

MASTER INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (the "Agreement") is made and entered into to be effective as of the 16th day of November, 2017, by and among HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 1 ("Operating District"), HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 2, HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 3, HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 4, HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 5, HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 6, HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 7 and HUNTERS OVERLOOK METROPOLITAN DISTRICT NO. 8, (collectively, the "Financing Districts"), quasi-municipal corporations of the State of Colorado (collectively referred to herein as "Districts" or individually as "District"). The Operating District and the Financing Districts are referred to herein as the "Parties".

RECITALS

WHEREAS, the Districts were formed pursuant to Colorado Revised Statutes §32-1-101 et seq., as amended, by order of the District Court for Weld County, Colorado, and after approval of the eligible electors of the Districts at a special election held on November 7, 2017, for the purpose of assisting in the financing and development of the area generally located near the intersection of Weld County Road 72 and Weld County Road 21, and will include approximately 406 acres of residential development which will require annexation and prior to inclusion. Approximately 166 acres of the project are currently located entirely within the boundaries of the Town of Severance (the "Town"), Weld County, Colorado and is referred to as the "Overlook Annexation." Another approximate 240 acres of property is located in the "Hunters Crossing" development and is considered "Future Inclusion Area" as that property is currently being planned and will be annexed into the Town before being included in the Districts; and

WHEREAS, via Resolution No. 2017-14R on June 5, 2017, the Town Board approved the Service Plan for the Districts (the "Service Plan") for the purpose of providing certain parameters for the financing and development of the Service Area; and

WHEREAS, at the organizational election of the Districts held on November 7, 2017 a majority of eligible electors in the Districts approved of the formation and initial board of directors for the Districts as well as the Districts' issuance of indebtedness and the imposition of ad valorem taxes by the Districts for the purpose of repaying such debt; and

WHEREAS, in furtherance of their Service Plan, the Districts will incur, administration, operations and maintenance costs associated with certain public facilities located within and without the Districts' boundaries, which costs cannot be paid with proceeds of tax-exempt bonds issued by the Districts; and

WHEREAS, the Districts were created for the purpose of providing certain public improvements and services to and for the benefit of the properties within and without the Districts in accordance with Title 32, Article 1, C.R.S. (the "Special District Act") and pursuant to the Service Plan; and

WHEREAS, each of the Districts is empowered by Section 32-1-1101, C.R.S. to issue bonds for the public purposes of the Districts; and

WHEREAS, under the Service Plan, the Districts are intended to work together and coordinate their activities with respect to the financing, construction, operation and maintenance of the public improvements authorized by the Service Plan, and for which the Districts have received electoral authorization to issue indebtedness ("Public Improvements") in order to serve development within their common service area; and

WHEREAS, pursuant to Article XIV, Section 18(2)(a) of the Colorado Constitution, and Section 29-1-201, et seq., C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each District and any such contract may provide for the sharing of costs, the imposition and collection of taxes, and the incurring of debt; and

WHEREAS, the primary purpose and function of the Financing Districts is to provide funding and the necessary tax base for financing the construction, operation and maintenance of certain Public Improvements for Hunters Overlook (as defined by the Service Plan) by or on behalf of the Operating District; and

WHEREAS, the primary purpose of the Operating District is to obtain financing for construction of the Public Improvements, manage the construction and operation of the Public Improvements, and to own, operate and maintain the Public Improvements to the extent permitted by the Service Plan and Town requirements and pursuant to any applicable operations and maintenance programs; and

WHEREAS, for the purpose of funding costs of Public Improvements, the Districts have entered into an Advance and Reimbursement Agreement (Capital Costs) dated November 16, 2017, a Funding and Reimbursement Agreement (Operations and Maintenance Costs) dated November 16, 2017, and an Improvement Acquisition Agreement dated November 16, 2017 (collectively, the "Developer Reimbursement/Acquisition Agreements") with Severance Overlook Investments, LLC, a Colorado limited liability company (the "Developer"), the payment of which constitutes an obligation of the Districts; and

