

MOUNTAIN BROOK METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
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NOTICE OF A SPECIAL MEETING AND AGENDA

NOTICE PURSUANT TO § 32-1-903(3), C.R.S.: The Board of Directors of **MOUNTAIN BROOK METROPOLITAN DISTRICT** intends to make a final determination to issue general obligation indebtedness consisting of its Limited Tax General Obligation Bonds, Series 2021⁽³⁾, to be secured by a lien on pledged revenue, including a debt service mill levy imposed upon all taxable property within the District, and in connection therewith, adopt an authorizing resolution approving the form of financing documents including an Indenture of Trust with UMB Bank, n.a., Preliminary Limited Offering Memorandum, a Limited Offering Memorandum, Bond Purchase Agreement with Piper Sandler & Co., Continuing Disclosure Agreement with Mountain Brook Partners, LLC and UMB Bank, n.a., and all other financing documents related to the District’s issuance of the Series 2021⁽³⁾ Bonds.

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Kevin Mulshine	President	2023/May 2023
Kenneth Spencer	Treasurer	2023/May 2023
Conley Smith	Secretary	2023/May 2023
VACANCY		2022/May 2022
VACANCY		2022/May 2022

DATE: **December 8, 2021**
TIME: **10:00 a.m.**
PLACE: 700 Ken Pratt Blvd, Ste 113
 Longmont, CO 80501

Join Zoom Meeting
<https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09>
Meeting ID: 760 169 1090
Passcode: 488323
Call In: 1-669-900-6833

- I. ADMINISTRATIVE MATTERS
 - A. Present Disclosures of Potential Conflicts of Interest.

 - B. Approve Agenda, confirm location of meeting and posting of notices.

II. *CONSENT AGENDA - These items listed below are a group of items to be acted on with a single motion and vote by the Board. An item may be removed from the consent agenda to the regular agenda by any Board member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board. **Enclosures included in electronic packets only; hard copies available upon request.**

- Review and approve the Minutes of the June 28, 2021 Special Meeting (enclosure).
-

III. PUBLIC COMMENTS

A. _____

IV. 2021 BOND ISSUANCE

A. Consideration and Approval of an Authorizing Resolution Approving the Issuance of Mountain Brook Metropolitan District's Limited Tax General Obligation Bonds, Series 2021⁽³⁾, in a maximum aggregate principal amount not to exceed \$15,000,000, and in connection therewith, approving the following and authorizing the execution of the same: (i) Indenture of Trust with UMB Bank, n.a., (ii) Preliminary Limited Offering Memorandum and Limited Offering Memorandum, (iii) Bond Purchase Agreement with Piper Sandler & Co., (iv) Continuing Disclosure Agreement with Mountain Brook Partners, LLC, and UMB Bank, n.a., and (v) All Other Financing Documents Related to the Issuance of the Series 2021⁽³⁾ Bonds.

V. FINANCIAL MATTERS

A. Review and ratify approval of the payment of claims as follows (to be distributed):

Fund	Period Ending
General	\$
Debt	\$ -0-
Capital	\$ -0-
Total	\$

B. Review and accept unaudited financial statements through the period ending _____, 2021 (to be distributed).

C. Consider engagement of Dazzio & Associates, PC for preparation of 2021 Audit, in the amount of \$ _____ (to be distributed).

- D. Conduct Public Hearing to consider Amendment to 2021 Budget (if necessary) and consider adoption of Resolution to Amend the 2021 Budget and Appropriate Expenditures.
-
- E. Conduct Public Hearing on the 2020 Budget and consider ratification of the adoption of Resolution to Adopt the 2020 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2022 Budget, and Resolution).
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- F. Conduct Public Hearing on the proposed 2022 Budget and consider adoption of Resolution to Adopt the 2022 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund _____, Debt Service Fund _____, and Other Fund(s) _____ for a total mill levy of _____ (enclosures – preliminary AV, draft 2022 Budget, and Resolutions).
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- G. Consider authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.
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- H. Consider appointment of District Accountant to prepare the 2023 Budget, and set the date of the Budget Hearing as October 24, 2022.
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VI. LEGAL MATTERS

- A. Consider adoption of Resolution No. 2021-11-__, Resolution Calling a Regular Election for Directors on May 3, 2022, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of mail ballot election (enclosure). Self-Nomination forms are due by February 25, 2022. Discuss the need for ballot issues and/or questions.
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- B. Consider adoption of Resolution No. 2021-11-____; 2022 Annual Administrative Matters Resolution (enclosure).
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- C. Consider adoption of Resolution No. 2021-11-____; Amended and Restated Meeting Resolution (enclosure).
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- D. Consider adoption of Resolution No. 2021-11-____; Second Amendment to 2020 Funding and Reimbursement Agreement and Issuance of Subordinate Note (enclosure).
-

- E. Consider adoption of Resolution No. 2021-11-____; Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement and Issuance of Subordinate Note (enclosure).
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VII. OTHER BUSINESS

- A. Discuss and consider cancelling the December 27, 2021 meeting.
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VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
DECEMBER 27, 2021**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT HELD JUNE 28, 2021

The special meeting of the Board of Directors of the Mountain Brook Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, the 28th day of June, 2021, at 9:00 a.m. Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kevin Mulshine, President
Kenneth Spencer, Treasurer
Conley Smith, Secretary

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Pogue noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Pogue requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Pogue noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted that disclosure statements had been timely filed for all Directors.

ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko distributed for the Board’s review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote unanimously carried, the agenda was approved, as presented.

RECORD OF PROCEEDINGS

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by teleconference and via Zoom without any individuals (neither District representatives nor the general public) attending in person. The Board further noted that notice of this meeting format was duly posted and that they have not received any objections to the meeting format or any requests that the meeting format be changed by taxing electors within its boundaries.

2021 SDA Conference: Ms. Ripko discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

CONSENT AGENDA **Consent Agenda:** The Board considered the following actions:

- Approve the Minutes of the April 26, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

PUBLIC COMMENTS There were no public comments.

FINANCIAL MATTERS

Claims: There were no claims to review at this time.

Financial Statements: There were no financial statements to review at this time.

2020 Application for Exemption from Audit: The Board discussed the requirements for an audit.

Following review and discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board ratified approval of the preparation and execution of the Application for Exemption from Audit for 2020.

RECORD OF PROCEEDINGS

2022 Budget Public Hearing: The Board entered into discussion regarding setting the date for a Public Hearing to adopt the 2022 Budget.

Following discussion, upon motion duly made by Director Smith, seconded by Director Mulshine and, upon vote, unanimously carried, the Board determined to hold the public hearing to consider adoption of the 2022 Budget on October 25, 2021, at 9:00 a.m., via Zoom Meeting or at 700 Ken Pratt Blvd., Suite 113, Longmont, Colorado.

District Accounts: The Board entered into discussion regarding the District Accounts. It was noted all accounts are set up.

LEGAL MATTERS

Intergovernmental Agreement (“IGA”) between the City of Longmont, Colorado and Mountain Brook Metropolitan District: The Board reviewed an IGA between the City of Longmont, Colorado and Mountain Brook Metropolitan District.

Following discussion, upon motion duly made by Director Spencer, seconded by Director Mulshine and, upon vote, unanimously carried, the Board ratified approval of the IGA between the City of Longmont, Colorado and Mountain Brook Metropolitan District.

Market Study: The Board entered into discussion regarding the engagement of Zonda to conduct a market study.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer and, upon vote, unanimously carried, the Board ratified approval of the engagement of Zonda to conduct a market study. The Board further authorized staff to proceed with the engagement of consultants needed to move forward with the bond.

OTHER BUSINESS

District Website: The Board entered into discussion regarding the District’s website. The Board directed Ms. Ripko to set up a website for the District.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Spencer, and seconded by Director Mulshine, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

**CERTIFICATION OF VALUATION BY
BOULDER COUNTY ASSESSOR**

New Tax Entity YES NO

Date: November 20, 2020

NAME OF TAX ENTITY: MOUNTAIN BROOK METROPOLITAN DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR :

1. PREVIOUS YEAR'S NET TOTAL ASSESSED VALUATION:	1. \$	<u>\$0</u>
2. CURRENT YEAR'S GROSS TOTAL ASSESSED VALUATION: ‡	2. \$	<u>\$168,739</u>
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:	3. \$	<u>\$0</u>
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	4. \$	<u>\$168,739</u>
5. NEW CONSTRUCTION: *	5. \$	<u>\$0</u>
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈	6. \$	<u>\$0</u>
7. ANNEXATIONS/INCLUSIONS:	7. \$	<u>\$168,739</u>
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈	8. \$	<u>\$0</u>
9. NEW PRIMARY OIL AND GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.) ☐:	9. \$	<u>\$0</u>
10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified:	10. \$	<u>\$0</u>
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a),C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	11. \$	<u>\$0</u>

‡ This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art . X, Sec. 20(8)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and personal property connected with the structure .
 ≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 & 52A.
 ☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC.20, COLO.CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR :

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶	1. \$	<u>\$929,800</u>
ADDITIONS TO TAXABLE REAL PROPERTY		
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *	2. \$	<u>\$0</u>
3. ANNEXATIONS/INCLUSIONS:	3. \$	<u>\$929,800</u>
4. INCREASED MINING PRODUCTION: §	4. \$	<u>\$0</u>
5. PREVIOUSLY EXEMPT PROPERTY:	5. \$	<u>\$0</u>
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	6. \$	<u>\$0</u>
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.):	7. \$	<u>\$0</u>
DELETIONS FROM TAXABLE REAL PROPERTY		
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	8. \$	<u>\$0</u>
9. DISCONNECTIONS/EXCLUSIONS:	9. \$	<u>\$0</u>
10. PREVIOUSLY TAXABLE PROPERTY:	10. \$	<u>\$0</u>

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 * Construction is defined as newly constructed taxable real property structures.
 § Includes production from a new mines and increase in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY	1. \$	<u>\$0</u>
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NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

**Mountain Brook Metropolitan District
Proposed Budget
General Fund
For the Year ended December 31, 2020**

	Actual <u>2019</u>	Proposed Budget <u>2020</u>
Beginning fund balance	\$ -	\$ -
Revenues:		
Property taxes	-	-
Specific ownership taxes	-	-
Developer advances	-	<u>50,000</u>
Total revenues	<u>-</u>	<u>50,000</u>
Total funds available	<u>-</u>	<u>50,000</u>
Expenditures:		
Audit/Accounting	-	5,000
Insurance/ SDA Dues	-	3,500
Legal	-	25,000
Management	-	10,000
Treasurer's Fees	-	-
Contingency	-	5,195
Emergency Reserve	-	<u>1,305</u>
Total expenditures	<u>-</u>	<u>50,000</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ -</u>
Mill Levy		<u>-</u>

STATE OF COLORADO
COUNTY OF BOULDER
MOUNTAIN BROOK METROPOLITAN DISTRICT
2020 BUDGET RESOLUTION

The Board of Directors of the Mountain Brook Metropolitan District, Boulder County, Colorado held a special meeting on Thursday November 11, 2021 at the hour of 3:00 P.M. at 700 Ken Pratt Blvd, Suite 113, Longmont, Colorado 80501 and via online meeting at <https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09> and via telephone at 1-669-900-6833, Meeting ID: 760 169 1090, Password: 488323.

The following members of the Board of Directors were present:

President: _____
Secretary: _____
Treasurer: _____
Assistant Secretary: _____
Assistant Secretary: _____

Also present were: _____

Ms. Peggy Ripko reported that proper notice was made to allow the Board of Directors of the Mountain Brook Metropolitan District to conduct a public hearing on the 2020 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted in the designated public place within the boundaries of the District no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

Thereupon, Director _____ introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE MOUNTAIN BROOK METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2020 AND ENDING ON THE LAST DAY OF DECEMBER 2020.

WHEREAS, the Board of Directors (the “Board”) of the Mountain Brook Metropolitan District (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2021; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, November 10, 2021 in the *Longmont Daily Times*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to §29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, November 11, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to § 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO:

Section 1. Summary of 2020 Revenues and 2020 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2020, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2020. In the event of recertification of values by the Boulder County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Conley Smith, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2020 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$ _____ and that the **2019** valuation for assessment, as certified by the Boulder County Assessor, is \$ _____. That for the purposes of meeting all general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section 6. 2020 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$ _____ and that the 2020 valuation for assessment, as certified by the Boulder County Assessor, is \$ _____. That for the purposes

of meeting all debt retirement expenses of the District during the 2020 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section 7. 2020 Levy of Capital Projects Fund. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Capital Projects Fund for debt retirement expense is \$ _____ and that the 2020 valuation for assessment, as certified by the Boulder County Assessor, is \$ _____. That for the purposes of meeting all Capital Projects Fund of the District during the 2020 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2020.

Section _____. Certification to County Commissioners. That the Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Boulder County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

The foregoing Resolution was seconded by Director _____.

RESOLUTION APPROVED AND ADOPTED THIS 11TH DAY OF NOVEMBER 2021.

MOUNTAIN BROOK METROPOLITAN DISTRICT

By: Kevin Mulshine
Its: President

ATTEST

By: Conley Smith
Its: Secretary

STATE OF COLORADO
COUNTY OF BOULDER
MOUNTAIN BROOK METROPOLITAN DISTRICT

I, Conley Smith, hereby certify that I am a director and the duly elected and qualified Secretary of the Mountain Brook Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Mountain Brook Metropolitan District held on November 11, 2021, at 700 Ken Pratt Blvd, Suite 113, Longmont, Colorado 80501 and via online meeting at <https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09> and via telephone at 1-669-900-6833, Meeting ID: 760 169 1090, Password: 488323, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2020; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November 2021.

