes in the State.

	2022	2023		2024		2025		2026		2027 and Future Years	
Type of Property	**2022 Assessment Rate**	**2023 Assessment Rate**	**2023 Actual Value Adjustment**	**2024 Assessment Rate**	**2024 Actual Value Adjustment**	**2025 Assessment Rate [1]**	**2025 Actual Value Adjustment**	**2026 Assessment Rate [1]**	**2026 Actual Value Adjustment**	**Assessment Rate [1]**	**Actual Value Adjustment**
Residential:											
Multi-Family	6.8%	6.7%	-$55,000	6.7%	-$55,000	6.15% (growth rate > 5%) [2] 6.25% (growth rate < 5%) [2]	-- [3]	6.7% (growth rate > 5%) [2] 6.8% (growth rate < 5%) [2]	- lesser of 10% of actual value or $70,000 3, 4	6.7% (growth rate > 5%) [2] 6.8% (growth rate < 5%) [2]	- lesser of 10% of actual value or $70,000 [3, 4]
All Other Residential	6.95%	6.7%	-$55,000	6.7%	-$55,000	6.15% (growth rate > 5%) [2] 6.25% (growth rate < 5%) [2]	-- [3]	6.7% (growth rate > 5%) [2] 6.8% (growth rate < 5%) [2]	- lesser of 10% of actual value or $70,000 3, 4	6.7% (growth rate > 5%) [2] 6.8% (growth rate < 5%) [2]	- lesser of 10% of actual value or $70,000 [3, 4]
Non-Residential:											
Lodging	29%	27.9%	-$30,000	27.9%	-$30,000	27%	--	25%	--	25%	--
Renewable Energy	26.4%	26.4%	--	26.4%	--	27%	--	26%	--	25%	--
Agricultural	26.4%	26.4%	--	26.4%	--	27%	--	25%	--	25%	--
Vacant Land	29%	27.9%	--	27.9%	--	27%	--	26%	--	25%	--
Commercial	29%	27.9%	-$30,000	27.9%	-$30,000	27%	--	25%	--	25%	--
Industrial	29%	27.9%	--	27.9%	--	27%	--	26%	--	25%	--

[1] This table reflects the residential assessment rate for purposes of a mill levy imposed by a local governmental entity only. Legislation passed in 2024 created different residential assessment rates for purposes of a mill levy imposed by a school district.
[2] The applicable residential ratio for 2025 and 2026 will be determined by a statewide actual growth rate.
[3] For property tax years 2025-2026, if there are sufficient excess state revenues, the valuation for assessment for qualified senior primary residential real property is reduced. See "—Reimbursed Property Tax Reduction for Senior Citizens, Disabled Veterans, and Surviving Spouses."
[4] The amount of $70,000 is to be increased for inflation in the first year of each subsequent reassessment.

Certain local governments are eligible for reimbursement for reductions in property tax revenue resulting from the temporary reductions in the assessment rates described above. However, because the Districts are required to adjust the Required Mill Levy and the Mandatory Capital Levy, as applicable, in the event of in the event of changes in the method of calculating assessed valuation, as described herein, it is not anticipated that the Districts will have a reduction in property tax revenue from the above-described changes in assessment rates.

The Financial Forecast assumes the assessment ratio for all residential property will be 6.25% in year 2025 (for collection in 2026), and also assumes the assessment rate for all residential property will be 6.8% of the actual value of such property, as reduced by the lesser of 10% of the actual value of the property or $70,000, as increased for inflation, in year 2026 (for collection in 2027). The Financial Forecast then further assumes the assessment ratio for all residential property will remain at 6.8% of the actual value of such property, as reduced by the lesser of 10% of the actual value of the property or $70,000, as increased for inflation in the first year of each subsequent assessment cycle beginning in 2027 (for collection in 2028) and remaining at the same levels throughout the remainder of the Financial Forecast. The Financial Forecast also assumes the assessment ratio for all nonresidential property will remain at 25%, beginning in tax collection year 2028, and throughout the remainder of the Financial Forecast. *The Financial Forecast does not reflect any other changes to the assessment ratios that may be enacted into law in the future. See "— Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land." Any changes to the assessment ratios are not anticipated to affect the amount of revenue derived from the Required Mill Levy or the Mandatory Capital Levy of District No. 2 and District No. 3 due to language in the definitions thereof requiring adjustment thereof in the event of changes in the method of calculating assessed valuation. However, see "RISK FACTORS—Risk of Reductions in Assessed Value; Assessed Valuation Procedures and Factors; Market Value of Land" and "FINANCIAL INFORMATION OF THE DISTRICTS—Ad Valorem Property Taxes—Assessment of Property.*"

Property Tax Limit. In addition to the above-described assessment ratios, local governments are also subject to an annual limit (the "Property Tax Limit") on property tax revenue for a given property tax year (the "Qualified Property Tax Revenue"). To prevent the Qualified Property Tax Revenue from exceeding the Property Tax Limit, the local governmental entity is required to either (a) enact a temporary property tax credit or (b) temporarily reduce the mill levy imposed by the local governmental entity. In the event the local governmental entity does not comply with either (a) or (b), then it is required to refund any Qualified Property Tax Revenue in excess of the Property Tax Limit.