WHEREAS, the Districts have agreed, and the Service Plan provides, that the Operating District will construct and finance, or coordinate the construction and financing of the Public Improvements benefiting the Districts, and that the Financing Districts will pay all costs related to the construction, acquisition, installation, financing, funding, operation, and maintenance of such Public Improvements by or on behalf of the Operating District as set forth in and in accordance with the terms of this Agreement; such payments may include, but not be limited to, payments to the Operating District for debt service requirements of general obligation bonds, revenue bonds and other limited property tax supported bonds issued by the Operating District for such capital costs; and

WHEREAS, the Districts agree that the Public Improvements are needed by the Districts and that the Public Improvements will benefit the property owners in the Districts in terms of cost, quality, level of service, and management and operation of such public improvements; and

WHEREAS, the Districts desire to enter into an agreement relating to how the Districts will interact and set forth how certain Public Improvements will be financed, funded, constructed, acquired, installed, owned, operated and maintained; and

WHEREAS, the Districts may, in an ongoing effort to provide for the financing, construction and operations of the Public Improvements, agree among themselves to alter, from time to time, their respective roles, responsibilities and obligations in order to most efficiently and effectively provide the Public Improvements and services contemplated under the Service Plan; and

WHEREAS, the Districts desire to enter into this Agreement and to make sure obligations of the Financing Districts under this Intergovernmental Agreement are subordinate to the obligations of one or more of the Financing Districts under any Capital Pledge Agreement(s) that may be entered into regarding the issuance of District bonds for the payment or repayment of capital expenditures on behalf of the Districts, and to restate as set forth herein, the terms and conditions upon which certain Public Improvements will be financed, funded, constructed, owned, operated and maintained and for other purposes; and

WHEREAS; the Districts' Boards of Directors have authorized its officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement; and

WHEREAS, those employees and/or affiliates of the Developer who serve on the Districts' Boards of Directors have each disclosed potential conflicts of interest in connection with this Agreement and as required by law.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts hereby agree as follows:

1. The Districts shall diligently attempt to implement their Service Plan in accordance with the terms of such Service Plan. Without limiting the rights and privileges or duties and obligations of the Districts as set forth in the Service Plan, it is generally anticipated that the Operating District will develop a plan for financing the Public Improvements identified and contemplated in the Service Plan, and that the Districts will work cooperatively to implement such financing plan in such a way as to enable the Operating District to construct, acquire, install, finance, and where appropriate and permitted by the Service Plan or the Town by Intergovernmental Agreement, own, operate and maintain such Public Improvements.

2. The Operating District shall be responsible for the design, acquisition, installation, construction, funding and financing and limited operation and maintenance of a water system, sanitary sewer, drainage, street and roadway improvements, traffic and safety

improvements, landscaping improvements, public park and recreation facilities, and additional metropolitan district facilities and improvements within the Districts, as provided and as limited in the Service Plan. Development within the Districts will proceed in phases and construction of such public improvements will be completed in phases as development and need for the public improvements necessitates. It is the current intent and understanding of the Districts that all Public Improvements will be constructed in accordance with Town standards and requirements and dedicated to the Town or another public entity for ongoing ownership, operations and maintenance in accordance with approved development plans.

3. Funding of Additional Capital Costs. The Districts acknowledge that, so long as the Districts agree that District No. 1 shall be the owner and operator of the District-Owned Improvements as defined below, which the Districts may elect to terminate as provided in and as set forth in paragraphs 4(g) and 6 hereof, District No. 1 shall continue to be able to incur further or future indebtedness, and Districts Nos. 2 through No. 8 shall impose and collect any ad valorem property taxes, remit the proceeds of any indebtedness or any taxes or fees, or otherwise provide for the funding of the construction, operation or maintenance of the Public Improvements in addition to those already constructed by the Developer and accepted in accordance with the Developer Funding Agreements already in existence and in place for the Districts. Such further and future improvements with the District shall constitute new financing obligations of Districts Nos. 2 through 8 pursuant to those Developer Funding Agreements. Notwithstanding the foregoing, or any other provisions contained herein, it is acknowledged that the Service Plan anticipates that the Districts will cooperate to provide for any additional Public Improvements necessary to serve development within their common service area and, therefore, the Districts may, each in their own sole discretion, determine to provide such funding and other services as are necessary to provide for the financing, construction, operation and maintenance of the Public Improvements in such manner as may be deemed most efficient and effective to implement the objectives of the Service Plan, in all cases subject to the limitations of the Service Plan.