Conley Smith, Secretary

[SEAL]

EXHIBIT A

Affidavit of Publication
Notice as to Proposed 2020 Budget

EXHIBIT B

Budget Document
Budget Message

EXHIBIT C

Certification of Tax Levy

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Mountain Brook Metropolitan District of Boulder County, Colorado on this 11th day November 2021.

Conley Smith, Secretary

S E A L

CERTIFICATION OF VALUATION BY BOULDER COUNTY ASSESSOR

New Tax Entity YES NO

Date: August 24, 2021

NAME OF TAX ENTITY: MOUNTAIN BROOK METROPOLITAN DISTRICT

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR :

Table with 3 columns: Item number, Description, and Amount. Items include Previous Year's Net Total Assessed Valuation, Current Year's Gross Total Assessed Valuation, Less Total TIF Area Increments, Current Year's Net Total Taxable Assessed Valuation, New Construction, Increased Production of Producing Mine, Annexations/Inclusions, Previously Exempt Federal Property, New Primary Oil and Gas Production, Taxes Received Last Year, and Taxes Abated and Refunded.

† This value reflects personal property exemption IF enacted by the jurisdiction as authorized by Art . X, Sec. 20(8)(b), Colo. Constitution
* New Construction is defined as: Taxable real property structures and personal property connected with the structure .
~ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use forms DLG52 & 52A.
Φ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form (DLG 52B).

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART. X, SEC.20, COLO.CONSTITUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR :

Table with 3 columns: Item number, Description, and Amount. Items include Current Year's Total Actual Value of All Real Property, Additions to Taxable Real Property (Construction, Annexations, Increased Mining, Previously Exempt, Oil or Gas Production), and Taxable Real Property Omitted from the Previous Year's Tax Warrant.

DELETIONS FROM TAXABLE REAL PROPERTY

Table with 3 columns: Item number, Description, and Amount. Items include Destruction of Taxable Real Property Improvements, Disconnections/Exclusions, and Previously Taxable Property.

¶ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
* Construction is defined as newly constructed taxable real property structures.
§ Includes production from a new mines and increase in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:

Table with 3 columns: Description, Amount, and Total. Row: TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ \$0

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

Table with 3 columns: Description, Amount, and Total. Row: HB21-1312 VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ \$122,268

** The tax revenue lost to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3). C.R.S.

Mountain Brook Metropolitan District
Proposed Budget
General Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues:					
Property taxes	-	8,437	1	8,437	1,357
Specific ownership taxes	-	422	194	600	68
Developer advances	-	41,141	4,535	34,590	60,825
	<u>-</u>	<u>41,141</u>	<u>4,535</u>	<u>34,590</u>	<u>60,825</u>
Total revenues	-	50,000	4,730	43,627	62,250
	<u>-</u>	<u>50,000</u>	<u>4,730</u>	<u>43,627</u>	<u>62,250</u>
Total funds available	-	50,000	4,730	43,627	62,250
	<u>-</u>	<u>50,000</u>	<u>4,730</u>	<u>43,627</u>	<u>62,250</u>
Expenditures:					
Audit/Accounting	-	5,000	1,816	5,000	12,000
Election	-	-	-	-	5,000
Insurance/ SDA Dues	-	3,500	-	3,500	3,500
Legal	-	25,000	1,283	25,000	25,000
Management	-	10,000	1,581	10,000	10,000
Treasurer's Fees	-	127	-	127	20
Contingency	-	5,064	-	-	5,064
Emergency Reserve	-	1,309	-	-	1,666
	<u>-</u>	<u>1,309</u>	<u>-</u>	<u>-</u>	<u>1,666</u>
Total expenditures	-	50,000	4,680	43,627	62,250
	<u>-</u>	<u>50,000</u>	<u>4,680</u>	<u>43,627</u>	<u>62,250</u>
Ending fund balance	\$ -	\$ -	\$ 50	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>
Assessed valuation		<u>\$ 168,739</u>			<u>\$ 135,720</u>
Mill Levy		<u>50.000</u>			<u>10.000</u>

Mountain Brook Metropolitan District
Proposed Budget
Capital Projects Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 9,001,599
Revenues:					
Developer advances	-	-	-	-	-
Bond Proceeds	-	-	-	12,110,000	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,110,000</u>	<u>-</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,110,000</u>	<u>9,001,599</u>
Expenditures:					
Issuance costs	-	-	-	492,200	-
Capital expenditures	-	-	-	-	9,001,599
Transfer to Debt Service	-	-	-	2,616,201	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,108,401</u>	<u>9,001,599</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,001,599</u>	<u>\$ -</u>

Mountain Brook Metropolitan District
Proposed Budget
Debt Service Fund
For the Year ended December 31, 2022

	Actual <u>2020</u>	Adopted Budget <u>2021</u>	Actual <u>6/30/2021</u>	Estimate <u>2021</u>	Proposed Budget <u>2022</u>
Beginning fund balance	\$ -	\$ -	\$ -	\$ -	\$ 2,499,852
Revenues:					
Property taxes	-	-	-	-	6,786
Specific ownership taxes	-	-	-	-	339
Transfer from Capital Projects	-	-	-	2,616,201	-
Interest Income	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,616,201</u>	<u>7,125</u>
Total funds available	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,616,201</u>	<u>2,506,977</u>
Expenditures:					
Bond interest expense	-	-	-	111,849	529,813
Bond principal	-	-	-	-	-
Treasurer's fees	-	-	-	-	102
Trustee / paying agent fees	-	-	-	4,500	4,500
Miscellaneous	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,349</u>	<u>534,415</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,499,852</u>	<u>\$ 1,972,562</u>
Assessed valuation		<u>\$ 168,739</u>			<u>\$ 135,720</u>
Mill Levy		<u>0.000</u>			<u>50.000</u>
Total Mill Levy		<u>50.000</u>			<u>60.000</u>

STATE OF COLORADO
COUNTY OF BOULDER
MOUNTAIN BROOK METROPOLITAN DISTRICT
2022 BUDGET RESOLUTION

The Board of Directors of the Mountain Brook Metropolitan District, Boulder County, Colorado held a special meeting on Thursday November 11, 2021 at the hour of 3:00 P.M. at 700 Ken Pratt Blvd, Suite 113, Longmont, Colorado 80501 and via online meeting at <https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09> and via telephone at 1-669-900-6833, Meeting ID: 760 169 1090, Password: 488323.

The following members of the Board of Directors were present:

President: _____
Secretary: _____
Treasurer: _____
Assistant Secretary: _____
Assistant Secretary: _____

Also present were: _____

Ms. Peggy Ripko reported that proper notice was made to allow the Board of Directors of the Mountain Brook Metropolitan District to conduct a public hearing on the 2022 budget and, prior to the meeting, each of the directors had been notified of the date, time and place of this meeting and the purpose for which it was called. It was further reported that this meeting is a special meeting of the Board of Directors of the District and that a notice of special meeting was posted in the designated public place within the boundaries of the District no less than twenty-four hours prior to the holding of the meeting, and to the best of her knowledge, remains posted to the date of this meeting.

Thereupon, Director _____ introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET, APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN AND LEVYING GENERAL PROPERTY TAXES FOR THE YEAR 2022 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE MOUNTAIN BROOK METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2022 AND ENDING ON THE LAST DAY OF DECEMBER 2022.

WHEREAS, the Board of Directors (the “Board”) of the Mountain Brook Metropolitan District (the “District”) has authorized its treasurer and accountant to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, the proposed budget was submitted to the Board for its review and consideration on or before October 15, 2021; and

WHEREAS, the proposed budget is more than fifty thousand dollars (\$50,000.00), due and proper notice was published on Wednesday, November 10, 2021 in the *Longmont Daily Times*, indicating (i) the date and time of the hearing at which the adoption of the proposed budget will be considered; (ii) that the proposed budget is available for inspection by the public at a designated place; (iii) that any interested elector of the District may file any objections to the proposed budget at any time prior to the final adoption of the budget by the District; and (iv) if applicable, the amount of the District’s increased property tax revenues resulting from a request to the Division of Local Government pursuant to §29-1-302(1), C.R.S.; and an original publisher’s Affidavit of Publication is attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS, the proposed budget was open for inspection by the public at the designated place; and

WHEREAS, a public hearing was held on Thursday, November 11, 2021 and interested electors were given the opportunity to file or register any objections to said proposed budget and any such objections were considered by the Board; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of § 29-1-301, C.R.S., and Article X, § 20 of the Colorado Constitution; and

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

WHEREAS, pursuant to § 29-1-113(1), C.R.S., the Board shall cause a certified copy of the budget, including the budget message and any resolutions adopting the budget, appropriating moneys and fixing the rate of any mill levy, to be filed with the Division of Local Government within thirty (30) days following the beginning of the fiscal year of the budget adopted; and

WHEREAS, pursuant to § 32-1-1201, C.R.S., the Board shall determine in each year the amount of money necessary to be raised by taxation, taking into consideration those items required by law, and shall certify the rate so fixed to the board of county commissioners of each county within the District or having a portion of its territory within the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT, BOULDER COUNTY, COLORADO:

Section 1. Summary of 2022 Revenues and 2022 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2022, as more specifically set forth in the budget attached hereto as Exhibit B and incorporated herein by this reference, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, and if amended, then as amended, and attached hereto as Exhibit B and is approved and adopted as the budget of the District for fiscal year 2022. In the event of recertification of values by the Boulder County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization.

Section 3. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 4. Budget Certification. That the budget shall be certified by Conley Smith, Secretary of the District, and made a part of the public records of the District and a certified copy of the approved and adopted budget shall be filed with the Division of Local Government.

Section 5. 2022 Levy of General Property Taxes. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the General Fund for operating expenses is \$62,250 and that the 2021 valuation for assessment, as certified by the Boulder County Assessor, is \$1,393,500. That for the purposes of meeting all general operating expenses of the District during the 2022 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 6. 2022 Levy of Debt Retirement Expenses. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$534,415 and that the 2021 valuation for assessment, as certified by the Boulder County Assessor, is \$1,393,500. That for the purposes of

meeting all debt retirement expenses of the District during the 2022 budget year, there is hereby levied a tax of 60.00 mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section 7. 2022 Levy of Capital Projects Fund. That the attached budget indicates that the amount of money from general property taxes necessary to balance the budget for the Capital Projects Fund for debt retirement expense is \$9,001,599 and that the 2021 valuation for assessment, as certified by the Boulder County Assessor, is \$1,393,500. That for the purposes of meeting all Capital Projects Fund of the District during the 2022 budget year, there is hereby levied a tax of _____ mills upon each dollar of the total valuation of assessment of all taxable property within the District for the year 2022.

Section __. Certification to County Commissioners. That the Secretary of the District is hereby authorized and directed to immediately certify to the Board of County Commissioners of Boulder County, the mill levy for the District hereinabove determined and set. That said certification shall be in substantially the following form attached hereto as Exhibit C and incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

STATE OF COLORADO
COUNTY OF BOULDER
MOUNTAIN BROOK METROPOLITAN DISTRICT

I, Conley Smith, hereby certify that I am a director and the duly elected and qualified Secretary of the Mountain Brook Metropolitan District, and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of the District, adopted at a special meeting of the Board of Directors of the Mountain Brook Metropolitan District held on November 11, 2021, at 700 Ken Pratt Blvd, Suite 113, Longmont, Colorado 80501 and via online meeting at <https://us02web.zoom.us/j/7601691090?pwd=R3B3cjMwdG5XeHlVNENwNU5MdDRDZz09> and via telephone at 1-669-900-6833, Meeting ID: 760 169 1090, Password: 488323, as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2022; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the official seal of the District this 11th day of November 2021.

Conley Smith, Secretary

[SEAL]

EXHIBIT A

Affidavit of Publication
Notice as to Proposed 2022 Budget

EXHIBIT B

Budget Document
Budget Message

EXHIBIT C

Certification of Tax Levy

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Mountain Brook Metropolitan District of Boulder County, Colorado on this 11th day November 2021.