The Property Tax Limit is generally calculated as the Base Amount of the Qualified Property Tax Revenue increased by the total of the Growth Rate Percentage and then increased by the Carryover Amount. The "Base Amount" means the amount of Qualified Property Tax Revenue collected and lawfully retained from whichever property tax year in a previous reassessment cycle was the property tax year for which the District collected and lawfully retained the most property tax revenue. "Carryover Amount" generally means the difference between the Base Amount that was applicable for the most recent reassessment cycle increased by the Growth Rate Percentage for that reassessment cycle, and the Qualified Property Tax Revenue from the year with the greatest Qualified Property Tax Revenue from the most recent reassessment cycle. "Growth Rate Percentage" means 5.25% multiplied by the number of property tax years in the current reassessment cycle.

Qualified Property Tax Revenue is exclusive of property tax revenue from certain sources, including, among other things, new construction, annexed property, revenue attributable to the expiration of a tax increment financing area, revenue from producing mines or lands or leaseholds producing oil or gas, revenue for the payment of bonds or other contractual obligations that have both been approved by a majority of the local governmental entity's voters voting thereon and are outstanding as of November 5, 2024, revenue for the payment of bonds and other contractual obligations issued in accordance with existing

voted authorization of a local governmental entity approved by a majority of the local governmental entity's voters voting thereon as of November 5, 2024, revenue attributable to specific ownership taxes, and revenue attributable to new mills approved by voters in an election occurring on or after November 5, 2024.

The legislation enacting the Property Tax Limit stated that none of its provisions impair the existing voted authorization of a local governmental entity approved by a majority of its voters voting thereon in accordance with section 20 of article X of the Colorado constitution as of November 5, 2024 or impair the obligations of any bonds or other forms of indebtedness that are outstanding as of November 5, 2024 or the refunding thereof. Accordingly, the Districts' prior voted authorization is not impaired nor is its ability to issue refunding bonds, 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 District 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. A local governmental entity's governing body is authorized to submit to the local governmental entity's electors the question of whether the entity may waive the Property Tax Limit for a single property tax year, a specified number of property tax years, or all future property tax years. Each of the Districts waived out of the Property Tax Limit pursuant to their May 2025 elections.

Assessment Appeals. 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 Districts' assessed valuation may be subject to modification as a result of the review of such entities. In the instance of the erroneous levy of taxes, an abatement or refund must be authorized by the board of county commissioners. 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 the Districts is required to be certified by the County Assessor to the Districts no later than August 25 each year. Such value is subject to recertification by the County Assessor prior to December 10. The Boards then determine 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 each of the Districts for its General Fund to defray its expenditures during the ensuing fiscal year. In determining the rate of levy, the Boards 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" below. Each Board must certify the applicable District's levy to the County no later than December 15.

Upon receipt of the tax levy certification of the Districts 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 2024, for example, are being collected in 2025. 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 become delinquent, and interest thereon will accrue from March 1 (with respect to the first installment) and June 16 (with respect to the second installment) until the date of payment, provided that if the full amount of taxes is to be paid in a single payment, such amount will become delinquent on May 1 and will accrue interest thereon from such date until paid. 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 the Districts to the Districts 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 parity with the liens of other general taxes. It is the 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. Further, the county treasurer may set a minimum total amount below which competitive bids will not be accepted, in which event property for which acceptable bids are not received will be set off to the County. 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.

Tax Increment Areas-Town of Castle Rock. Colorado law authorizes municipalities to establish both urban renewal authorities and downtown development authorities for the purpose of financing improvements to areas which have been designated by the respective governing bodies of municipalities as being blighted or, with respect to downtown development authorities, subject to deterioration of property values or structures. The Town established the Castle Rock Urban Renewal Authority (as previously defined "CRURA") in 2013 for the purpose of undertaking certain urban renewal activities within the Town. CRURA is entitled to receive incremental property tax revenues from each urban renewal area. For up to 25 years after the effective date of the adoption of an urban renewal plan for an urban renewal area, property taxes levied upon all taxable property in the urban renewal area are divided between the assessed value of taxable property in the urban renewal area last certified prior to the effective date of the urban renewal plan (the "base amount") and the assessed value of taxable property in the urban renewal area above the base amount (the "incremental amount"), with the portion of the property taxes produced by the application to the base amount of the mill levies of each taxing jurisdiction, such as the Districts, that overlaps the urban renewal area being paid to such taxing jurisdictions, and the property taxes produced by the application to the incremental amount of the mill levies of such taxing jurisdictions being paid to CRURA. The Districts are subject to the CRURA tax increment.

Ad Valorem Property Tax Data

Due to their recent formation, the Districts' preliminary 2025 gross assessed valuations are currently not available and are generally provided in August. Each Districts' 2025 preliminary certified assessed valuations, when available, are subject to change prior to the December 10, 2025, final certification date. As of the date of this Limited Offering Memorandum, all of the developable property comprising the Development (and, therefore, the developable property within the Districts) is owned by the Developer.

Pursuant to the Public Finance Agreement, the total certified assessed value of property subject to ad valorem property taxes in the TIF Area as of the date of last certification prior to adoption of the URA Plan is equal to $805,670 (the "Property Tax Base Valuation"). The Property Tax Base Valuation and increment value will be calculated and adjusted from time to time by the County Assessor in accordance with Section 31-25-107(9) of the Act and the rules and regulations of the Property Tax Administrator of the State of Colorado. "TIF Area" is defined in the Public Finance Agreement to mean the property

described on Exhibit A to the Public Finance Agreement, within which the tax increment provisions of Section 31-25-107(9) of the Colorado Urban Renewal Law, Part 1 of Article 25 of Title 31 of the Colorado Revised Statutes (the "Colorado Urban Renewal Law") apply, as such area may be expanded or contracted from time to time by CRURA in compliance with the Colorado Urban Renewal Law.