4. Ownership and Operation of Public Improvements. It is acknowledged that all Public Improvements previously funded by or on behalf the Districts have been either dedicated to the Town or other governmental entity, or are presently owned and operated by District No. 1 (together with any future Public Improvements to the extent District Nos. 2 through No. 8 determines the same shall be owned by District No. 1, the "District-Owned Improvements"). With respect to the District-Owned Improvements, District Nos. 2 through 8 hereby engage District No. 1, and District No. 1 hereby accepts such engagement, as the "operator" of the Public Improvements, which engagement the Districts hereby agree and acknowledge is further defined and limited by the following:

- a) Subject to clause (f) hereof, District No. 1 shall hold fee simple title to the District Owned Improvements and shall operate and maintain the same solely on behalf of, and for the benefit of, District Nos. 2 through No. 8 and the residents or property owners thereof. District No. 1 shall not impose any fees for the use of the District-Owned Improvements by residents or property owners of District Nos. 2 through No. 8, except as expressly agreed by District Nos. 2 through No. 8 respectively. District No. 1 shall engage all

contractors required to carry out all functions necessary for the operation and maintenance of the District-Owned Improvements, provided that any such engagement shall be subject to termination upon the same notice provided in clause (f) hereof.

- b) District No. 1 shall operate the District-Owned Improvements in accordance with such written guidance (including operating policies and procedures, and minimum maintenance standards) as may be provided by Districts Nos. 2 through No. 8 and agreed upon by District No. 1. Operation of the District-Owned Improvements shall include obtaining necessary insurance for the District-Owned Improvements, in the manner determined appropriate by District No. 1 (subject to any direction by Districts Nos. 2 through No. 8) and in compliance with applicable law, and providing such other specific services as may be set forth in a writing executed by both parties hereto. Until such time as any such guidance is provided by Districts Nos. 2 through No. 8, the District-Owned Improvements shall be operated and maintained in such manner as is reasonably determined from time to time by District No. 1, subject to the funding of costs of such operation and maintenance (including insurance premiums and related costs) by Districts Nos. 2 through No. 8 (as more particularly provided in clause (g) hereof). Any written document providing for a level or standard of operation or maintenance of the District-Owned Improvements executed by all of the Districts shall constitute a supplement to this Agreement, shall be binding upon the parties hereto, and may not be amended except by written agreement executed by both parties.
- c) District No. 1 shall not sell, transfer, convey or otherwise encumber any portion of the District-Owned Improvements without the prior written consent of District Nos. 2 through No. 8 as appropriate. District No. 1 shall cause the proceeds of any sale of any portion of the District-Owned Improvements to be paid to or at the direction of District Nos. 2 through No. 8 as may be apportioned in accordance with such applicable costs of construction or allocation of costs of construction responsibility.
- d) Prior to any dissolution of District No. 1, District No. 1 shall cause all District-Owned Improvements to be conveyed to or at the direction of District Nos. 2 through No. 8 as appropriate.
- e) Any revenues arising from, or payable as a result of ownership, operation and maintenance of the District-Owned Improvements, shall constitute the property of District No. 1 unless and until such time as the District-Owned Improvements are transferred to District Nos. 2 through No. 8 and their agreement with District No. 1 is terminated. If this Agreement is terminated and the District-Owned Improvements are transferred to District Nos. 2 through No. 8, any revenues arising from or payable as a result of the District-Owned Improvements, shall be paid to or at the direction of District Nos. 2

through No. 8 and constitute the property of District Nos. 2 through No. 8 as appropriate.