Conley Smith, Secretary

S E A L

RESOLUTION NO. 2021-11-____
RESOLUTION OF THE BOARD OF DIRECTORS OF
MOUNTAIN BROOK METROPOLITAN DISTRICT
2022 REGULAR SPECIAL DISTRICT ELECTION RESOLUTION

WHEREAS, Mountain Brook Metropolitan District (the “District”) was organized pursuant to the Special District Act, Article 1 of Title 32, C.R.S. (the “Act”), after approval of the eligible electors of the District, by order of the District Court in and for Boulder County, Colorado; and

WHEREAS, the Board of Directors (the “Board”) for the District consists of five (5) directors offices, and of those five directors offices, three directors were previously elected to the Board to each serve a term that expires in May 2023, and two directors offices remain vacant; and

WHEREAS, District elections to elect members to the Board of Directors (the “Board”) of the District and/or to present certain ballot questions to the eligible electors of the District are governed by the Act; the Uniform Election Code of 1992, Articles 1 to 13 of Title 1, C.R.S. (the “Uniform Code”); and the Colorado Local Government Election Code, Article 13.5 of Title 1, C.R.S. (the “Local Government Election Code”) (the Act, Uniform Code, and Local Government Election Code are collectively referred to herein as the “Election Laws”); and

WHEREAS, the next regular special district election to elect members to the Board is scheduled to be held on the Tuesday succeeding the first Monday of May, which is May 3, 2022 (the “Election”), in accordance with § 1-13.5-111(1), C.R.S.; and

WHEREAS, in accordance with Election Laws, the Board desires to call the Election for the purposes of electing two (2) directors to the Board to fill the vacant director offices;

WHEREAS, each director elected to the Board in the Election will be elected to serve a three (3) year term pursuant to § 32-1-305.5(3)(b), C.R.S.; and

WHEREAS, pursuant to Section 32-1-804(1), C.R.S., the Board shall govern the conduct of the Election and render all interpretations and make all decisions as to controversies or other matters arising in conducting the Election; and

WHEREAS, pursuant to Section 32-1-804(2), C.R.S., all powers granted by the Board by Part 8, Article 1 of Title 32, for the conduct of regular or special elections may be exercised in the absence of the Board by the secretary or by an assistant secretary appointed by the Board, and the person named by the Board who is responsible for the conducting of the election shall be the designated election official; and

WHEREAS, pursuant to Section 1-13.5-108(1), C.R.S., the designated election official named by the Board shall render all interpretations and shall make all initial decisions as to controversies or other matters arising in operation of the Code; and

WHEREAS, for purposes of the Election, the Board desires to appoint an assistant secretary, who shall be the designated election official for the Election and exercise all powers granted by the Board for the conduct of the Election; and

WHEREAS, §§ 1-13.5-501(1) & -(1.7), C.R.S., require that, between seventy-five (75) and one hundred (100) days before a regular election, the Designated Election Official shall provide public notice of a call for nominations for the election by two methods: (1) by emailing the notice to each active registered elector of the District as of the date that is one hundred fifty (150) days prior to the election or, if no email address is on file, by mail as provided in § 1-13.5-501(1.7), C.R.S., and (2) by any one of the following means: publication, as defined in § 1-13.5-501(2), C.R.S.; including the notice as a prominent part of an informational mailing sent by the District to the eligible electors of the District; posting the information of the official website of the District; or, if permitted under § 1-13.5-501(1.7)(b)(IV), C.R.S., posting the notice in at least three public places within the boundaries of the metropolitan district and in the office of the Clerk and Recorder of Boulder County; and

WHEREAS, § 1-13.5-1104(2), C.R.S. requires the Designated Election Official to supervise the distributing, handling, and counting of ballots and the survey of returns, and to take the necessary steps to protect the confidentiality of the ballots cast and the integrity of the election; and

WHEREAS, §§ 1-11-103(3) & 32-1-104(1), C.R.S. require the District to certify to the Division the results of any elections held by the District and include the District's business address, telephone number, and contact person; and

WHEREAS, § 1-13.5-513(1), C.R.S. provides that if the only matter before the electors in an election is the election of persons to office and if, at the close of business day on the sixty-third (63rd) day before the election or at any time thereafter, there are not more candidates than offices to be filled at the election, the Designated Election Official shall cancel the election and declare the candidates elected if so instructed by resolution of the governing body; and

WHEREAS, § 1-11-103(3), C.R.S. provides that if an election is cancelled pursuant to § 1-13.5-513(1), C.R.S., the District shall file notice and a copy of the resolution of such cancellation with the Colorado Division of Local Government (the "Division"); and

WHEREAS, the Board desires to call an election and set forth herein the procedures for conducting such election as authorized by the Election Laws.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT THAT:

1. The Board hereby calls a regular election of the eligible electors of the District to be held on May 3, 2022 between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Election Laws, for the purpose of electing two (2) directors to each serve a three-year term on the Board. Such numbers may change due to one or more vacancies arising on the Board after the adoption of this Resolution and prior to the Election. The Election shall be

conducted as an independent mail ballot election pursuant to Part 11 of the Local Government Election Code and all other relevant provisions of the Code.

2. Pursuant to Section 32-1-804(2), C.R.S., the Board hereby names Stacie Pacheco of Icenogle Seaver Pogue, P.C. as Assistant Secretary to the District for purposes of the Election, who shall be the Designated Election Official for the Election. The Designated Election Official shall act as the primary contact with the Boulder County Clerk and Recorder's office and shall be primarily responsible for ensuring the proper conduct of the Election including, but not limited to, appointing election judges as necessary, appointing the Board of Canvassers, arranging for the required notices of the election and printing of ballots, and directing that all other appropriate actions be accomplished. The Board hereby directs the District's General Counsel to oversee the general conduct of the Election.

3. The Board hereby directs the Designated Election Official to provide public notice of a call for nominations for the Election in accordance with the requirements of § 1-13.5-501, C.R.S., which shall include information regarding the director offices to be voted upon at the Election, where a self-nomination and acceptance form or letter may be obtained, the deadline for submitting the self-nomination and acceptance form or letter to the Designated Election Official, and information on obtaining an absentee ballot. The notice shall be emailed to each active registered elector of the District as specified in the registration list provided by the Boulder County Clerk and Recorder as of the date that is one hundred fifty (150) days prior to the date of the Election or, if no email address is on file, by mail as provided in § 1-13.5-501(1.7), C.R.S. In addition, public notice shall be provided by posting the information on the official website of the District.

4. Pursuant to Section 1-13.5-1002(1)(b), C.R.S., applications for absentee voter's ballots may be filed at the Designated Election Official's office (at such address noted in Paragraph 5 below), between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 26, 2022).

5. Pursuant to Section 1-13.5-303, C.R.S., any person who desires to be a candidate for the office of director in the District must file a self-nomination and acceptance form or letter, signed by the candidate and by an eligible elector of the State as a witness to the signature of the candidate, with the Designated Election Official no later than 5:00 P.M. on the day that is sixty-seven (67) days prior to the Election (February 25, 2022). On the date of signing the self-nomination and acceptance form or letter a candidate for director shall be an eligible elector of the District. Pursuant to Section 32-1-103(5), C.R.S., an "eligible elector" means a person who, at the designated time or event, is registered to vote in the State of Colorado and (i) who is a resident of the special district; or (ii) who, or whose spouse or civil union partner, owns taxable real or personal property situated within the boundaries of the special district, whether said person resides within the special district or not. A person who is obligated to pay taxes under a contract to purchase taxable property situated within the boundaries of the special district is considered an "owner" for purposes of this definition. Self-nomination and acceptance forms are available at the Designated Election Official's office located at 4724 S. Monaco St., Suite 360, Denver, Colorado 80237.

6. Pursuant to Sections 1-13.5-513(1)&(6), C.R.S., the Board hereby authorizes and directs the Designated Election Official to cancel the Election and declare the candidates elected if, at the close of business on the sixty-third (63rd) day before the Election (March 1, 2022), there are not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates, and so long as the only ballot questions are for the election of candidates. The Board further authorizes and directs the Designated Election Official to file cancellation notices with the Boulder County Clerk and Recorder's Office and with the Colorado Division of Local Government, to post notice of the cancellation in the office of the Designated Election Official, and to provide notice by publication of the cancellation of the election. The Designated Election Official also shall notify the candidates that the Election was cancelled and that they were elected by acclamation.

7. In accordance with §§ 1-11-103(3) & 32-1-104(1), C.R.S., the District directs the Designated Election Official to notify the Division of the results of any elections held by the District, including the District's business address, telephone number, and contact person within thirty (30) days after the Election (June 2, 2022).

8. The Designated Election Official and the officers, agents, consultants, and employees, if any, of the District are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

9. All actions not inconsistent with the provisions of this Resolution heretofore taken by the members of the Board, the Designated Election Official, and the officers, agents, consultants, and employees, if any, of the District, and directed toward holding the Election for the purposes stated herein are hereby ratified, approved, and confirmed.

10. All prior acts, orders, or resolutions, or parts thereof, by the District in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive any act, order, or resolution, or part thereof, heretofore repealed.

11. If any section, paragraph, clause, or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

12. The District shall be responsible for the payment of any and all costs associated with the conduct of the Election, including its cancellation, if necessary, and those costs incurred pursuant to the terms and conditions of an election agreement with the County, if any.

13. This Resolution shall take effect on the date and at the time of its adoption.

[Remainder of page intentionally left blank.]

Whereupon, a motion was made and seconded, and upon a majority vote, this Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 11TH DAY OF NOVEMBER, 2021.

MOUNTAIN BROOK METROPOLITAN DISTRICT

By: Kevin Mulshine
Its: President

RESOLUTION NO. 2021-11-____
MOUNTAIN BROOK METROPOLITAN DISTRICT
2022 ANNUAL ADMINISTRATIVE MATTERS RESOLUTION

WHEREAS, the Board of Directors (the “Board”) of the District are required to perform certain administrative obligations during each calendar year to comply with certain statutory requirements, as further described below, and to assure the efficient operations of the District; and

WHEREAS, the Board desires to set forth such obligations herein and to designate, where applicable, the appropriate person or person(s) to perform such obligations on behalf of the District; and

WHEREAS, the Board further desires to acknowledge and ratify herein certain actions and outstanding obligations of the District.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF MOUNTAIN BROOK METROPOLITAN DISTRICT HEREBY RESOLVES AS FOLLOWS:

1. The Board directs the District Manager to prepare and file wither an accurate map either as specified by the Colorado Division of Local Government (the “Division”) or a notice that the District’s boundaries have not changed since the filing of the last map for the District, with the Division, the Boulder County Clerk and Recorder, and the Boulder County Assessor on or before January 1, 2022, as required by Section 32-1-306, C.R.S.

2. Pursuant to Section 24-32-116(3)(b), C.R.S, the Board directs legal counsel to update the Division with any of the following information previously provided to the Division, in the event such information changes: (i) the official name of the District; (ii) the principal address and mailing address of the District; (iii) the name of the District’s agent; and (iv) the mailing address of the District’s agent.

3. The Board directs legal counsel to prepare, no more than sixty (60) days prior to and not later than January 15, 2022, the District’s annual transparency notice containing the information set forth in Section 32-1-809(1), C.R.S., and to provide such notice to the eligible electors of the District in one of the manners set forth in Section 32-1-809(2), C.R.S. In addition, legal counsel is directed to file a copy of the notice with the Boulder County Board of County Commissioners, the Boulder County Assessor, the Boulder County Treasurer, the Boulder County Clerk and Recorder’s Office, the Longmont City Council (“City Council”), and the Division as set forth in Section 32-1-104(2), C.R.S. A copy of the notice shall be made available for public inspection at the principal business office of the District.

4. The Board directs the District’s accountant to submit a proposed 2022 budget for the District to the Board on or before October 15, 2022, to schedule a public hearing on the proposed budget, prepare a final budget, and budget resolution, including certification of mill levies and amendments to the budget if necessary; to certify the mill levy to Larimer County Assessor on or before December 15, 2022; and to file the approved budgets and amendments

thereto with the proper governmental entities in accordance with the Local Government Budget Law of Colorado, Sections 29-1-101 to 29-1-115, C.R.S.

5. In the event additional real property is included into the boundaries of the District in the future, the District authorizes legal counsel to record the special district public disclosure document and a map of the new boundaries of the District concurrently with the recording of the order for inclusion in the Boulder County Clerk and Recorder's office, in accordance with Section 32-1-104.8(2), C.R.S.

6. The Board directs legal counsel to notify the City Council of any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan attached to the District's Service Plan, as required by Section 32-1-202(2)(b), C.R.S.

7. For any nonrated public securities issued by the District, the Board directs the District accountant to prepare and file with the Division on or before March 1, 2022, an annual information report with respect to any of the District's nonrated public securities which are outstanding as of the end of the District's fiscal year in accordance with Section 11-58-105, C.R.S.

8. The Board hereby authorizes the District's accountant to prepare and file an Audit Exemption and Resolution for approval of Audit Exemption with the Colorado State Auditor by March 31, 2022, as required by Section 29-1-604, C.R.S.; or, if required by Section 29-1-603, C.R.S., the Board authorizes that an audit of the financial statements be prepared and submitted to the Board before June 30, 2022 and filed with the State Auditor by July 31, 2022.

9. The Board directs its staff to prepare the Unclaimed Property Act report and forward the report to the Colorado State Treasurer by November 1, 2022 if there is property presumed abandoned and subject to custody as unclaimed property, in accordance with Section 38-13-110, C.R.S.

10. The Board directs legal counsel to oversee the preparation of any continuing annual disclosure report required to be filed pursuant to a continuing disclosure agreement, in accordance with the Securities Exchange Commission Rule 15c2-12.

11. The Board designates the Secretary of the District as the official custodian of "public records," as such term is used in Section 24-72-202(2), C.R.S. Public records may also be maintained at the office of Icenogle Seaver Pogue, P.C. and Special District Management Services, Inc.

12. The Board directs legal counsel to advise it on the requirements of the Fair Campaign Practices Act, Sections 1-45-101 *et seq.*, C.R.S., when applicable.

13. The Board directs that all legal notices shall be published in accordance with Section 32-1-103(15), C.R.S., in a paper of general circulation within the boundaries of the District, or in the vicinity of the District if none is circulated within the District including, but not limited to, *The Longmont Times Call*.

14. The Board determines that each director shall not receive compensation for services as directors in accordance with Section 32-1-902(3)(a)(II), C.R.S.

15. The Board hereby determines that each member of the Board shall execute an Affidavit of Qualification of Director at such time the member is either elected or appointed to the Board. Such forms shall be retained in the District's files. Section 32-1-103(5), C.R.S. sets forth the qualifications required. Pursuant to Section 32-1-901, C.R.S., the Board directs legal counsel to prepare, administer and file an oath of office and a certificate of appointment, if applicable, and procure a surety bond for each Director, and to file copies of each with the Clerk of the Court and with the Division.

16. The Board extends the current indemnification resolution, adopted by the Board on August 24, 2020, to allow the resolution to continue in effect as written.