The Districts' have not assessed a mill levy and therefore, no ad valorem property tax information is presented herein. The Districts anticipate assessing their first mill levies in 2027 for collection in 2028. 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.

Overlapping Mill Levies. Numerous entities located wholly or partially within the Districts are authorized to levy taxes on property located within the Districts. Because the Districts were just formed, there is no historical mill levy data for the Districts. Prior to the formation of the Districts, certain of the property anticipated to be included in the Districts had mill levies assessed against it in the 2024 levy year (2025 collection year) as set forth below. The following table is representative of a sample total 2024 mill levy (for payment in 2025) attributable to said property, and is not intended to portray the mills levied against all property within the Districts. Mill levies for the 2025 levy year, for the collection of ad valorem property taxes in 2026, are to be certified in December 2025. Additional taxing entities may overlap the District in the future. See also "DEBT STRUCTURE—General Obligation Debt—*Estimated Overlapping General Obligation Debt*."

TABLE VI
Sample 2024 Mill Levies[1]

Taxing Entity	Mill Levy
Douglas County	17.8590
Developmental Disability	0.0867
Douglas County School District	45.5280
Town of Castle Rock	0.9200
Cedar Hill Cemetery	0.1040
Douglas County Conservation	0.0000
Douglas County Libraries	4.0000
Total Overlapping Mill Levy	69.2780

[1] One mill equals 1/10 of one cent. Mill levies certified in 2024 are for the collection of ad valorem property taxes in 2025. Mill levies for the 2025 levy year, for the collection of ad valorem property taxes in 2026, are to be certified by December 15, 2025.
Sources: County Assessor's office

Specific Ownership Taxes

Specific ownership taxes represent the amounts received by the Districts from the State pursuant to State statute primarily on motor vehicle licensing. Such tax is collected by all counties and distributed to every taxing entity within a county, such as the Districts, in the proportion that the taxing entity's ad valorem taxes represents the cumulative amount of ad valorem taxes levied county-wide. The portion of specific ownership taxes that is allocable to the District's Required Mill Levy and the Pledge Districts' Mandatory Capital Levy is pledged to the payment of the Bonds. See "THE BONDS—Security for the Bonds." The portion of specific ownership taxes that is allocable to the Districts' Operating Mill Levy is not pledged to the payment of the Bonds and is available for other purposes.

Operating Mill Levy; Other Funding of Operations and Maintenance; Other Revenue Sources

The Service Plans provide that the mill levy imposed by each of the Districts for administration, operation and maintenance costs may not exceed the Maximum Operating Mill Levy of 10 mills (subject to adjustment for changes occurring after March 4, 2025 in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement), and the Districts' Debt service mill levy may not exceed the Maximum Debt Mill Levy of 50 mills (subject to adjustment for changes occurring after March 4, 2025 in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement). See "THE DISTRICTS—Service Plan Authorizations and Limitations."

The District is also expected to receive certain advances from the Developer, in accordance with the Operation Funding Agreement, to fund operation and maintenance expenses up to $100,000; provided, however, that the Developer is not under any obligation to provide advances pursuant to the Operation Funding Agreement but may do so in its sole discretion if requested by the District. See "RISK FACTORS—Limited Operating History; Payment of Operation and Maintenance Expenses" and "THE DISTRICT—Material Agreements of the District—*Operation Funding Agreement*."

Other revenues available to the Districts for the funding of operations and the payment of debt service, include interest and other earnings of investments (excluding earnings on funds held by the Trustee) and, to the extent not prohibited by other contractual obligations, fees, rates, tolls, penalties or charges as allowed under the Service Plans that are reasonably related to the cost of operating and maintaining Districts' services and facilities.

The Districts may apply other legally available funds and revenues to the payment of debt service on the Bonds, and upon the application of such other funds and revenues, the debt service mill levy imposed for payment of the Bonds may, to the extent, be diminished, subject to the requirements of the Required Mill Levy and the Mandatory Capital Levy. However, the Bonds do not constitute a lien or encumbrance on such revenues.

Regional Mill Levy

In accordance with the Service Plans, at any time the Districts impose a mill levy for Debt, such District shall also impose a Regional Mill Levy. "Regional Mill Levy" is defined in the Service Plan as a property tax of five (5) mills, subject to future Assessed Valuation Adjustments, to be imposed by the District and remitted to the Town on an annual basis in accordance with the requirements of the Service Plan, for the purpose of defraying costs incurred by the Town in providing such services and improvements as the Town, in its sole and reasonable discretion, believes are: (i) public in nature; (ii) for the benefit of the residents and taxpayers of the District; and (iii) permitted by State law to be paid for from taxes imposed by the District. Each Assessed Valuation Adjustment shall be determined by the Board in good faith, with such determination to be binding and final.

Each District's obligation to impose and collect the revenues from the Regional Mill Levy shall begin when such District first imposes a mill levy for Debt, and shall continue to be imposed by the District until such time as the District no longer imposes a mill levy for any purpose or, subject to the limitations set forth in the applicable Service Plan, is otherwise dissolved, whichever shall last occur. Each District's required imposition of the Regional Mill Levy will be memorialized in the intergovernmental agreement required by the Service Plan. The revenues received from the Regional Mill Levy will be remitted to the Town on an annual basis by no later than December 1. The failure of the District to levy the Regional Mill Levy or remit

the revenues generated by the Regional Mill levy to the Town within the timeframe described herein shall constitute and be deemed a material departure from, and unapproved modification to, the Service Plan. The Town may enforce this provision of the Service Plan pursuant to applicable State statutes and exercise all such other available legal and equitable remedies in the event of such departure and unapproved modification, including those provided in the Town Code. See "THE DISTRICTS–Material Agreements of the District–*Town IGA*."