- f) District Nos. 2 through No. 8 may determine to terminate their engagement of District No. 1 as operator of the District Owned Improvements at any time, upon ninety (90) days written notice. No later than ninety (90) days after the receipt of any written notice of any such termination, District No. 1 shall cause legal title in all District-Owned Improvements to be conveyed to or at the direction of District Nos. 2 through No. 8 as applicable, and shall cause all contracts relating to the operation and maintenance of the District-Owned Improvements to be assigned to or at the direction of District Nos. 2 through No. 8 as appropriate.
- g) The obligation of District No. 1 to operate and maintain the District-Owned Improvements is subject to District Nos. 2 through No. 8 providing moneys sufficient to fund the same. District Nos. 2 through No. 8 hereby agree that, so long as they have not terminated the engagement of District No. 1 as operator of the District-Owned Improvements as provided in clause (e) hereof, District Nos. 2 through No. 8 shall impose ad valorem property taxes and/or fees sufficient to fund the operation and maintenance costs of the District-Owned Improvements at the levels or standards set forth in a written agreement between District No. 1 and District Nos. 2 through No. 8 as appropriate or, in the event no written agreement with respect to a level or standard has been executed, as may be determined by District No. 1 from time to time. District No. 1 shall submit to District Nos. 2 through No. 8 at the time of annual budgeting, an estimate of the costs anticipated for operation and maintenance of the District-Owned Improvements. District Nos. 2 through No. 8 shall, in their sole discretion, accept or modify such estimates, which acceptance or modification shall be reflected in the annual adopted budget of District Nos. 2 through No. 8 as appropriate. District No. 1 shall be obligated to provide the operation and maintenance of the District-Owned Improvement only to the extent of funding made available by District Nos. 2 through No. 8. Under no circumstances shall District No. 1 be obligated to fund operation and maintenance costs of the District-Owned Improvements or to provide operating and maintenance services that are not funded by District Nos. 2 through No. 8 as appropriate.

5. Administrative Services. It is acknowledged that District No. 1 has heretofore performed various administrative functions for all of the Districts, including but not limited to preparation of annual budgets, engagement of legal counsel and other consultants, and statutory compliance measures. District Nos. 2 through No. 8 hereby engages District No. 1, and District No. 1 hereby accepts such engagement, as the “district administrator,” which engagement the Districts hereby agree and acknowledge is further defined and limited by the following:

- a) Subject to clause (d) hereof, District No. 1 shall perform, or cause to be performed, the following administrative services for District Nos. 2 through

No. 8: accounting, legal, management, insurance administration, election administration, budget and audit preparation, preparation of notices, meeting materials, district information, record keeping, financial planning, and any other services required from time to time to ensure statutory compliance of the Districts. District No. 1 shall engage all contractors required to carry out all functions necessary for the provisions of such administrative services, provided that any such engagement shall be subject to termination upon the same notice provided in clause (c) hereof.

- b) District No. 1 shall provide the administrative services in accordance with such written guidance (including policies and procedures) as may be provided by District Nos. 2 through No. 8, and agreed upon by District No. 1. Until such time as any such guidance is provided by District Nos. 2 through No. 8, District No. 1 shall provide such administrative services in such manner as is reasonably determined from time to time by District No. 1, subject to the funding of costs thereof by District Nos. 2 through No. 8 as appropriate (as more particularly provided in clause (d) hereof).
- c) District Nos. 2 through No. 8 may determine to terminate its engagement of District No. 1 as district administrator at any time, upon ninety (90) days written notice. No later than ninety (90) days after the receipt of any written notice of any such termination, District No. 1 shall cause all contracts relating to the provision of administrative services for District Nos. 2 through No. 8 to be assigned to or at the direction of District Nos. 2 through No. 8 as appropriate.
- d) The obligation of District No. 1 to provide the administrative services is subject to District Nos. 2 through No. 8 providing moneys sufficient to fund the same. District Nos. 2 through No. 8 hereby agrees that, so long as it has not terminated the engagement of District No. 1 as district administrator as provided in clause (c) hereof, District Nos. 2 through No. 8 as appropriate shall impose ad valorem property taxes and/or fees sufficient to fund the costs of administrative services, as such costs are estimated and set forth from time to time in the annual budgets of District Nos. 2 through No. 8. District No. 1 shall submit to District Nos. 2 through No. 8, at the time of annual budget preparation, an estimate of the costs anticipated for such administrative services. District Nos. 2 through No. 8 as applicable shall, in its sole discretion, accept or modify such estimate, which acceptance or modification shall be reflected in the annual adopted budget of District Nos. 2 through No. 8. District No. 1 shall be obligated to provide the administrative services described in clause (a) above only to the extent of funding made available by District Nos. 2 through No. 8 as appropriate. Under no circumstances shall District No. 1 be obligated to fund administrative costs, or to provide administrative services that are not funded by District Nos. 2 through No. 8.