17. Pursuant to Section 32-1-1101.5, C.R.S., the Board directs legal counsel to certify the results of any special district ballot issue elections to incur general obligation indebtedness by certified mail to the City Council and to file a copy of the certification with the Colorado Division of Securities within forty-five (45) days after the election. Furthermore, whenever the District authorizes or incurs a general obligation debt, the Board authorizes legal counsel to record notice of such action and a description of such debt, in a form prescribed by the Division, in the Larimer County Clerk and Recorder's office within thirty (30) days after authorizing or incurring the debt in accordance with Section 32-1-1604, C.R.S. Furthermore, whenever the District incurs general obligation debt, the Board directs legal counsel to submit a copy of the recorded notice to the City Council within thirty (30) days after incurring the debt in accordance with Section 32-1-1101.5(1), C.R.S.

18. The Board directs legal counsel to prepare and file an application for a quinquennial finding of reasonable diligence with the City Council, if requested, in accordance with Section 32-1-1101.5(1.5)&(2), C.R.S.

19. The Board directs legal counsel to prepare and file the special district annual report in accordance with the District's Service Plan and Section 32-1-207(3)(c), C.R.S.

20. The Board has determined that legal counsel will file conflicts of interest disclosures provided by board members with the Colorado Secretary of State seventy-two (72) hours prior to each meeting of the Board, in accordance with Sections 32-1-902(3)(b) and 18-8-308, C.R.S. Annually, legal counsel shall request that each Board member submit updated information regarding actual or potential conflicts of interest. Additionally, at the beginning of every term, legal counsel shall request that each Board member submit information regarding actual or potential conflicts of interest.

21. The District is currently a member of the Special District Association ("SDA") and is insured through the Colorado Special Districts Property and Liability Pool. The Board directs the District Manager to pay the annual SDA membership dues and insurance premiums in

a timely manner. The Board and District consultants will biannually review all insurance policies and coverage in effect to determine appropriate insurance coverage is maintained.

22. Pursuant to Section 24-6-402(2)(c), C.R.S. and the Amended and Restated Meeting Resolution adopted by the Board on October 25, 2021 (“Meeting Resolution”), the Board hereby designates the District’s public website, <https://mountainbrookmd.com/>, as the twenty-four (24) hour posting location for all meeting notices. The Board hereby designates the corner of 9100 Rogers Road – Property Boundary as the posting location for meeting notices if the District is unable to post a notice online in exigent or emergency circumstances.

23. The Board members have reviewed the minutes from the November 16, 2020 through June 28, 2021 meetings of the Board, which minutes are attached hereto as Exhibit A. The Board, being fully advised of the premises, hereby ratifies and affirms each and every action of the Board taken at said meetings.

24. On March 10, 2020, Governor Polis declared a State of Emergency due to the threat to the health, welfare and safety of persons in Colorado posed by the COVID-19 pandemic. Until such time the State of Emergency is lifted and it is deemed safe to hold Board meetings at the physical location identified in the District’s Meeting Resolution, the Board acknowledge, agree and declare that the District has held and shall continue to hold all meetings virtually that allow for public access virtually and/or telephonically as provided in the District’s meeting notices. Any further changes to the time, date, and location of District meetings shall be set forth in an amendment to the Meeting Resolution.

25. Pursuant to Section 24-6-402(2)(d.5)(II)(E), C.R.S., the Board hereby declares that all electronic recordings of executive sessions shall be retained for purposes of the Colorado Open Meetings Law for ninety (90) days after the date of the executive session. The Board further directs the custodian of the electronic recordings of the executive session to systematically delete all such recordings made for purposes of the Colorado Open Meetings Law at its earliest convenience after the ninetieth (90th) day after the date of the executive session.

26. The District hereby acknowledges, agrees and declares that the District’s policy for the deposit of public funds shall be made in accordance with the Public Deposit Protection Act (Sections 11-10.5-101 *et seq.*, C.R.S.). As provided therein, the District’s official custodian may deposit public funds in any bank which has been designated by the Colorado Banking Board as an eligible public depository. For purposes of this paragraph, “official custodian” means a designee with plenary authority including control over public funds of a public unit which the official custodian is appointed to serve. The District hereby designates the District’s accountant as its official custodian over public deposits.

27. The Board hereby authorizes the District’s Manager to execute, on behalf of the District, any and all easement agreements pursuant to which the District is accepting or acquiring easements in favor of the District.

28. Unless otherwise authorized by the Board hereby authorizes the Board President of the District or the District Manager to approve any 2022 Task Orders, Work Orders, and

Change Orders (individually, the “Order”, collectively, the “Orders”) for any District construction contract and service agreement (the “Contract”), provided, that any Order resulting in an increase in the Contract price to be paid by the District is within the District’s approved budget. Any Orders approved by the Board President or District Manager will be ratified by the applicable District’s Board at a subsequent meeting of the Board.

(Signatures Begin Next Page.)

ADOPTED AND APPROVED THIS 11th DAY OF NOVEMBER, 2021.

MOUNTAIN BROOK METROPOLITAN DISTRICT

By: _____
Kevin Mulshine, President

Signature Page to 2022 Annual Administrative Matters Resolution

CERTIFICATION OF RESOLUTION

I, Alan D. Pogue, General Counsel for Mountain Brook Metropolitan District (the “District”), do hereby certify that the annexed and foregoing Resolution is a true copy from the Records of the proceedings of the Board of said District, on file with Icenogle Seaver Pogue, P.C., general counsel to the District.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the District, this 11TH day of November, 2021.

(S E A L)

Alan D. Pogue, General Counsel

Certification to 2022 Annual Administrative Matters Resolution

EXHIBIT A

**Minutes from the
November 16, 2020 through June 28, 2021
Meetings of the Board**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT HELD NOVEMBER 16, 2020

The special meeting of the Board of Directors of the Mountain Brook Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, the 16th day of November, 2020, at 10:00 A.M., Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kevin Mulshine
Kenneth Spencer
Conley Smith

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Don Burchett; Longmont Planning Manager

Tony Chacon; Longmont Redevelopment Manager

Joan Peck and Polly Christenson; Longmont City Council

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Pogue noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Pogue requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Pogue noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted that disclosure statements had been timely filed for all Directors.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Smith, seconded by Director Mulshine and, upon vote unanimously carried, the Agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Smith, seconded by Director Mulshine and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by teleconference via Zoom without any individuals (neither District Representatives nor the general public) attending in person. The Board further noted that notice of this meeting format was duly posted and that they have not received any objections to the meeting format or any requests that the meeting format be changed by taxpaying electors within its boundaries.

Section 32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2021.

Following discussion, the Board determined to post the required Transparency Notice on the Special District Association website, and on the Authority's website.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve the Minutes of the August 24, 2020 Organizational Meeting.
- Ratify engagement of Simmons & Wheeler, P.C. as the District Accountant.
- Approve 2021 Annual Administrative Resolution.

Following discussion, upon motion duly made by Director Spencer, seconded by Director Mulshine and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

RECORD OF PROCEEDINGS

PUBLIC COMMENTS There were no public comments.

FINANCIAL MATTERS

Unaudited Financial Statements: The Board deferred discussion.

2021 Budget Preparation: The Board discussed the preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer and, upon vote, unanimously carried, the Board ratified appointment of the District Accountant to prepare the 2021 Budget.

2021 Budget Hearing: The President opened the public hearing to consider the proposed 2021 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2021 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Wheeler reviewed the estimated 2020 expenditures and the proposed 2021 expenditures with the Board.

Following discussion, the Board considered the adoption of the Resolution No. 2020-11-02 to Adopt the 2021 Budget and Appropriate Sums of Money and Resolution No. 2020-11-03 to Set Mill Levies, for the General Fund at 50.000 Mills and other Funds at 0.000 Mills for a total Mill Levy of 50.000. Upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the county on or before December 10, 2020. Ms. Ripko was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Arapahoe County not later than December 15, 2020. Ms. Ripko was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2021. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification: Ms. Ripko discussed with the Board the DLG-70 Mill Levy Certification form.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Smith, seconded by Director Spencer and, upon vote, unanimously carried, the Board authorized Special District Management Services, Inc. to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

2022 Budget Preparation: The Board discussed the preparation of the 2022 Budget.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2022 Budget.

LEGAL MATTERS

First Amendment to 2020 Funding and Reimbursement Agreement: Attorney Pogue reviewed with the Board the First Amendment to 2020 Funding and Reimbursement Agreement and Refunding of 2020 Subordinate Note and Issuance of 2021 Subordinate Note between Mountain Brook Metropolitan District and Mountain Brook Partners, LLC.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the First Amendment 2020 to Funding and Reimbursement Agreement and Refunding of 2020 Subordinate Note and Issuance of 2021 Subordinate Note between Mountain Brook Metropolitan District and Mountain Brook Partners, LLC.

First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement, and Refunding of 2020 Subordinate Note and Issuance of 2021 Subordinate Note to Mountain Brook Partners, LLC: Attorney Pogue reviewed with the Board the First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement, and Refunding of 2020 Subordinate Note and Issuance of 2021 Subordinate Note to Mountain Brook Partners, LLC.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board approved First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement, and Refunding of 2020 Subordinate Note and Issuance of 2021 Subordinate Note to Mountain Brook Partners, LLC.

OTHER BUSINESS

Director Mulshine gave an update regarding the status of the development.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, and seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT HELD FEBRUARY 22, 2021

The special meeting of the Board of Directors of the Mountain Brook Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, the 22nd day of February, 2021, at 9:00 A.M., Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kevin Mulshine
Kenneth Spencer
Conley Smith

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Pogue noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Pogue requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Pogue noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted that disclosure statements had been timely filed for all Directors.

ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko distributed for the Board’s review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Spencer, seconded by Director Mulshine and, upon vote unanimously carried, the Agenda was approved, as presented.

RECORD OF PROCEEDINGS

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Spencer, seconded by Director Mulshine and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by teleconference via Zoom without any individuals (neither District Representatives nor the general public) attending in person. The Board further noted that notice of this meeting format was duly posted and that they have not received any objections to the meeting format or any requests that the meeting format be changed by taxpaying electors within its boundaries.

CONSENT AGENDA **Consent Agenda:** The Board considered the following actions:

- Approve the Minutes of the November 16, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

PUBLIC COMMENTS There were no public comments.

FINANCIAL MATTERS

Checking Account: Ms. Wheeler gave the Board an update on the status of the checking account.

Engagement of Bond Counsel: The Board deferred discussion.

Engagement of Underwriter: The Board deferred discussion.

LEGAL MATTERS

There were no legal matters to discuss at this time.

OTHER BUSINESS

There were no other matters to discuss at this time.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made, and seconded, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: *Kevin Mulshine*
Secretary for the Meeting

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AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



SENT

07 / 26 / 2021

16:12:14 UTC

Sent for signature to Kevin Mulshine
(kmulshine@hmsdevelopment.com) from pripko@sdmsi.com
IP: 50.78.200.153



VIEWED

07 / 26 / 2021

18:38:08 UTC

Viewed by Kevin Mulshine (kmulshine@hmsdevelopment.com)
IP: 66.186.210.45



SIGNED

07 / 26 / 2021

18:38:31 UTC

Signed by Kevin Mulshine (kmulshine@hmsdevelopment.com)
IP: 66.186.210.45



COMPLETED

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RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MOUNTAIN BROOK METROPOLITAN DISTRICT HELD APRIL 26, 2021

The special meeting of the Board of Directors of the Mountain Brook Metropolitan District (referred to hereafter as the “Board”) was convened on Monday, the 26th day of April, 2021, at 9:00 A.M., Due to concerns regarding the spread of the coronavirus (COVID-19) and the benefits to the control of the spread of the virus by limiting in-person contact, the District Board meeting was held by Zoom. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Kevin Mulshine, President
Kenneth Spencer, Treasurer
Conley Smith, Secretary

Also In Attendance Were:

Peggy Ripko; Special District Management Services, Inc.

Alan Pogue, Esq.; Icenogle Seaver Pogue, P.C.

Diane Wheeler; Simmons & Wheeler, P.C.

Ken Guckenberger; Kutak Rock LLP

Mike Sullivan; Piper Sandler & Co.

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Attorney Pogue noted that disclosures of potential conflict of interest statements for each of the Directors were filed with the Secretary of State seventy-two hours in advance of the meeting. Attorney Pogue requested that the Directors consider whether they had any additional conflicts of interest to disclose. Attorney Pogue noted for the record that there were no new disclosures made by the Directors present at the meeting and incorporated for the record those applicable disclosures made by the Board Members prior to this meeting and in accordance with the statutes. It was noted that disclosure statements had been timely filed for all Directors.

RECORD OF PROCEEDINGS

ADMINISTRATIVE MATTERS

Agenda: Ms. Ripko distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer and, upon vote unanimously carried, the agenda was approved, as presented.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of §32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in-person contact, this District Board Meeting was held by teleconference and via Zoom without any individuals (neither District representatives nor the general public) attending in person. The Board further noted that notice of this meeting format was duly posted and that they have not received any objections to the meeting format or any requests that the meeting format be changed by taxpaying electors within its boundaries.

CONSENT AGENDA

Consent Agenda: The Board considered the following actions:

- Approve the Minutes of the February 22, 2021 Special Meeting.

Following discussion, upon motion duly made by Director Smith, seconded by Director Spencer and, upon vote, unanimously carried, the Board approved the Consent Agenda, as presented.

PUBLIC COMMENTS

There were no public comments.