District Funds, Accounting Policies and Financial Statements

The accounts of the Districts are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. The Districts have established one governmental fund: a General Fund to provide for operating and maintenance expenditures. It is anticipated that, following the issuance of the Bonds, the Districts will create and maintain a Capital Project Fund to provide for the infrastructure costs that are to be built for the benefit of the District; and a Debt Service Fund to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related costs.

In accordance with Title 29, Article 1, Part 6, C.R.S., an annual audit is required to be made of the Districts' financial statements at the end of the fiscal year unless an exemption from audit has been granted by the State Auditor's Office. The audited financial statements must be filed with the Boards within six months after the end of the fiscal year and with the State Auditor 30 days thereafter. Failure to comply with this requirement to file an audit report may result in the withholding of the Districts' property tax revenue by the County Treasurer pending compliance. As a result of the Districts recently being formed and the Districts' limited financial activity to date, no audited financial information is available for inclusion herein. See "—Budget and Appropriation Procedure—*Recent Formation*" below.

Budget and Appropriation Procedure

The Districts' budgets are prepared on a calendar year basis as required by Title 29, Article 1, Part 1, C.R.S. The budgets must present a complete financial plan for the Districts, 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, the Districts' budget officer must submit proposed budgets to the Board for the next fiscal year. Thereupon notice must be published 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 the Districts 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. The Districts 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 Board may authorize the expenditure of funds in excess of the budget by a resolution adopted by a majority vote of the Board following proper notice. If the Districts receive revenues which were unanticipated or unassured at the time of adoption of the budget, the 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, the Districts 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.

Recent Formation. The Districts were organized in May of 2025. As a result of their nonexistence, the Districts have limited historical operating information, and no budget information is set forth herein with respect to the Districts.

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 District, and the debt service requirements of the District's outstanding bonds and other obligations that the rate of mill levy is determined each year. Pursuant to the provisions of Article X, Section 20 of the State Constitution, the District is subject to tax revenue limitations as described below in "—Constitutional Amendment Limiting Taxes and Spending," but has received voter approval to waive such limitations.

Deposit and Investment of District Funds

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

Risk Management

Each Board acts to protect the applicable District against loss and liability by maintaining certain insurance coverages which such Board believes to be adequate. Currently, the Districts maintain insurance through the Colorado Special Districts Property and Liability Pool ("CSDPLP"). CSDPLP was established by the Special District Association of Colorado in 1988 as an alternative to the traditional insurance market to provide special districts with general liability, auto/property liability, and public officials' liability insurance coverage. Since 2001, CSDPLP has also offered workers' compensation insurance. The Districts current policies will expire on December 31, 2025. There is no assurance that the Districts will continue to maintain their current levels of coverage.

The Indenture requires that the District, and the Capital Pledge Agreement similarly requires that the Pledge Districts, carry general liability, public officials' liability, and such other forms of insurance on insurable District or Pledge District property upon the terms and conditions, in such amounts, and issued by recognized insurance companies, as in the judgment of the District or Pledge District, as applicable, will protect the District or the Pledge District, as applicable, and its operations.

Constitutional Amendment Limiting Taxes and Spending

On November 3, 1992, Colorado voters approved an amendment to the State 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 State 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] will be suspended to provide for the deficiency." The preferred interpretation of TABOR will, by its terms, be the one that reasonably restrains most the growth of government.

Revenue Retention and Spending Authorization. Pursuant to the 2025 Elections, voters of the Districts have approved an election question allowing the Districts to collect, receive, retain, and spend its revenues without regard to the revenue and spending limitations of TABOR.

DEBT STRUCTURE

The following is a discussion of the 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 District may issue Additional Bonds subject to certain conditions, as more particularly described in "THE BONDS—Certain Indenture Provisions—*Additional Bonds*." In addition, the issuance of Additional Bonds is restricted by: (a) State statutes that restrict the amount of debt issuable by special districts; (b) the availability of electoral authorization; and (c) the District's Service Plan, all as described below.

Statutory Debt Limit. The District is subject to a statutory general obligation debt limitation established pursuant to Section 32-1-1101(6), C.R.S. Said limitation provides that, with specific exceptions, the total principal amount of general obligation debt issued by a special district must not at the time of issuance exceed the greater of $2 million or 50% of the district's assessed valuation. Since, upon issuance of the Bonds, the general obligation indebtedness of the District represented by the Bonds will exceed 50% of the District's assessed valuation, the District has determined to restrict the sale of the Bonds to "financial institutions or institutional investors" as such terms are defined in Section 32-1-103(6.5), C.R.S., and thus the Bonds are permitted under Section 32-1-1101(6), C.R.S.

Required Elections. Various State constitutional and statutory provisions require voter approval prior to the incurrence of indebtedness by the District. Among such provisions, Article X, Section 20 of the State Constitution (as previously defined, "TABOR") requires that, except for refinancing bonded debt

at a lower interest rate, the District must have voter approval in advance for the creation of any multiple-fiscal year direct or indirect district debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years. See "USE OF PROCEEDS AND DEBT SERVICE REQUIREMENTS—Application of Bond Proceeds" and "FINANCIAL INFORMATION OF THE DISTRICTS—Constitutional Amendment Limiting Taxes and Spending."