6. Pledge of Security for Payment. The financial obligations of the Financing Districts assumed hereunder shall be payable from ad valorem property taxes generated as a result of the certification by the Financing Districts of certain mill levies, which combined will not exceed the "Maximum Mill Levies" (as defined within the Service Plan and any applicable capital pledge agreement), except as such obligations may actually be paid from any and all other revenues lawfully permitted to be used for such purpose. The obligations under this Agreement shall be subordinate to the pledge made on any bonds issued by the Financing Districts, subject to paragraph 7 hereof and as may be further limited hereby, is pledged to the punctual payment of all amounts to be paid hereunder. The amounts to be paid hereunder shall, to the extent necessary, be paid out of the general revenues of the Financing Districts or out of any funds legally available for that purpose, including bonds issued by the each or all of the Districts. For the purpose of reimbursing such general revenues, and for the purpose of providing the necessary funds to pay the amounts to be paid hereunder as the same become due, the Financing Districts shall annually determine, fix and certify a rate of levy for ad valorem property taxes (subject to the limitations provided in the Service Plan) to the board of county commissioners of the county in which the Districts are located, which, when levied on all of the taxable property in the Financing Districts, shall raise direct ad valorem property tax revenues which, when added to other funds of the Financing Districts legally available therefore, will be sufficient to pay promptly and fully the amounts to be paid hereunder, as well as all other general obligation indebtedness of the Financing Districts, as the same becomes due.

- a) Notwithstanding any other provision contained herein, all financial obligations of the Financing Districts hereunder are expressly junior and subordinate to the obligations of the Financing Districts under any capital pledge agreement which is anticipated to be entered into in conjunction with the issuance of District Bonds ("Capital Pledge Agreement"), and any other document entered into in the future by any of the Financing Districts to secure obligations issued by the Operating District. The Financing Districts acknowledge that a Capital Pledge Agreement will require the Financing Districts to impose a Required Mill Levy (as defined therein) and in no event shall the Financing Districts impose any mill levy hereunder, except with respect to the payment of operating and maintenance expenses if so directed by the Operating District, prior to imposing the full Required Mill Levy in accordance with the Capital Pledge Agreement. For purposes of this Agreement, "Maximum Mill Levies" means: the maximum mill levy permitted under the Service Plan to be imposed less the Required Mill Levy, but in no event in excess of the Aggregate Mill Levy Cap of 50 mills (as defined by the Service Plan, which may be amended from time to time) (without adjustment for changes in the method of calculating assessed value) as may be limited by the Service Plan by the Maximum Debt Mill Levy, the Maximum Operations and Maintenance Mill Levy, and the mill levy limitations as defined by the Service Plan. In addition, the Financing Districts acknowledge that their ability to issue general obligation debt is subject to the terms the Service Plan, and any future Capital Pledge Agreement.

b) By their execution hereof, the Districts covenant, promise and agree not to undertake any act or commit any omission, which would adversely affect the tax-exempt status of the interest paid on any tax-exempt bonds issued by the Districts for the purpose of funding, constructing or acquiring the public improvements.