FINANCIAL MATTERS

Engagement of Bond Counsel: The Board discussed the engagement of Bond and Disclosure Counsel.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Spencer, and upon vote, unanimously carried, the Board authorized the engagement of Kutak Rock LLP as Bond and Disclosure Counsel.

RECORD OF PROCEEDINGS

Engagement of Underwriter: The Board discussed the engagement of Underwriter.

Following discussion, upon motion duly made by Director Mulshine, seconded by Director Smith, and upon vote, unanimously carried, the Board authorized the engagement of Piper Sandler & Co. as Underwriter.

District Accounts: Ms. Wheeler provided the Board an update on the District's Accounts.

**LEGAL
MATTERS**

There were no legal matters to discuss at this time.

OTHER BUSINESS

There were no other matters to discuss at this time.

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Smith, and seconded by Director Mulshine, and upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: Kevin Mulshine
Secretary for the Meeting

TITLE	Minutes
FILE NAME	02.22.21 Minutes.pdf and 2 others
DOCUMENT ID	b4fc1e68c1bed9f7aad09241356485504755d7a
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



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07 / 26 / 2021

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18:38:08 UTC

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SIGNED

07 / 26 / 2021

18:38:31 UTC

Signed by Kevin Mulshine (kmulshine@hmsdevelopment.com)
IP: 66.186.210.45



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07 / 26 / 2021

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The document has been completed.

RESOLUTION NO. 2021-11-__
THE BOARD OF DIRECTORS OF
MOUNTAIN BROOK METROPOLITAN DISTRICT

AMENDED AND RESTATED MEETING RESOLUTION

WHEREAS, Mountain Brook Metropolitan District (the “District”) was organized pursuant to Section 32-1-101 *et seq.*, C.R.S. of the Special District Act; and

WHEREAS, on August 24, 2020, the District adopted a Meeting Resolution to designate the time and place of all regular meetings and all twenty-four (24) hour posting location of meeting notices, and to establish specific requirements to call emergency meeting when such meetings are deemed necessary for the immediate protection of the public health, safety, and welfare of the property owners and residents of the District (the “Prior Meeting Resolution”); and

WHEREAS, House Bill 21-1278 (“HB 1278”), which was signed into law by the Colorado General Assembly during the 2021 legislative session with an effective date of July 7, 2021, revised the meeting requirements of the boards of directors of special districts; and

WHEREAS, pursuant to Section 32-1-903(1), C.R.S., as amended by HB 1278, the Board of Directors (the “Board”) of the District shall meet regularly at a “Location” to be designated by the Board; and

WHEREAS, pursuant to Section 32-1-903(5)(a), C.R.S., the term “Location” means the physical, telephonic, electronic, other virtual place, or combination of such means where a meeting can be attended; and

WHEREAS, Section 32-1-903(1), C.R.S., as amended by HB 1278, requires that all meetings of the Board that are held solely at physical locations must be held at physical locations that are within the boundaries of the District or which is within the boundaries of any county in which the District is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the District’s boundaries; and

WHEREAS, the provisions of Section 32-1-903(1.5), C.R.S. may be waived only if the following criteria are met: (a) the proposed change of the physical location of the Board appears on the agenda of a meeting of the Board, and (b) a resolution is adopted by the Board stating the reason for which meeting of the Board is to be held in a physical location under than the provisions of Section 32-1-903(1.5), C.R.S., and further stating the date, time, and physical location of such meeting; and

WHEREAS, pursuant to Section 32-1-903(2)(a), C.R.S., special meetings may be held as often as the needs of the District require, upon notice to each director, and may include study sessions at which a quorum of the Board is in attendance, and at which information is presented but no official action can be taken by the Board; and

WHEREAS, Sections 32-1-903(2) and 24-6-402(2)(c), C.R.S. govern meeting notices provided by special districts for all public meetings as set forth below; and

WHEREAS, pursuant to Section 32-1-903(2), C.R.S. notice of the time and location designated for all meetings of the Board shall be provided in accordance with Section 24-6-402, C.R.S.; and

WHEREAS, Section 24-6-402(2)(c)(I), C.R.S. requires the District to annually designate one public place within the boundaries of the District where notice of the Board's meetings shall be posted no less than twenty-four (24) hours prior to the Board's meetings, and where possible, the posting shall include specific agenda information; and

WHEREAS, pursuant to Section 24-6-402(2)(c)(III), C.R.S., the District shall be deemed to have given full and timely notice of a public meeting if the District posts the notice, with specific agenda information if available, no less than twenty-four (24) hours prior to the meeting on the public website of the District; and

WHEREAS, if the District posts notice on the District's public website pursuant to Section 24-6-402(2)(c)(III), C.R.S., the District must also designate a public place within its boundaries at which the District may post a notice no less than twenty-four (24) hours prior to a meeting if the District is unable to post notice online in exigent or emergency circumstances; and

WHEREAS, the meeting notice of all meetings of the Board that are held telephonically, electronically, or by other means not including physical presence must include the method or procedure, including the conference number or link, by which members of the public can attend the meeting in accordance with Section 32-1-903(2)(a), C.R.S.; and

WHEREAS, the Board desires to amend and restate the Prior Meeting Resolution pursuant to this Resolution to address the changes to the meeting requirements for the boards of special districts as set forth in HB 1278.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOUNTAIN BROOK METROPOLITAN DISTRICT THAT:

1. The Board hereby determines to hold regular meetings on the Fourth (4th) Monday every even numbered month at 9:00 a.m. The location of all regular and special meetings of the Board will be held electronically via Zoom or other reliable electronic platform and at the office of 700 Ken Pratt Blvd, Suite #113, Longmont, Colorado 80501, which location is within the boundaries of Boulder County where the District is located as required pursuant to Section 32-1-903(1.5), C.R.S. The meeting notice of all meetings of the Board shall include the method or procedure, including the conference number or link, by which members of the public can attend the meeting.

2. The Board hereby designates the District's public website, <https://mountainbrookmd.com/>, as the twenty-four (24) hour posting location for all meeting notices.

3. The Board hereby designates 9100 Rogers Road – Property Boundary as the posting location for notices if the District is unable to post a notice online in exigent or emergency circumstances.

4. The designations set forth in Paragraphs 2 and 3 are hereby deemed to be the Board's annual designation of the location where notices of meetings shall be posted twenty-four (24) hours in advance of said meetings and shall be effective until such time as the Board determines to designate a new posting location. The Board shall provide or cause to be provided the address of the website to the Colorado Department of Local Affairs.

5. Emergency meetings may be called by the District without notice, if notice is not practicable, by the President or any two (2) Board members in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety, and welfare of the property owners and residents of the District. If possible, notice of such emergency meeting may be given to the members of the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency, and shall be provided to the public via any practicable means available, *if any*, including, but not limited to, posting notice of such emergency meeting on the District's website. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided however, that any action taken at an emergency meeting shall be ratified at the first to occur: (a) the next regular meeting of the District's Board, or (b) the next special meeting of the District's Board.

6. This Resolution shall repeal, supersede, and replace the Prior Meeting Resolution and any and all previous resolutions or provisions of previous resolutions adopted by the Board concerning meeting location, time, and posting of notices.

7. This Resolution shall take effect on the date and at the time of its adoption and shall remain effective until otherwise supplemented or amended by the Board.

Signature page follows.

Whereupon, a motion was made and seconded, and upon a majority vote, this Resolution was approved by the Board.

APPROVED AND ADOPTED THIS 11th DAY OF NOVEMBER, 2021.

MOUNTAIN BROOK METROPOLITAN DISTRICT

By: Kevin Mulshine, President

Signature Page to Amended and Restated Meeting Resolution

RESOLUTION NO. 2021-11- _____
RESOLUTION OF THE BOARD OF DIRECTORS OF
MOUNTAIN BROOK METROPOLITAN DISTRICT

A RESOLUTION APPROVING THE SECOND AMENDMENT TO 2020 FUNDING AND REIMBURSEMENT AGREEMENT BETWEEN THE DISTRICT AND MOUNTAIN BROOK PARTNERS, LLC, AND IN CONNECTION THEREWITH, REFUNDING THE 2020 SUBORDINATE NOTE AND AUTHORIZING THE ISSUANCE OF A 2021 SUBORDINATE NOTE TO EVIDENCE THE DISTRICT'S REIMBURSEMENT OBLIGATION TO MOUNTAIN BROOK PARTNERS, LLC

WHEREAS, on August 24, 2020, Mountain Brook Metropolitan District (the "District") and Mountain Brook Partners, LLC ("MBP") entered into a 2020 Funding and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Operation Costs (the "2020 Agreement") and, in connection therewith, the District issued a subordinate promissory note to the District dated August 24, 2020 (the "2020 Note") to evidence the District's repayment obligation to MBP; and

WHEREAS, on November 16, 2020, the District and MBP entered into a First Amendment to 2020 Funding and Reimbursement Agreement (the "First Amendment," together with the 2020 Agreement, the "Agreement") to extend the Funding Obligation Term through December 21, 2021, and in connection therewith, the District refunded the 2020 Note at maturity and issued a new Subordinate Note to MPB on January 1, 2021, with a maturity date of 2021 (the "2021 Note") in accordance with Paragraph 5.A. of the 2020 Agreement; and

WHEREAS, unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 1 of the Agreement, MBP agreed to advance to the District or expend on behalf of the District, funds in an amount not to exceed the Maximum Principal Amount of One Hundred Fifty Thousand Dollars (\$150,000) through Funding Obligation Term of December 31, 2021; and

WHEREAS, the District will lack sufficient funds to pay the 2021 Note in full at maturity and will continue to require funds through fiscal year 2022 to pay for Operation Costs; and

WHEREAS, Paragraphs 4 and 5 of the Agreement provide the terms and provisions for the District to issue a Subordinate Note to MBP, the District's repayment obligations of the Subordinate Note, refunding the Subordinate Note if not paid in full at maturity and other provisions related to the issuance and repayment of the Subordinate Note (the "Subordinate Note Terms"); and

WHEREAS, MBP is willing to extend the Funding Obligation Term of the Agreement through December 31, 2022 for MBP to advance funds to the District or expend funds on behalf of the District, in an amount not to exceed the Maximum Principal Amount; and

WHEREAS, the District and MBP desire to amend the Subordinate Note Terms regarding the issuance and repayment of a new Subordinate Note, and to refund the 2021 Note and issue a new Subordinate Note to MBP pursuant to the amended Subordinate Note Terms set forth in this Second Amendment; and

WHEREAS, pursuant to Paragraph 11 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and MBP; and

WHEREAS, the Parties have negotiated, and desire to enter into, the “Second Amendment to the 2020 Funding and Reimbursement Agreement,” as attached hereto as Exhibit A (the “Second Amendment”) to amend the terms and provisions of the Agreement related to the advancement of funds, the Funding Obligation Term, and the Subordinate Note Terms, as set forth in this Second Amendment; and

WHEREAS, in connection with the terms of the Second Amendment, the District desires to refund the 2021 Note and issue a new Subordinate Note to MBP, as attached hereto as Exhibit B, in an amount not to exceed the Maximum Principal Amount.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOUNTAIN BROOK METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board of Directors (the “Board”) hereby approves the Second Amendment to 2020 Funding and Reimbursement Agreement, as attached hereto as Exhibit A, to be effective December 31, 2021, and authorizes the Board’s President to execute the same.
2. The Board of Directors hereby approves the refunding of the 2021 Note and authorizes the issuance of the Subordinate Note, as attached hereto as Exhibit B, and authorizes the Board’s President to execute the same.
3. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Begin on Next Page.)

Whereupon, a motion was made and seconded, and upon a majority vote, this Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 11th DAY OF NOVEMBER, 2021.

**MOUNTAIN BROOK METROPOLITAN
DISTRICT**

By: Kevin Mulshine, President

EXHIBIT A
(To Resolution)

SECOND AMEDMENT TO 2020 FUNDING AND REIMBURSEMENT AGREEMENT

SECOND AMENDMENT TO 2020 FUNDING AND REIMBURSEMENT AGREEMENT (Operation Costs)

This SECOND AMENDMENT TO 2020 FUNDING AND REIMBURSEMENT AGREEMENT (the “Second Amendment”) is made and entered into as of this 31st day of December, 2021 (“Effective Date”), by and between MOUNTAIN BROOK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and MOUNTAIN BROOK PARTNERS, LLC, a Colorado limited liability company (“MBP”), collectively, the “Parties.”

RECITALS

WHEREAS, on August 24, 2020, the District and MBP entered into a 2020 Funding and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Operation Costs (the “2020 Agreement”) and, in connection therewith, the District issued a subordinate promissory note to the District dated August 24, 2020 (the “2020 Note”) to evidence the District’s repayment obligation to MBP; and

WHEREAS, on November 16, 2020, the District and MBP entered into a First Amendment to 2020 Funding and Reimbursement Agreement (the “First Amendment,” together with the 2020 Agreement, the “Agreement”) to extend the Funding Obligation Term through December 21, 2021, and in connection therewith, the District refunded the 2020 Note at maturity and issued a new Subordinate Note to MPB on January 1, 2021, with a maturity date of 2021 (the “2021 Note”) in accordance with Paragraph 5.A. of the 2020 Agreement; and

WHEREAS, unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 1 of the Agreement, MBP agreed to advance to the District or expend on behalf of the District, funds in an amount not to exceed the Maximum Principal Amount of One Hundred Fifty Thousand Dollars (\$150,000) through Funding Obligation Term of December 31, 2021; and

WHEREAS, the District will lack sufficient funds to pay the 2021 Note in full at maturity and will continue to require funds through fiscal year 2022 to pay for Operation Costs; and

WHEREAS, Paragraphs 4 and 5 of the Agreement provide the terms and provisions for the District to issue a Subordinate Note to MBP, the District’s repayment obligations of the Subordinate Note, refunding the Subordinate Note if not paid in full at maturity and other provisions related to the issuance and repayment of the Subordinate Note (the “Subordinate Note Terms”); and

WHEREAS, MBP is willing to extend the Funding Obligation Term of the Agreement through December 31, 2022 for MBP to advance funds to the District or expend funds on behalf of the District, in an amount not to exceed the Maximum Principal Amount; and

WHEREAS, the District and MBP desire to amend the Subordinate Note Terms regarding the issuance and repayment of a new Subordinate Note, and to refund the 2021 Note and issue a new Subordinate Note to MBP pursuant to the amended Subordinate Note Terms set forth in this Second Amendment; and

WHEREAS, pursuant to Paragraph 11 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and MBP; and

WHEREAS, the Parties have renegotiated, and desire to enter into, this Second Amendment to amend the terms and provisions of the Agreement related to the advancement of funds, the Funding Obligation Term, and the Subordinate Note Terms, as set forth in this Second Amendment.