Service Plan Debt Limitations. Regardless of the amount of voted authorization obtained by the District pursuant to the District Election, the District is limited by its Service Plan as to the amount of debt it may issue. See "—General Obligation Debt—Service Plan Debt Limit" below. The limitations of the Service Plans may be modified or amended with the approval of the Town and as otherwise provided in the Special District Act.

General Obligation Debt

Voter Authorized but Unissued Debt and Outstanding General Obligation Debt. At the election held on May 6, 2025 (the "District Election"), the District's eligible electors voting at such election approved indebtedness in the amount of $994,500,000 (the same amounts were approved by the eligible electors for the District No. 2 and District No. 3, an aggregate total of $2,983,500,000 for the Districts) to finance certain categories of Public Improvements (the "Debt Authorization").

The District intends to utilize the approved Debt Authorization with respect to issuance of the Bonds.

Following the issuance of the Bonds, the Bonds will constitute the District's only outstanding general obligation debt, and upon execution and delivery of the Pledge Agreement, the Pledge Agreement will be the only outstanding general obligation debt of District No. 2 and District No. 3.

The District expects to allocate voted authorization from the categories of Public Improvements obtained at the District Election to the indebtedness of the Bonds. The District expects to allocate approximately $[_____]* in principal of the Bonds to the voted authorization for Public Improvements from the District Election.

Due to the nature of the obligation incurred by District No. 2 and District No. 3 under the Pledge Agreement, it is not possible to predict with certainty the amount of principal and interest on the Bonds that District No. 2 and District No. 3 will pay under the Pledge Agreement. As a result, to the extent electoral authorization is required therefor, District No. 2 and District No. 3 have determined to allocate the indebtedness represented by the Pledge Agreement to the electoral authorization from an election of eligible electors held within District No. 2 on May 6, 2025 (the "District No. 2 Election") and within District No. 3 on May 6, 2025 (the "District No. 3 Election"), for Public Improvements in the amount of approximately $[_____]* (equal to the principal of the Bonds).

Following the issuance of the Bonds, the District, District No. 2 and District No. 3 will each have voter authorized but unissued indebtedness authorized at the District Election, the District No. 2 Election and the District No. 3 Election, respectively, in the estimated amount of $[_____]* for Public Improvements.

Service Plan Debt Limit. Regardless of the amount of voted authorization available to the Districts pursuant to the 2025 Elections, the Service Plans place limitations on the amount of debt that may be issued

* Preliminary; subject to change.

by the Districts. The Service Plans establish a limitation on the amount of debt that may be issued collectively by the Districts to $76,500,000, excluding any refundings. None of the Districts have previously issued debt under their respective Service Plan.

After the issuance of the Bonds, the Districts will collectively have approximately $[_____]* in remaining indebtedness available under the Service Plans. The limitations of the Service Plans may be modified or amended only with the prior approval of the Town and as otherwise provided in the Special District Act.

Outstanding General Obligation Debt. Following the issuance of the Bonds, the Bonds will constitute the District's only outstanding general obligation debt.

Estimated Overlapping General Obligation Debt. Certain public entities whose boundaries may be entirely within, coterminous with, or only partially within the District are also authorized to incur general obligation debt, and to the extent that properties within the District are also within such overlapping public entities, such properties will be liable for an allocable portion of such debt. For purposes of this Limited Offering Memorandum, the percentage of each entity's outstanding debt chargeable to the District's property owners is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of overlapping entities, the percentage of general obligation debt for which the District's property owners are responsible will also change. The District is not financially or legally obligated with regard to any of the indebtedness shown on the immediately following table. Although the District has attempted to obtain accurate information as to the outstanding debt of the entities which overlap the District, it does not warrant its completeness or accuracy as there is no central reporting entity which is responsible for compiling this information.

Of the [six] entities that overlap the [District, Douglas County School District, the Town, and the County] are the only entities that currently has general obligation debt outstanding. As of the date of this Limited Offering Memorandum, there has been no horizontal development within the District and the amount of any debt attributable to property owners within the District is minimal and therefore not provided herein. It is expected however, that as development activity increases within the District, the amount of overlapping debt attributable to property owners will also increase.

General Obligation Debt Ratios. The District has not previously issued general obligation indebtedness and, therefore, historical debt ratios are not available. As described in "INTRODUCTION—Debt Ratios," due to the District's lack of development activity in the District to date, and therefore, the minimal assessed valuation thereof, no debt ratio information is provided herein.

Revenue and Other Financial Obligations

The District also has the authority to issue revenue obligations payable from the net revenue of 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 DISTRICTS—Material Agreements of the District," if any, no such obligations are currently outstanding.

LEGAL MATTERS

Sovereign Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, 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 District, for injuries which lie in tort or could lie in tort.

The Governmental Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including the operation of a non-emergency motor vehicle owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity.

In such instances 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 are 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: (a) for any injury to one person in any single occurrence, the sum of $387,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, or the sum of $424,000 for claims accruing on or after January 1, 2022, and before January 1, 2026; (b) for an injury to two or more persons in any single occurrence, the sum of $1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of $387,000, or the sum of $1,195,000 for claims accruing on or after January 1, 2022, and before January 1, 2026, except in such instance, no person may recover in excess of $424,000. These amounts increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The governing board of a public entity may increase any maximum amount that may be recovered from the public entity for certain types of injuries. However, a public entity may not be held liable either directly or by indemnification for punitive or exemplary damages unless the applicable entity voluntarily pays such damages in accordance with State law.

The District has not acted to increase the damages liability limitations in the Governmental Immunity Act. Suits against both the District and a public employee do not increase such maximum amounts which may be recovered. The District may not be held liable either directly or by indemnification for punitive or exemplary damages. In the event that the District is required to levy an ad valorem property tax to discharge a settlement or judgment, such tax may not exceed a total of 10 mills per annum for all outstanding settlements or judgments.