7. District No. 1 Compensation. The compensation for the provision of services hereunder by District No. 1 shall be agreed upon by the Districts each year, on or before Financing Districts' adoption of an annual budget.

8. District No. 1 Termination Rights. District No. 1 shall have the option to terminate the provisions hereof pertaining to its engagement as operator of the District Owned Improvements (as provided in paragraph 2 hereof) and/or district administrator (as provided in paragraph 3 hereof) upon ninety (90) days prior written notice to the applicable District(s). In addition, in the event that District No. 1 and District Nos. 2 through No. 8 cannot agree upon a budget for the provision of such services, including District No. 1's compensation for the same, District No. 1 shall have the option to terminate this agreement (with respect to the services described in herein), within fifteen (15) days of District Nos. 2's through No. 8's adoption of an annual budget. Upon the termination of the portion of this Agreement pertaining to the services provided in in this Agreement, District No. 1 shall cause legal title in all District-Owned Improvements to be conveyed to or at the direction of District Nos. 2 through No. 8 as appropriate, and shall cause all contracts relating to the operation and maintenance of the District-Owned Improvements to be assigned to or at the direction of District Nos. 2 through No. 8 as appropriate.

9. Tax Exempt Status. By their execution hereof, the Districts covenant, promise and agree not to undertake any act or commit any omission, which would adversely affect the tax-exempt status of the interest paid on any tax-exempt bonds or loans issued by the Districts for the purpose of funding, constructing or acquiring the public improvements.

10. No Unintended Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, any rights, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the parties shall be for the sole and exclusive benefit of the parties. The covenants, terms, conditions, and provisions contained herein shall inure to and be binding upon the representatives, successors, and permitted assigns of the parties hereto. This Agreement is not intended to create any third-party beneficiaries, implied trusts, or similar implied agreements, nor may the provisions hereof be enforced by any person or entity not a party hereto, including without limitation, the owners of bonds issued by the Districts.

11. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

12. Amendment. This Agreement may be amended from time to time by agreement between the parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the parties unless the same is in writing and duly executed by the parties hereto.

IN WITNESS WHEREOF, the Districts have executed this Agreement and the same shall be effective as of the date first above written.

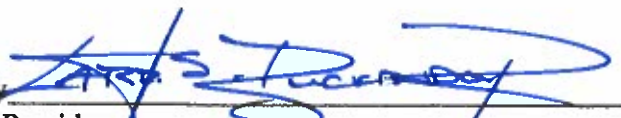
HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 1

By 
President

ATTEST:


Secretary

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 2

By 
President

ATTEST:


Secretary

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 3

By 
President

ATTEST:


Secretary

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 4

By 
President

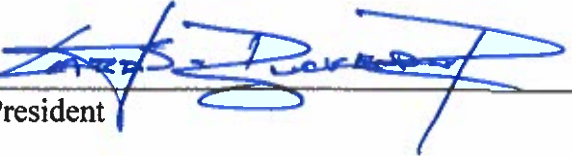
ATTEST:


Secretary

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 5

ATTEST:


Secretary

By 
President

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 6

ATTEST:

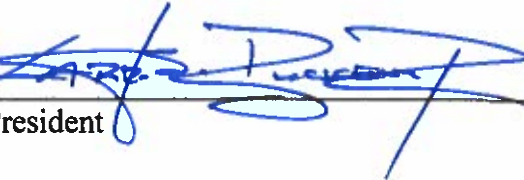

Secretary

By 
President

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 7

ATTEST:

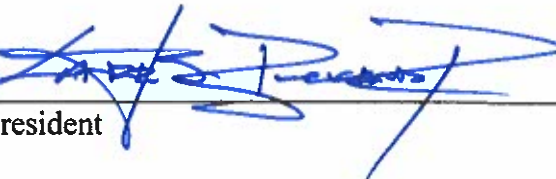

Secretary

By 
President

HUNTERS OVERLOOK
METROPOLITAN DISTRICT NO. 8

ATTEST:


Secretary

By 
President