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the District and MBP agree to amend the Agreement as follows:

COVENANTS AND AGREEMENTS

1. The Parties hereby amend and restate Paragraph 1 of the Agreement in its entirety as follows:

1. Advance Amount and Term. MBP hereby agrees to advance funds or expend funds on behalf of the District in one or more installments, provided that in no event shall the total amount that MBP shall advance to the District or expend on behalf of the District, exceed One Hundred Fifty Thousand Dollars (\$150,000) (the "Maximum Principal Amount"). The Maximum Principal Amount constitutes the maximum amount that may be advanced or expended hereunder, notwithstanding any payment or prepayment of any portion of the funds advanced or expended pursuant to the terms hereof, unless this Agreement is further supplemented or amended. Advanced funds shall be available to the District in one or a series of installments through December 31, 2022, which period shall constitute the "Funding Obligation Term" of the Agreement. The District's repayment obligation shall survive the Funding Obligation Term until MBP is repaid in full, provided that the District's repayment obligation shall terminate on the date that is forty (40) years from the effective date of the 2020 Agreement (August 23, 2060), even if any portion of the Maximum Principal Amount remains outstanding.

2. The Parties hereby amend and restate Paragraph 4 of the Agreement in its entirety as follows:

4. Issuance of the Subordinate Note; Recordation of Advances; Interest.

A. On the Effective Date, the District shall refund the 2021 Note and issue a new Subordinate Note to MBP, substantially in the form as attached hereto as Exhibit A, in an amount not to exceed the Maximum Principal Amount, which

Subordinate Note shall evidence the District's repayment obligation to MBP for funds advanced to or expended on behalf of the District, as provided in the Agreement and this Second Amendment. The Subordinate Note shall have a maturity date of August 23, 2060 (the "Maturity Date").

B. Upon receipt of each advance from MBP or upon any approved amount expended by MBP on the District's behalf, the District shall complete the appropriate information on Schedule "A" of the Subordinate Note, showing the amount of each advance or expenditure, the date of receipt, and the total principal amount outstanding.

C. The Subordinate Note issued hereunder shall bear simple interest, as to each amount advance from MBP or expended by MBP on the District's behalf, at a rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%, from the date such amount is advanced or expended on the District's behalf, regardless of when such amount advanced or expended is noted on Schedule "A" to the earlier of the maturity date or date of redemption thereof. Said interest shall be payable upon maturity of the Subordinate Note issued pursuant to this Second Amendment. If the Subordinate Note, or any portion thereof, is redeemed prior to its maturity date, then the interest that accrued on the principal amount so redeemed, must be paid upon redemption; for purposes of the foregoing, interest shall be deemed to have accrued up to and including the date of redemption.

D. The Subordinate Note shall be repayable only to the extent, and in the amount of, advances and expenditures noted as outstanding on Schedule "A" thereto, which amount shall not exceed the Maximum Principal Amount, notwithstanding any payment or prepayment of any portion of the advances pursuant to the terms thereof, unless the 2020 Agreement and the Subordinate Note are further supplemented or amended.

E. The terms of this Second Amendment and the Agreement may be used to construe the intent of the District and MBP in connection with the issuance of the Subordinate Note, and shall be read as nearly as possible to make the provisions of the Subordinate Note, the Agreement and this Second Amendment fully effective. Should any irreconcilable conflict arise among the terms of the Agreement, the Second Amendment and any subsequent amendment, and the terms of the Subordinate Note, the terms of the Subordinate Note shall prevail.

F. If, for any reason, the Subordinate Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBH that is legally enforceable. Said new Subordinate Note must evidence the District's obligation to repay all amounts advanced or expended pursuant to the Agreement and this Second Amendment, subject to the terms hereof.

3. The Parties hereby amend and restate Paragraph 5 of the Agreement in its entirety as follows:

5. Terms of Repayment; Source of Revenues.

A. Subject to Paragraph 7.B. of the Agreement, any funds advanced to or expended on behalf of the District hereunder shall be repaid in accordance with the terms of the Subordinate Note on which the amount of such outstanding and unpaid obligations are notated and in accordance with the terms provided herein. In the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the District agrees to refund the existing Subordinate Note and issue a new Subordinate Note to MBP in an amount not to exceed the amended Maximum Principal Amount, with same Maturity Date, and subject to the same terms as provided in the Agreement, as amended by the Second Amendment and as may be subsequently amended. Schedule "A" of each the Subordinate Note issued by the District shall reflect all outstanding principal on the Subordinate Note being refunded.

B. The District shall repay any advances made hereunder from certain ad valorem property revenues generated and received by the District, and/or any other revenues of the District, including fees, rates, tolls, and charges, as the District determines, in its sole discretion are available for repayment, and subject to any restrictions provided in the Service Plan and the District's electoral authorization; *further provided, that any repayment of funds by the District shall be subject to the terms and conditions of and subordinate to, the issuance of any bonds, loans, notes, intergovernmental agreements or other similar debt instruments (collectively, the "Bonds") and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein;* provided that, in no event, shall the mill levy exceed 50 mills. The Subordinate Note will be paid in full by the District prior to payment of any other obligation thereof which may have a claim on any District revenues which are otherwise available for payment of the Subordinate Note, other than current District operation and maintenance expenses, other budgeted general operating expenditures of the Districts, and as otherwise provided in this Paragraph 5.B.

C. Repayment by the District of some or all the amounts owing hereunder, as evidenced on the Subordinate Note issued hereunder, shall be contingent upon the availability of legal revenues of the District described in Paragraph 5.B. hereof. Failure by the District to repay the amounts due hereunder as a result of insufficient funds shall not constitute a default, nor subject the District to any claims and/or causes of action by MBP, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal and/or interest on the Subordinate Note shall not cause or permit acceleration thereof.

D. The Subordinate Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of the prepayment on the principal amount to be prepaid. Any and all prepayments shall first be applied to unpaid, accrued interest and then to principal.

E. The Subordinate Note issued hereunder shall be repayable only to the extent of the amount owed by the District as noted on Schedule "A" attached to the Subordinate Note.

F. Any repayment made to MBP by the District shall be notated on Schedule "A" to the Subordinate Note.

4. The Parties hereby amend and restate Paragraph 7 of the Agreement in its entirety as follows:

7. Termination.

A. MBP's obligation to advance funds to the District or expend funds on the District's behalf in accordance with the Agreement and this Second Amendment shall terminate upon the expiration of the Funding Obligation Term, except to the extent that (i) advance requests have been made to MBP that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date, or (ii) the Funding Obligation Term of this Second Amendment has been extended by the Parties via written amendment, as provided in Paragraph 11 herein.

B. The District's obligations hereunder shall terminate upon the earlier of: (i) repayment in full of the Maximum Principal Amount or such lesser amount advanced or expended on its behalf hereunder if it is determined by the District that no further advances to and/or expenditures made on behalf of the District shall be required hereunder; or (ii) the Maturity Date. Any amounts remaining outstanding on the Subordinate Note on the Maturity Date shall be discharged with no further amounts due by the District.

5. Subject to Annual Appropriations. The District does not intend to create hereunder a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The District's repayment obligations set forth herein, as may be subsequently amended, and as further evidenced on the Subordinate Note issued by the District to MBP pursuant to the terms of this Second Amendment, are subject to annual appropriation of funds by the District.

6. Severability. If any clause or provision of this Second Amendment is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Second Amendment as a whole, but shall be severed herefrom, leaving the remaining clauses and provisions of the Second Amendment intact and enforceable.

7. Entire Agreement. Except as otherwise provided herein, the terms and provisions of the Agreement shall remain in valid and in full force and effect. The Agreement, this Second Amendment and the Subordinate Note issued hereunder constitute and represent the entire, integrated agreement between the District and MBP with respect to the matters set forth herein and therein, and hereby supersedes any and all prior negotiations, representations, agreements or arrangements of any kind with respect to those matters, whether written or oral. This Second Amendment shall become effective upon the date and year first written above.

8. Counterparts. This Agreement may be executed electronically or via original signature, in one or more counterparts, each of which shall be deemed an original and together shall constitute one and the same instrument.

[Signature pages follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment to be effective as of the date and year first above written.

**MOUNTAIN BROOK METROPOLITAN
DISTRICT**

By: Kevin Mulshine, President

MOUNTAIN BROOK PARTNERS, LLC,
a Colorado limited liability company

By: _____
Its: _____

EXHIBIT A

(To Second Amendment to 2020 Funding and Reimbursement Agreement)

MOUNTAIN BROOK METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000)

INTEREST RATE: At a rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%

DATED: December 31, 2021

REGISTERED OWNER: Mountain Brook Partners, LLC (“MBP”)

MATURITY DATE: August 23, 2060

Mountain Brook Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto, together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to MBP pursuant to that certain 2020 Funding and Reimbursement Agreement entered into between the District and MBP dated August 24, 2020, as amended by that First Amendment to 2020 Funding and Reimbursement

Agreement dated November 16, 2020 and by that Second Amendment to 2020 Funding and Reimbursement Agreement dated December 31, 2021 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to MBP. This Note refunds a subordinate promissory note issued to MBP on January 1, 2021 (“2021 Note”), and will have a beginning balance of any amounts then outstanding on the 2021 Note.

Pursuant to the Agreement, the District is obligated to repay the principal amount of this Note and any and all interest accrued thereon from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein. In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.*

Failure by the District to repay MBP as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by MBP, including mechanic’s liens, arising out of the District’s nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon each advance made to, or approved expenditure made on behalf of, the District by MBP pursuant to the Agreement, the District shall indicate on Schedule “A” of this Note: (i) the amount of funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; (iii) the total funds advanced and/or expended to date under the Note, and (iv) the total accrued, unpaid interest due thereon. Any payments made on the Note by the District shall also be evidenced on Schedule “A” attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. MBP

SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.

BY ITS ACCEPTANCE HEREOF, MBP ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If MBP enforces this Note upon default, the District shall pay or reimburse MBP for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, assigned or otherwise payable to any party.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBP that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, MBP acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

IN WITNESS WHEREOF, the District has caused this Note to be executed, in its name and on its behalf, by its President with an imprint of the District's seal affixed hereon.

(S E A L)

MOUNTAIN BROOK METROPOLITAN
DISTRICT

EXHIBIT PAGE ONLY

By: Kevin Mulshine, President

*Signature page to 2021 Subordinate Promissory Note for
Mountain Brook Second Amendment to 2020 Funding and Reimbursement Agreement*

SCHEDULE A

EXHIBIT B
(To Resolution)

SUBORDINATE NOTE

MOUNTAIN BROOK METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000)

INTEREST RATE: At a rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%

DATED: December 31, 2021

REGISTERED OWNER: Mountain Brook Partners, LLC (“MBP”)

MATURITY DATE: August 23, 2060

Mountain Brook Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto, together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to accrued, unpaid interest, then to the principal. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to MBP pursuant to that certain 2020 Funding and Reimbursement Agreement entered into between the District and MBP dated August 24, 2020, as amended by that First Amendment to 2020 Funding and Reimbursement Agreement dated November 16, 2020 and by that Second Amendment to 2020 Funding and

Reimbursement Agreement dated December 31, 2021 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to MBP. This Note refunds a subordinate promissory note issued to MBP on January 1, 2021 (“2021 Note”), and will have a beginning balance of any amounts then outstanding on the 2021 Note.

Pursuant to the Agreement, the District is obligated to repay the principal amount of this Note and any and all interest accrued thereon from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein.* **In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.**

Failure by the District to repay MBP as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by MBP, including mechanic’s liens, arising out of the District’s nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon each advance made to, or approved expenditure made on behalf of, the District by MBP pursuant to the Agreement, the District shall indicate on Schedule “A” of this Note: (i) the amount of funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; (iii) the total funds advanced and/or expended to date under the Note, and (iv) the total accrued, unpaid interest due thereon. Any payments made on the Note by the District shall also be evidenced on Schedule “A” attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. MBP SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER

OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.

BY ITS ACCEPTANCE HEREOF, MBP ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If MBP enforces this Note upon default, the District shall pay or reimburse MBP for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, assigned or otherwise payable to any party.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBP that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, MBP acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

(Signatures Begin on Next Page.)

IN WITNESS WHEREOF, the District has caused this Note to be executed, in its name and on its behalf, by its President with an imprint of the District's seal affixed hereon.