The District may be subject to civil liability and damages including punitive or exemplary damages and it may not be able to claim sovereign immunity for actions founded upon various federal laws, or other actions filed in federal court. Examples of such civil liability include 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 District 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 State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

Legal Representation

Legal matters incident to the authorization and issuance of the Bonds are subject to approval by Kutak Rock LLP, Denver, Colorado, as Bond Counsel. Such opinion will be dated as of and delivered at closing in substantially the form set forth in "APPENDIX F—FORM OF BOND COUNSEL OPINION." Kutak Rock LLP, Denver, Colorado, is acting as Disclosure Counsel to the District and has assisted in the preparation of this Limited Offering Memorandum in such capacity. Butler Snow LLP, Denver, Colorado, is acting as legal counsel to the Underwriter. Certain legal matters will be passed upon for the Districts by McGeady Becher Cortese Williams P.C., Denver, Colorado, as General Counsel to the Districts. Kutak Rock LLP represents the Underwriter from time to time on matters unrelated to the District or the Bonds. Kutak Rock LLP does not represent the Underwriter or any other party, except the District, in connection with the issuance of the Bonds.

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.

No Litigation Involving the District —General Counsel Opinion

In connection with the issuance of the Bonds, General Counsel to the District is expected to render an opinion stating that, to the best of their actual knowledge, there is no action, suit, or proceeding pending in which the District is a party nor is there any inquiry or investigation pending against the District by any governmental agency, public agency, or authority which, if determined adversely to the District, would have a material adverse effect upon the District's ability to comply with its obligations under the Continuing Disclosure Agreement, the Indenture, the Bond Purchase Agreement, or the Bond Resolution.

No Litigation Involving the District —District Certificate

In addition, it is anticipated that, in connection with the issuance of the Bonds, the District will execute a certificate stating that 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 (a) to restrain or enjoin the District's participation in, or in any way contesting the existence of the District or the powers of the District with respect to, the consummation of the transactions contemplated by the Indenture and the other financing documents, or (b) 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 Indenture and other financing documents.

Future Changes in Laws

Various State laws and constitutional provisions apply to the imposition, collection, and expenditure of ad valorem property taxes and the operation of the District. There is no assurance that there will not be any change in the interpretation of, or additions to applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of ad valorem property taxes and fees.

Limitations on Remedies
Available to Bondholders

The enforceability of the rights and remedies of the Owners, and the obligations incurred by the 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 District can seek protection from its creditors under the United States Bankruptcy Code only if the District can demonstrate that, in order to meet its financial obligations as they come due, the District would be required to certify a property tax mill levy of 100 mills or more. 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.

Indenture To Constitute Contract

The Indenture provides that it constitutes a contract among the 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.

TAX MATTERS

General Matters

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the District with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences.

Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to

have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Bonds is exempt from Colorado income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

Original Issue Discount

The Bonds that have an original yield above their respective interest rates, as shown on the cover of this Limited Offering Memorandum (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity (excluding "qualified stated interest" within the meaning of Section 1.1273-1 of the Regulations) constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period), and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the "adjusted issue price" of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Original Issue Premium

The Bonds that have an original yield below their respective interest rates, as shown on the cover of this Limited Offering Memorandum (collectively, the "Premium Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the

premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

Backup Withholding

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner's taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other "reportable payments" (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. 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 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 or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on 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 has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

MISCELLANEOUS

No Rating

No rating has been or will be applied for with respect to this financing.

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 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 being issued in authorized denominations of not less than $500,000.

Continuing Disclosure Agreement

The Underwriter has determined that the Bonds are exempt from the requirements of the Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) ("Rule 15c2-12"). The Districts and the Developer have, however, agreed to enter into an agreement upon issuance of the Bonds (the "Continuing Disclosure Agreement") pursuant to which the Districts and the Developer are to provide certain information to the Trustee on a quarterly basis and certain additional information on an annual basis, which the Trustee is to file in the manner prescribed by the Municipal Securities Rulemaking Board (MSRB). The form of the Continuing Disclosure Agreement is appended as APPENDIX E to this Limited Offering Memorandum. A failure by the District to comply with the requirements of the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture. The Continuing Disclosure Agreement provides that if the District fails to comply with its obligations thereunder, any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations thereunder.

The District has not previously entered into an undertaking under Rule 15c2-12 or otherwise.

Interest of Certain Persons Named in This Limited Offering Memorandum

The legal fees to be paid to Bond Counsel, Disclosure Counsel, General Counsel to the Districts and counsel to the Underwriter are contingent upon the sale and delivery of the Bonds.

No Audited Financial Statements

Due to the limited financial activity of the District, no audited financial statements have been prepared for the District.

Underwriting

The Bonds are being sold by the District to the Underwriter for a purchase price equal to $_____ (which is equal to the par amount of the Bonds of $_____, [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 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 is committed to take and pay for all of the Bonds if any are taken. The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Preliminary Limited Offering Memorandum. The Underwriter may allow concessions from the public offering price to certain dealers who may reallow concessions to other dealers. After the initial public offering price, prices may be varied from time to time by the Underwriter, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such Bonds into investment accounts.

No guarantee can be made that a secondary market for the Bonds will develop or be maintained by the Underwriter or others. Thus, prospective investors should be prepared to hold their Bonds to maturity.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Additional Information

Copies of statutes, resolutions, opinions, contracts, agreements, financial and statistical data, and other related reports and documents described in this Limited Offering Memorandum 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" herein.

Limited Offering Memorandum Certification

The preparation of this Limited Offering Memorandum and its distribution have been authorized by the Board. This Limited Offering Memorandum is hereby duly approved by the Board as of the date on the cover page hereof. This Limited Offering Memorandum is not to be construed as an agreement or contract between the District and the purchasers or owners of any Bond.

BRICKYARD METROPOLITAN DISTRICT NO. 1

By _____
_____, President

APPENDIX A

FINANCIAL FORECAST

[TO COME]

APPENDIX B

MARKET STUDY

[TO COME]

APPENDIX C

SELECTED DEFINITIONS

[TO COME]

APPENDIX D

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information is provided to give prospective investors general information concerning selected economic and demographic conditions existing in the area within which the District are is located. The statistics presented below have been obtained from the referenced sources and represent the most current information available from such sources; however, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore, such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. 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.

Population

The following table sets forth population statistics for the Town of Castle Rock (the "Town"), Douglas County (the "County"), the Denver metropolitan statistical area (comprised of Adams, Boulder, Broomfield, Denver, Douglas and Jefferson counties) (the "DMA") and the State of Colorado (the "State").

Population

Year	Town	Percent Change	County	Percent Change	DMA	Percent Change	State	Percent Change
1980	3,921	--	25,153	--	1,618,461	--	2,889,964	--
1990	8,708	122.09%	60,391	140.09%	1,848,319	14.20%	3,294,473	14.00%
2000	20,224	132.25	175,766	191.05	2,401,501	29.93	4,302,015	30.58
2010	48,231	138.48	285,465	62.41	2,784,228	15.94	5,029,196	16.90
2020	73,158	51.62	360,327	26.22	3,242,392	16.46	5,787,129	15.07
2024 [1]	83,213	13.74	393,995	9.34	3,320,023	2.39	5,957,493	2.94

[1] Estimate.

Sources: U.S. Department of Commerce, Bureau of the Census

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Housing Stock

The following table sets forth a comparison of households within the Town, County, the DMA and the State.

Housing Units

	2010	2020	Percent Change	2024[1]
Town	17,626	26,851	52.33%	N/A
County	106,859	135,649	26.94	152,414
DMA	1,173,777	1,350,258	15.04	1,445,711
State	2,212,898	2,491,404	12.59	2,676,415

[1] Estimate.
Source: U.S. Department of Commerce, Bureau of the Census and the Colorado Department of Local Affairs

Income

The following tables set forth historical per capita personal income in the County, the State and the United States.

Per Capita Personal Income

	2019	2020	2021	2022	2023
County	$76,602	$83,137	$89,702	$97,353	$102,928
State	61,276	64,693	71,706	76,674	80,068
United States	55,566	59,123	64,460	66,244	69,810

Source: United States Department of Commerce, Bureau of Economic Analysis

School Enrollment

The following table presents a five-year history of school enrollment for Douglas County School District RE-1, the primary school district serving the District.

Douglas County School District RE-1

Year	Fall Enrollment	Percent Increase
2020/2021	62,979	--
2021/2022	63,876	1.42%
2022/2023	62,872	(1.57)
2023/2024	61,964	(1.44)
2024/2025	61,851	(0.18)

Source: Colorado Department of Education

Building Activity

The following tables set forth building permit activity for unincorporated Douglas County.

History of Estimated Building Activity in Douglas County

	Single-family		Multi-Family		Commercial/Industrial	
Year	**Permits**	**Valuation**	**Permits**	**Valuation**	**Permits**	**Valuation**
2020	1,023	$320,153,533	97	$ 24,931,941	79	$49,923,610
2021	1,425	449,907,746	179	61,962,669	90	58,553,830
2022	1,176	370,096,530	377	117,423,065	120	51,943,195
2023	833	276,064,131	150	43,811,344	69	85,543,770
2024	984	323,413,442	92	54,154,741	113	77,497,312
2025 [1]	495	170,101,547	53	9,307,113	50	21,068,262

[1] Permits issued through July 31, 2025.
Source: Douglas County Building Department

History of Foreclosures—Douglas County

Year	**Foreclosures Filed**	**Percent Change**
2020 [1]	102	--
2021 [1]	46	(54.90)%
2022 [1]	199	332.61
2023	210	5.53
2024	231	10.00
2025 [2]	178	--

[1] The decrease in the number of foreclosures filed in 2020 and 2021 and the increase in 2022 was the result of the State imposed restrictions in place regarding foreclosures.
[2] Foreclosures filed through August 22, 2025.
Source: Douglas County Public Trustee's Office

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Retail Sales

The retail trade sector employs a large portion of the County's work force and is important to the area's economy. The following table sets forth information on retails sales within the County, the DMA and the State for the years indicated.

Retail Sales
(in thousands)

Year	County	Percent Change	DMA	Percent Change	State	Percent Change
2020	$13,901,851	--	$139,570,376	--	$233,586,882	--
2021	17,629,399	26.81%	159,902,963	14.57%	268,328,759	14.87%
2022	18,678,762	5.95	178,182,674	11.43	299,923,777	11.77
2023	18,926,448	1.33	177,973,601	(0.12)	302,570,432	0.88
2024	19,479,209	2.92	182,172,823	2.36	309,121,263	2.17
2025 [1]	7,380,160	--	71,187,659	--	121,891,720	--

[1] Retail sales through May 31, 2025.
Source: State of Colorado, Department of Revenue, Retails Sales Reports 2020-2025

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Employment

The following tables set forth employment statistics by industry for the County and the most recent historical labor force estimates for the County, the Denver-Aurora-Lakewood MSA and the State.