(S E A L)

MOUNTAIN BROOK METROPOLITAN
DISTRICT

By: Kevin Mulshine, President

*Signature page to 2021 Subordinate Promissory Note for
Mountain Brook Second Amendment to 2020 Funding and Reimbursement Agreement*

SCHEDULE A

RESOLUTION NO. 2021-11- _____
RESOLUTION OF THE BOARD OF DIRECTORS OF
MOUNTAIN BROOK METROPOLITAN DISTRICT

A RESOLUTION APPROVING THE SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND REIMBURSEMENT AGREEMENT BETWEEN THE DISTRICT AND MOUNTAIN BROOK PARTNERS, LLC, AND IN CONNECTION THEREWITH, AUTHORIZING THE REFUNDING OF THE 2021 SUBORDINATE NOTE AND ISSUANCE OF A NEW SUBORDINATE NOTE TO EVIDENCE THE DISTRICT'S REIMBURSEMENT OBLIGATION TO MOUNTAIN BROOK PARTNERS, LLC FOR ORGANIZATION COSTS AND CAPITAL COSTS

WHEREAS, on August 24, 2020, Mountain Brook Metropolitan District (the "District") and Mountain Brook Partners, LLC ("MBP") entered into that certain Improvement Acquisition, Advance and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Organization Costs and the costs associated with the acquisition and construction of Improvements (the "2020 Agreement") and, in connection therewith, the District issued a subordinate promissory note to the District dated August 24, 2020 (the "2020 Note") to evidence the District's repayment obligation to MBP; and

WHEREAS, unless otherwise defined herein, all capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to the Agreement, MBP agreed to advance to the District or expend on behalf of the District, funds in an amount not to exceed the Maximum Principal Amount through December 31, 2020 (the "Funding Obligation Term"); and

WHEREAS, on November 16, 2020, the District and MBP entered into a First Amendment to 2020 Funding and Reimbursement Agreement (the "First Amendment," together with the 2020 Agreement, the "Agreement") to extend the Funding Obligation Term through December 21, 2021, and in connection therewith, the District refunded the 2020 Note at maturity and issued a new Subordinate Note to MPB on January 1, 2021, with a maturity date of 2021 (the "2021 Note") in accordance with Paragraph 8.A. of the 2020 Agreement; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 5 of the Agreement, MBP agreed to advance funds to the District through December 31, 2021 (the "Funding Obligation Term") in and amount not to exceed \$9,000,000; and

WHEREAS, pursuant to Paragraph 11.A. of the Agreement, MBP's obligation to construct or cause to be constructed the Improvements pursuant to the terms of the Agreement shall terminated on December 31, 2021, unless requests for funds from the District are pending at the termination date or the Agreement has been amended to extend the termination date; and

WHEREAS, Paragraphs 7 and 8 of the Agreement provide the terms and provisions for the District to issue a Subordinate Note to MBP, the District's repayment obligations of the Subordinate Note, refunding the Subordinate Note if not paid in full at maturity and other provisions related to the issuance and repayment of the Subordinate Note (the "Subordinate Note Terms"); and

WHEREAS, the District and MBP anticipate that the District will acquire Improvements from MBP during fiscal year 2022; and

WHEREAS, the District and MBP desire to amend the Subordinate Note Terms regarding the issuance and repayment of a new Subordinate Note and, in connection therewith, the District will refund the 2021 Note and issue a new Subordinate Note to MBP; and

WHEREAS, pursuant to Paragraph 17 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and MBP; and

WHEREAS, the District and MBP have negotiated, and desire to enter into, the "Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement," as attached hereto as Exhibit A (the "Second Amendment") for the purpose of extending the Funding Obligation Term through December 31, 2022; and

WHEREAS, in connection with the terms of the Second Amendment, the District desires to refund the 2020 Note and issue a new Subordinate Note to MBP, as attached hereto as Exhibit B, in an amount not to exceed the Maximum Principal Amount.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MOUNTAIN BROOK METROPOLITAN DISTRICT AS FOLLOWS:

1. The Board of Directors hereby approves the Second Amendment, as attached hereto as Exhibit A, to be effective December 31, 2021, and authorizes the President to execute the same.
2. The Board of Directors hereby authorizes the issuance of the Subordinate Note, as attached hereto as Exhibit B, to be dated December 31, 2021, and authorizes the President to execute the same.
3. This Resolution shall take effect on the date and at the time of its adoption.

(Signatures Begin on Next Page.)

ADOPTED AND APPROVED THIS 11th DAY OF NOVEMBER, 2021.

**MOUNTAIN BROOK METROPOLITAN
DISTRICT**

By: Kevin Mulshine, President

Signature Page to Resolution Approving Second Amendment to MBMD Improvement Acquisition, Advance and Reimbursement Agreement and Subordinate Note

EXHIBIT A
(To Resolution)

**SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND
REIMBURSEMENT AGREEMENT**

**SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND
REIMBURSEMENT AGREEMENT
(Capital Costs)**

THIS SECOND AMENDMENT TO IMPROVEMENT ACQUISITION, ADVANCE AND REIMBURSEMENT AGREEMENT (the “Second Amendment”) is made and entered into as of this 31ST day of Decembe, 2021 (the “Effective Date”), by and between MOUNTAIN BROOK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (the “District”), and MOUNTAIN BROOK PARTNERS, LLC, a Colorado limited liability company (“MBP”), collectively, the “Parties.”

RECITALS

WHEREAS, on August 24, 2020, the District and MBP entered into that certain Improvement Acquisition, Advance and Reimbursement Agreement to consolidate all understandings and commitments between the Parties relating to the funding and repayment of the Organization Costs and the costs associated with the acquisition and construction of Improvements (the “2020 Agreement”) and, in connection therewith, the District issued a subordinate promissory note to the District dated August 24, 2020 (the “2020 Note”) to evidence the District’s repayment obligation to MBP; and

WHEREAS, on November 16, 2020, the District and MBP entered into a First Amendment to 2020 Funding and Reimbursement Agreement (the “First Amendment,” together with the 2020 Agreement, the “Agreement”) to extend the Funding Obligation Term through December 21, 2021, and in connection therewith, the District refunded the 2020 Note at maturity and issued a new Subordinate Note to MPB on January 1, 2021, with a maturity date of 2021 (the “2021 Note”) in accordance with Paragraph 8.A. of the 2020 Agreement; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein shall have the meaning given to them in the Agreement; and

WHEREAS, pursuant to Paragraph 5 of the Agreement, MBP agreed to advance funds to the District through December 31, 2021 (the “Funding Obligation Term”) in and amount not to exceed \$9,000,000; and

WHEREAS, pursuant to Paragraph 7.A. of the Agreement, MBP’s obligation to construct or cause to be constructed the Improvements pursuant to the terms of the Agreement shall terminated on December 31, 2021, unless requests for funds from the District are pending at the termination date or the Agreement has been amended to extend the termination date; and

WHEREAS, Paragraphs 7 and 8 of the Agreement provide the terms and provisions for the District to issue a Subordinate Note to MBP, the District’s repayment obligations of the Subordinate Note, refunding the Subordinate Note if not paid in full at maturity and other provisions related to the issuance and repayment of the Subordinate Note (the “Subordinate Note Terms”); and

WHEREAS, the District and MBP anticipate that the District will acquire Improvements from MBP during fiscal year 2022; and

WHEREAS, the District and MBP desire to amend the Subordinate Note Terms regarding the issuance and repayment of a new Subordinate Note and, in connection therewith, the District will refund the 2021 Note and issue a new Subordinate Note to MBP; and

WHEREAS, pursuant to Paragraph 17 of the Agreement, the Agreement may not be amended, modified, or changed, in whole or in part, without a written agreement executed by both the District and MBP; and

WHEREAS, the Parties have negotiated, and desire to enter into, this Second Amendment to amend the terms and provisions of the Agreement related to the Funding Obligation Term, termination date, and the Subordinate Note Terms, as set forth in this Second Amendment.

NOW THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the District and MBP agree to amend the Agreement as follows:

COVENANTS AND AGREEMENTS

1. The Parties hereby amend and restate Paragraph 5 of the Agreement in its entirety as follows:

5. Advances for Construction of Improvements. The Parties acknowledge that the District may construct certain Public Improvements to serve the Mountain Brook development and may lack sufficient funds to pay the costs associated with the construction of such Improvements. MBP hereby agrees to advance such funds to the District or expend such funds on behalf of the District in one or more installments, provided that in no event shall the total amount that MBP must advance to the District or expend on behalf of the District exceed Nine Million Dollars (\$9,000,000), (the "Maximum Principal Amount"). The Maximum Principal Amount constitutes the maximum amount that may be advanced or expended hereunder, notwithstanding any payment or prepayment of any portion of the funds advanced or expended pursuant to the terms hereof, unless the Agreement is further supplemented or amended. Advanced funds shall be available to the District in one or a series of installments through December 31, 2022, which period shall constitute the "Funding Obligation Term" of the Agreement. The District's repayment obligation shall survive the Funding Obligation Term until MBP is repaid in full, provided that the District's repayment obligation shall terminate on the date that is forty (40) years from the effective date of the Agreement (August 23, 2060), even if any portion of the Maximum Principal Amount remains outstanding.

2. The Parties hereby amend and restate Paragraph 7 of the Agreement in its entirety as follows:

7. Issuance of the Subordinate Note; Recordation of Advances; Interest.

A. On the Effective Date of this Second Amendment, the District shall refund the 2021 Note and issue a new Subordinate Note to MBP, substantially in the form as attached hereto as Exhibit A, in an amount not to exceed the Maximum Principal Amount, which Subordinate Note shall evidence the District's repayment obligation to MBP for funds advanced to or expended on behalf of the District, including Organization Costs, as provided in the Agreement and this Second Amendment.

B. The Subordinate Note issued hereunder shall bear simple interest as to each advance or expenditure made hereunder at a fixed rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%, from the date such advance or expenditure is made, regardless of the date such advance or expenditure is noted on Schedule A, to the earlier of the maturity date or date of redemption thereof, subject to Paragraph 11.B. hereof. Said interest shall be payable upon maturity of the Subordinate Note. If the Subordinate Note, or any portion thereof, is redeemed prior to its maturity date, then the interest that accrued on the principal amount so redeemed, must be paid upon redemption; for purposes of the foregoing, interest shall be deemed to have accrued up to and including the date of redemption.

C. Upon receipt of each advance from MBP or upon any approved amount expended by MBP on the District's behalf, the District shall complete the appropriate information on Schedule "A" of the Subordinate Note, showing the amount of each advance or expenditure, the date of receipt, and the total principal and unpaid accrued interest thereon.

D. The Subordinate Note shall be repayable only to the extent, and in the amount of, advances and expenditures noted as outstanding on Schedule "A" thereto, which amount shall not exceed the Maximum Principal Amount, including any advances to or expended on behalf of the District, notwithstanding any payment or prepayment of any portion of the advances pursuant to the terms thereof, unless the Agreement and the Subordinate Note are further supplemented or amended.

E. The terms of this Second Amendment and the Agreement may be used to construe the intent of the District and MBP in connection with the issuance of the Subordinate Note, and shall be read as nearly as possible to make the provisions of the Subordinate Note, the Agreement and this Second Amendment fully effective. Should any irreconcilable conflict arise among the terms of the Agreement, the Second Amendment and any subsequent amendment, and the terms of the Subordinate Note, the terms of the Subordinate Note shall prevail.

F. If, for any reason, the Subordinate Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBP that is legally enforceable. Said new Subordinate Note must evidence the District's obligation to repay all amounts advanced or expended pursuant to the Agreement and this Second Amendment with interest, subject to the terms hereof.

3. The Parties hereby amend and restate Paragraph 8 of the Agreement in its entirety as follows:

8. Terms of Repayment; Source of Revenues.

A. Subject to Paragraph 11.B. of the Agreement, any funds advanced to or expended on behalf of the District hereunder shall be repaid in accordance with the terms of the Subordinate Note on which the amount of such outstanding and unpaid obligations are notated and in accordance with the terms provided herein. The Subordinate Note shall have a maturity date of August 23, 2060 (the "Maturity Date"). In the event the Parties amend the Maximum Principal Amount pursuant to an amendment to the Agreement, the District agrees to refund the existing Subordinate Note and issue a new Subordinate Note to MBP in an amount not to exceed the amended Maximum Principal Amount, with same Maturity Date, and subject to the same terms as provided in the Agreement, as amended by this Second Amendment and as may be subsequently amended. Schedule "A" of each the Subordinate Note issued by the District shall reflect all outstanding principal on the Subordinate Note being refunded and all unpaid accrued interest to date.

B. Subject to the conditions set forth in this Paragraph 8.B., the District shall repay the Subordinate Note from (i) all or a portion of the proceeds of one or more series of general or special obligation bonds, revenue bonds or other multiple fiscal year obligations of the District, including, without limitation, loans from financial institutions (collectively, the "Bond" or "Bonds") issued by the District, and/or (ii) any other revenues of the District, as the District determines in its sole discretion, are available for such purpose, including fees, rates, tolls, and charges, subject to any restrictions provided in the Service Plan and electoral authorization. The issuance of any Bonds by the District shall be made in the sole discretion of the District, and issued at such time or times, and contain such terms, as may be determined by the District. *Any repayment of the Subordinate Note shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds and any refundings thereof, and the provisions of any Bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying the Subordinate Note shall not be higher than the Service Plan mill levy cap for such District, as it now exists or may be amended from time to time as provided therein.* The Subordinate Note will be paid in full by the District prior to payment of any other obligation thereof that may have a claim on any District revenues which are otherwise available for payment of the Subordinate Note, other than current District operation and maintenance expenses, other budgeted general operating expenditures of the Districts, and as otherwise provided in this Paragraph 8.B.