Total Business Establishments and Employment—Douglas County

Industry [1]	Fourth Quarter 2023		Fourth Quarter 2024		Quarterly Change	
	Units	Average Employment	Units	Average Employment	Units	Average Employment
Agriculture, Forestry, Fishing and Hunting	59	298	46	236	(13)	(62)
Mining	63	162	43	122	(20)	(40)
Utilities	21	564	20	576	(1)	12
Construction	1,233	11,292	1,086	11,142	(147)	(150)
Wholesale Trade	1,392	5,985	1,236	6,237	(156)	252
Information	526	4,844	429	5,237	(97)	393
Finance and Insurance	1,206	12,291	1,124	11,724	(82)	(567)
Real Estate, Rental and Leasing	987	2,446	857	2,474	(130)	28
Professional and Technical Services	4,614	18,060	4,187	18,621	(427)	561
Management of Companies and Enterprises	446	4,419	410	3,869	(36)	(550)
Administrative and Waste Services	939	6,165	814	5,806	(125)	(359)
Educational Services	370	12,623	346	13,049	(24)	426
Health Care and Social Assistance	1,362	16,823	1,320	17,442	(42)	619
Arts, Entertainment and Recreation	259	3,996	249	3,724	(10)	(272)
Accommodation and Food Services	670	14,167	664	14,548	(6)	381
Other Services, Ex. Public Administration	1,230	4,975	1,103	5,027	(127)	52
Public Administration	51	4,166	55	4,263	4	97
Unclassified	15	62	52	12	37	(50)
Total [2]	16,786	146,965	15,284	148,078	(1,502)	1,113
Government [3]						
Federal Government	31	715	31	744	0	29
Local Government	48	14,292	49	14,615	1	323
State Government	16	395	18	402	2	7

[1] Information provided herein reflects only those employers who are subject to State unemployment insurance law.
[2] Totals may not add due to rounding.
[3] Government figures *are* included within the industry categories listed above.
Source: Colorado Department of Labor and Employment, Labor Market Information, Quarterly Census of Employment and Wages (QCEW)

Labor Force Estimates

Year	County		Denver-Aurora MSA		State	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2020 [1]	194,649	5.8%	1,669,888	7.5%	3,122,237	7.3%
2021 [1]	200,311	4.4	1,708,003	5.7	3,190,760	5.6
2022	208,162	2.6	1,732,168	3.4	3,235,022	3.4
2023	210,284	2.9	1,741,744	3.1	3,228,781	3.3
2024	209,962	3.9	1,739,169	4.1	3,241,864	4.1
2025 [2]	223,863	4.4	1,775,974	4.7	3,272,890	4.7

[1] As a result of the COVID-19 pandemic and the federal government induced quarantine, unemployment numbers increased exponentially in 2020 and 2021.
[2] Labor force estimates through June 30, 2025.
Source: State of Colorado, Division of Employment and Training, Labor Market Information

The following table sets forth selected major employers within the County and the Denver Metropolitan Area. No independent investigation has been made of and there can be no representation as to the stability or financial condition of the entities listed below, or the likelihood that they will maintain their status as major employers.

Selected Major Employers in the County

Firm	Product or Service	Estimated Number of Employees
Douglas County School District RE-1	Public Education	8,500
Charles Schwab	Financial Services	3,800
DISH Network	Satellite Operations and Video Delivery Solutions	1,900
Douglas County Government	County Government	1,491
HealthONE: Sky Ridge Medical Center	Healthcare	1,300
Lockheed Martin Corporation	Aerospace and Defense Manufacturer	1,300
Kiewit Companies	Construction and Engineering	1,300
Sequoia One	Professional Employment Services	1,000
Western Union	Banking Services	900
Wind Crest	Assisted Living	900

Source: Source: Douglas County 2024 Annual Financial Report, the most recent information available

Selected Major "Private Sector" Employers in the Denver Metropolitan Area[1]

Firm	Product or Service	Estimated Number of Employees[2]
UCHealth	Health Care–Hospital and Clinics	27,400
HCA-HealthONE LLC	Health Care Provider	12,226
Echostar (fka Dish Network)	Telecommunications	6,280
Ball Corporation	Packaging	5,859
University of Denver	Higher Education	3,841
Deloitte LLP and Subsidiaries	Audit, Consulting, Advisory, Tax Services	2,563
American Furniture Warehouse	Retail Furniture and Accessories	1,641
Arrow Electronics Inc.	Technology, Electric Components and Computing Solutions	1,500
RK Industries LLC	Manufacturing and Facilities Services	1,124
Mtech Mechanical	Commercial Mechanical and Plumbing Contractor	560

[1] Only entities that replied to inquiries are included. Public sector information (i.e., U.S. Government, State of Colorado, county and local municipalities, public university/college, and public schools) is no longer readily available from the Denver Business Journal.
[2] As of December 31, 2023, the most recent information available.
Source: Denver Business Journal, July 31, 2024

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

[TO COME]

APPENDIX F

FORM OF BOND COUNSEL OPINION

[TO COME]

APPENDIX G

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") New York, NY and DTC's book-entry-only system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof.

The information in this section concerning The Depository Trust Company ("DTC") New York, NY and DTC's book-entry-only system has been obtained from DTC, and the 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 & 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 S&P Global Ratings 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.

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 affect 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 District or Paying Agent, 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 Paying Agent 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 name as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, 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 District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The 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.