C. Repayment by the District of some or all the amounts owing hereunder, as evidenced on the Subordinate Note issued hereunder, shall be contingent upon the availability of Bond proceeds or other legally available revenues of the District described in Paragraph 8.B. hereof. Failure by the District to repay the amounts due hereunder as a result of insufficient funds shall not constitute a default, nor subject the District to any claims and/or causes of action by MBP, including mechanic's liens, arising out of the District's nonperformance of its payment obligation. Failure by the District to make a payment of principal and/or interest on the Subordinate Note shall not cause or permit acceleration thereof; rather, the Subordinate Note shall continue to bear interest at the rate and in the manner specified therein and herein.

D. The Subordinate Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued to the date of prepayments on the principal amount prepaid. Any and all prepayments shall first be applied to unpaid accrued interest and then to the principal amount outstanding.

E. The Subordinate Note issued hereunder shall be repayable only to the extent of the amount owed by the District as noted on Schedule "A" attached to the Subordinate Note.

F. Any repayment made to MBP by the District shall be notated on Schedule "A" to the Subordinate Note.

4. The Parties hereby amend and restate Paragraph 11 of the Agreement in its entirety as follows:

11. Termination.

A. MBP's obligation to construct, or cause to be constructed the Improvements, and/or to advance funds to the District or expend funds on the District's behalf in accordance with the Agreement and this Second Amendment shall terminate upon the expiration of the Funding Obligation Term, except to the extent that (i) advance requests have been made to MBP that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date, or (ii) the Funding Obligation Term of this Second Amendment has been extended by the Parties via written amendment, as provided in Paragraph 17 of the Agreement.

B. The District's obligations hereunder shall terminate upon the earlier of: (i) repayment in full of the Maximum Principal Amount or such lesser amount advanced or expended on its behalf hereunder if it is determined by the District that no further advances to and/or expenditures made on behalf of the District shall be required and no Public Improvements constructed by MBP shall be acquired by the District hereunder, as evidenced pursuant to any Subordinate Note issued hereunder; or (ii) August 23, 2060. Any amounts remaining outstanding on the Subordinate Note on the Maturity Date shall be discharged with no further amounts due by the District.

5. Severability. If any clause or provision of this Second Amendment is adjudged invalid and/or unenforceable by a court of competent jurisdiction or by operation of any law, such clause or provision shall not affect the validity of this Second Amendment as a whole, but shall be severed herefrom, leaving the remaining clauses and provisions of the Second Amendment intact and enforceable.

6. Entire Agreement. Except as otherwise provided herein, the terms and provisions of the Agreement shall remain in valid and in full force and effect. The Agreement, this Second Amendment and the Subordinate Note issued hereunder constitute and represent the entire, integrated agreement between the District and MBP with respect to the matters set forth herein and therein, and hereby supersedes any and all prior negotiations, representations, agreements or

arrangements of any kind with respect to those matters, whether written or oral. This Second Amendment shall become effective upon the date and year first written above.

7. Counterparts. This Second Amendment may be executed in one or more counterparts, either electronically or by original signature, each of which shall be deemed an original and together shall constitute one and the same instrument.

[Signature pages follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment, effective as of the date and year first above written.

MOUNTAIN BROOK METROPOLITAN
DISTRICT

By: Kevin Mulshine, President

Signature page to MBMD Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement

MOUNTAIN BROOK PARTNERS, LLC,
a Colorado limited liability company

By: _____
Its: _____

EXHIBIT A

(To Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement)

SUBORDINATE PROMISSORY NOTE

MOUNTAIN BROOK METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to an amount not to exceed Nine Million Dollars (\$9,000,000)

INTEREST RATE: At a rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%

DATED: December 31, 2021

REGISTERED OWNER: Mountain Brook Partners, LLC (“MBP”)

MATURITY DATE: August 24, 2060

Mountain Brook Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above, on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and/or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to unpaid accrued interest, then to the principal amount outstanding on this Note. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to MBP pursuant to that certain Improvement Acquisition, Advance and Reimbursement Agreement entered into between the District and MBP, dated August 24, 2020, as amended by that First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement dated November 16, 2020 and by that Second

Amendment to Improvement Acquisition, Advance and Reimbursement Agreement dated December 31, 2021 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to MBP. This Note refunds a subordinate promissory note issued to MBP on January 1, 2021.

Pursuant to the Agreement, the District is obligated to repay both the principal amount of this Note and any and all interest accrued thereon, from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Agreement, Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein.* **In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.**

Failure by the District to repay MBP as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by MBP, including mechanic’s liens, arising out of the District’s nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon acceptance of any Certified District Eligible Costs (as defined in the Agreement) by the District and upon each advance made to, or approved expenditure made on behalf of, the District by MBP pursuant to the Agreement, including Organization Costs, the District shall indicate on Schedule “A” of this Note: (i) the amount of Certified District Eligible Costs accepted by the District or funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; (iii) the total funds accepted, advanced and/or expended to date under the Note; and (iv) the total unpaid accrued interest due thereon. Any payments made on the Note by the District shall also be evidenced on Schedule “A” attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION

OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. MBP SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.

BY ITS ACCEPTANCE HEREOF, MBP ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If MBP enforces this Note upon default, the District shall pay or reimburse MBP for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, assigned or otherwise payable to any party.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBP that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, MBP acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

IN WITNESS WHEREOF, the District has caused this Note to be executed, in its name and on its behalf, by its President, with an imprint of the District's seal affixed hereon.

MOUNTAIN BROOK METROPOLITAN
DISTRICT

(S E A L)

Exhibit Page Only
By: Kevin Mulshine, President

Signature page to 2021 Subordinate Promissory Note for Mountain Brook Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement

SCHEDULE A

EXHIBIT B
(To Resolution)

SUBORDINATE PROMISSORY NOTE

MOUNTAIN BROOK METROPOLITAN DISTRICT
REVENUE AND LIMITED TAX OBLIGATION
SUBORDINATE PROMISSORY NOTE

PRINCIPAL AMOUNT: Up to an amount not to exceed Nine Million Dollars (\$9,000,000)

INTEREST RATE: At a rate not to exceed the Federal Reserve Prime Rate as published in the Wall Street Journal plus 1%

DATED: December 31, 2021

REGISTERED OWNER: Mountain Brook Partners, LLC (“MBP”)

MATURITY DATE: August 24, 2060

Mountain Brook Metropolitan District (the “District”), a body corporate, politic and a political subdivision organized under the laws of the State of Colorado, for the value received, hereby promises to pay, but solely and only from, and contingent upon receipt of, the sources hereinafter described, the principal sum stated above (or such lesser amount as may be shown as advanced hereunder as set forth in Schedule “A” attached hereto) together with interest at the rate stated above, which interest shall accrue on said principal sum from and after the date hereof to the maturity date hereof, in lawful money of the United States of America to the registered owner named above, on the maturity date stated above unless this Note shall be prepaid in full, in which case on such payment date.

In any case where the date of maturity for payment of interest and principal on this Note or the date fixed for prepayment hereof shall be a Saturday or Sunday, a legal holiday or a day on which banking institutions in the city or town of payment are authorized by law to close, then payment of interest and/or principal or prepayment price shall be made on the immediately following business day with the same force and effect as if made on the date of maturity or the date fixed for prepayment. Prior to the Maturity Date, and at such time as the District has available funds, this Note may be prepaid, in whole or in part, at any time without redemption premium or other penalty, but with interest accrued on the principal amount prepaid, up to and including the date of prepayment. Any and all prepayments shall first be applied to unpaid accrued interest, then to the principal amount outstanding on this Note. This Note shall be paid in full from the sources hereinafter described prior to the payment of any other obligation of the District that may have a claim on such revenues and would otherwise be available for the payment of this Note as further described herein, other than current operation and maintenance expenses and other budgeted general fund expenditures of the District, and as further provided and limited herein.

This Note is executed, issued and delivered to MBP pursuant to that certain Improvement Acquisition, Advance and Reimbursement Agreement entered into between the District and MBP, dated August 24, 2020, as amended by that First Amendment to Improvement Acquisition, Advance and Reimbursement Agreement dated November 16, 2020 and by that Second

Amendment to Improvement Acquisition, Advance and Reimbursement Agreement dated December 31, 2021 (collectively, the “Agreement”), the terms of which are hereby incorporated by reference, to evidence the repayment obligation of the District with respect to certain indebtedness owed to MBP. This Note refunds a subordinate promissory note issued to MBP on January 1, 2021.

Pursuant to the Agreement, the District is obligated to repay both the principal amount of this Note and any and all interest accrued thereon, from the revenue sources and in the manner specified in the Agreement, contingent upon the receipt of such funds from said revenue sources, subject to any restrictions provided in the Agreement, Service Plan and electoral authorization; and further *provided, that any such repayment shall be subject to the annual appropriation of funds by the District and shall be subject to the terms and conditions of, and such repayment obligations shall be subordinate to, the Bonds (as such term is defined in the Agreement) and any refundings thereof, and the provisions of any bond resolution, indenture, pledge agreement, loan document and/or any other document related thereto; and further provided that any mill levy certified by the District for the purpose of repaying advances made hereunder shall not be higher than the Service Plan mill levy cap, as it now exists or may be amended from time to time as provided therein.* **In no event shall the District impose a mill levy in excess of 50 mills for the repayment of this Note.**

Failure by the District to repay MBP as a result of insufficient funds shall not constitute a default hereunder, nor subject the District to any claims and/or causes of action by MBP, including mechanic’s liens, arising out of the District’s nonperformance of its payment obligation. Failure by the District to make a payment of principal or interest due on the Note shall not cause or permit acceleration thereof; rather, the Note shall continue to bear interest at the rate and manner specified herein.

Upon acceptance of any Certified District Eligible Costs (as defined in the Agreement) by the District and upon each advance made to, or approved expenditure made on behalf of, the District by MBP pursuant to the Agreement, including Organization Costs, the District shall indicate on Schedule “A” of this Note: (i) the amount of Certified District Eligible Costs accepted by the District or funds advanced to or expended on behalf of the District; (ii) the date of the advance or expenditure; (iii) the total funds accepted, advanced and/or expended to date under the Note; and (iv) the total unpaid accrued interest due thereon. Any payments made on the Note by the District shall also be evidenced on Schedule “A” attached hereto.

Neither the Board of Directors of the District, nor any person executing this Note, shall be personally liable hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Note is issued pursuant to and in full compliance with the Constitution and laws of the State of Colorado. All issues arising hereunder shall be governed by the laws of Colorado.

THIS NOTE IS A SPECIAL, LIMITED OBLIGATION OF THE DISTRICT AND SHALL BE PAYABLE SOLELY FROM CERTAIN REVENUES SPECIFIED IN THE AGREEMENT. THIS NOTE SHALL NOT CONSTITUTE A DEBT OR OBLIGATION

OF THE STATE OF COLORADO OR BOULDER COUNTY, COLORADO. MBP SHALL HAVE NO RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF COLORADO OR BOULDER COUNTY TO PAY THIS NOTE OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT OF THE SAME AGAINST THE PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY, NOR SHALL THIS NOTE CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY PROPERTY OF THE STATE OF COLORADO OR BOULDER COUNTY.

BY ITS ACCEPTANCE HEREOF, MBP ACKNOWLEDGES THAT THE DISTRICT AND ITS OFFICERS, ATTORNEYS, EMPLOYEES OR AGENTS NEITHER MAKE, NOR HAVE MADE, ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE PROPER TREATMENT FOR FEDERAL, STATE AND/OR LOCAL INCOME TAX PURPOSES OF THE INTEREST PAYABLE HEREUNDER.

The District waives demand, presentment, and notice of dishonor and protest with respect to any payment due hereunder. No waiver of any payment or other right under this Note shall operate as a waiver of any other payment or right, including right of offset. If MBP enforces this Note upon default, the District shall pay or reimburse MBP for reasonable expenses incurred in the collection hereof or in the realization of any security hereof, including reasonable attorney's fees.

Notwithstanding any provision herein, or in any instrument now or hereafter securing the obligation of the District specified herein, the total liability for payments in the nature of interest shall not exceed the limit now imposed by the usury laws of the State of Colorado.

This Note shall not be transferable, negotiable, assigned or otherwise payable to any party.

If, for any reason, this Note is determined to be invalid or unenforceable (except in the case of fraud by MBP in connection therewith), the District shall issue a new promissory note to MBP that is legally enforceable. Said new promissory note shall evidence the District's obligation to repay all amounts due hereunder.

It is hereby certified, recited and declared that all conditions, acts and things required to exist or occur by the Constitution or statutes of the State of Colorado, currently exist and either occurred prior to, or in connection with, the issuance of this Note.

By signing in the space provided below, the District hereby acknowledges and agrees that this Note shall be irrevocable for all purposes and shall be binding upon the District, subject to the provisions herein and the provisions of the Agreement. This Note may not be terminated orally, but only by payments in full or by a written discharge signed by the owner and holder of this Note. Notwithstanding the foregoing, MBP acknowledges that the District's obligations hereunder shall terminate on the Maturity Date, even if any portion of the principal sum remains unpaid and outstanding.

IN WITNESS WHEREOF, the District has caused this Note to be executed, in its name and on its behalf, by its President, with an imprint of the District's seal affixed hereon.

MOUNTAIN BROOK METROPOLITAN
DISTRICT

(S E A L)

By: Kevin Mulshine, President

Signature page to 2021 Subordinate Promissory Note for Mountain Brook Second Amendment to Improvement Acquisition, Advance and Reimbursement Agreement

SCHEDULE A