

ANNUAL INFORMATION REPORT
FOR THE YEAR 2021
CHAPARRAL POINTE METROPOLITAN DISTRICT

Pursuant to Section VII of the Service Plan for Chaparral Pointe Metropolitan District (“District”) approved by the City of Colorado Springs, Colorado (“City”) on September 11, 2018, the following report of the District’s activities from January 1, 2021 to December 31, 2021 is hereby submitted.

1. **Boundary changes made or proposed to the District’s boundary as of December 31 of the prior year.** There were no boundary changes made or proposed during 2021.
2. **Intergovernmental Agreements with other governmental entities either entered into or proposed as of December 31 of the prior year:** None.
3. **Copies of the District’s rules and regulations, if any, as of December 31, of the prior year.** The District adopted the following resolutions at the June 9, 2021 meeting and are attached hereto as **Exhibit A:**

Resolution No. 2021-06-02; Resolution Acknowledging and Adopting the Recorded Covenants and Restrictions of the Vistas at Chaparral

Resolution No. 2021-06-03; Resolution Adopting the Policies and Procedures Governing the Enforcement of the Recorded Covenants and Restrictions of the Vistas at Chaparral

Resolution No. 2021-06-04; Resolution Adopting the Vistas at Chaparral Homeowner Design Guidelines

4. **A summary of any litigation which involves the District’s Public Improvements as of December 31 of the prior year.** The District was not involved in any litigation during 2021.
5. **Status of the District’s construction of the Public Improvements as of December 31 for the prior year.** The district did not construct any public improvements during 2021.
6. **A list of all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of December 31 of the prior year.** There have been no facilities or improvements dedicated to and accepted by the City as of December 31, 2021.
7. **The assessed valuation of the District for the current year.** Attached hereto as **Exhibit B.**

- 8. Current year budget including a description of the Public Improvements to be constructed in such year.** The 2022 Budget is attached hereto as **Exhibit C**. No Public Improvements are being constructed in 2022.
- 9. Audit for the District's financial statements, for the year ending December 31 of the previous year, prepared in accordance with generally accepted accounting principles or audit exemption, if applicable.** The 2021 Audit will be provided upon completion.
- 10. Notice of any uncured events of non-compliance by the District, which continue beyond a ninety (90) day period, under any Debt instrument.** The District was not in default of any Debt instrument during 2021.
- 11. Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.** The District did not have an inability to pay its obligations as they came due during 2021.
- 12. Copies of any Certifications of an External Financial Advisor provided as required by the Privately Placed Debt Limitation provision.** Not applicable.

EXHIBIT A

RESOLUTION NO. 2021-06-03

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHAPARRAL POINTE
METROPOLITAN DISTRICT ADOPTING THE POLICIES AND PROCEDURES
GOVERNING THE ENFORCEMENT OF THE RECORDED COVENANTS AND
RESTRICTIONS OF THE VISTAS AT CHAPARRAL**

A. The Chaparral Pointe Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Colorado Springs, County of El Paso, Colorado.

B. The District operates pursuant to its Service Plan approved by the City of Colorado Springs on September 11, 2018, as the same may be amended and/or modified from time to time (the “**Service Plan**”).

C. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power “to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district.”

D. Pursuant to Section 32-1-1001(1)(j)(I), C.R.S., the District has the power “to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the special district.”

E. The District was organized, in part, to provide covenant enforcement and design review services for the property within the boundaries of the District.

F. On December 13, 2018, the District adopted Resolution No. 2018-12-15 Declaring the District’s Intent to Adopt Policies and Procedures Governing the Enforcement of the Covenants and Restrictions of Chaparral Pointe (the “**Original Resolution**”).

G. At the time of the adoption of the Original Resolution, it was anticipated that certain covenants and restrictions of Chaparral Pointe, now known as The Vistas at Chaparral, would be recorded upon the property and it was the intent of the District to enforce the provisions of such covenants and restrictions and to provide for the orderly and efficient enforcement of such covenants and restrictions by adopting rules and regulations.

H. Century Land Holdings, LLC (the “**Developer**”) has caused to be recorded the Covenants and Restrictions of The Vistas at Chaparral, recorded on January 25, 2021, at Reception No. 221014737, of the El Paso County, Colorado, real property records, as the same may be amended and/or modified from time to time (the “**Covenants**”) applicable to the real property within the District (the “**Property**”).

I. Pursuant to Section 32-1-1004(8), C.R.S., and pursuant to the District’s Service Plan, a metropolitan district may provide covenant enforcement within the district if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement and design review entity.

J. The Covenants provide that it is the intention of the Developer to empower the District to provide covenant enforcement services to the Property.

K. Pursuant to the Covenants, the District may promulgate, adopt, enact, modify, amend, and repeal rules and regulations concerning and governing the Property and the enforcement of the Covenants.

L. Pursuant to the Covenants, the District has the right to send demand letters and notices, to levy and collect fines, to negotiate, to settle, and to take any other actions with respect to any violation(s) or alleged violation(s) of the Covenants.

M. The District desires to re-confirm the intent of the Original Resolution and provide for the orderly and efficient enforcement of the Covenants by adopting rules and regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHAPARRAL POINTE METROPOLITAN DISTRICT, CITY OF COLORADO SPRINGS, EL PASO COUNTY, COLORADO THAT:

1. The Board of Directors of the District hereby adopt the Policies and Procedures Governing the Enforcement of the recorded Covenants and Restrictions of The Vistas at Chaparral as described in Exhibit A, attached hereto and incorporated herein by this reference (“Policies and Procedures”).

2. The Board of Directors declares that the Policies and Procedures are effective as of January 25, 2021.

3. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2021-06-03]

APPROVED AND ADOPTED this 9th day of June, 2021.

CHAPARRAL POINTE
METROPOLITAN DISTRICT

By: DocuSigned by:
Mike Finton
006397DF2B847F...
_____ President

Attest:

DocuSigned by:
Sarah Darnel
218266AF92E9460...
_____ Secretary or Assistant Secretary

EXHIBIT A

**POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF THE
RECORDED COVENANTS AND RESTRICTIONS OF THE VISTAS AT CHAPARRAL**

Preamble

The Board of Directors of the Chaparral Pointe Metropolitan District (the “**District**”), has adopted the following Policies and Procedures Governing the Enforcement of the recorded Covenants and Restrictions of The Vistas at Chaparral (“**Policies and Procedures**”) pursuant to Sections 32-1-1001(1)(j)(I), 32-1-1001(1)(m), and Section 32-1-1004(8), C.R.S. These Policies and Procedures provide for the orderly and efficient enforcement of the Covenants and Restrictions of The Vistas at Chaparral, recorded on January 25, 2021, at Reception No. 221014737 of the El Paso County, Colorado real property records, and as may be amended from time to time (the “**Covenants**”).

Pursuant to the Covenants, it is the intention of Century Land Holdings, LLC (the “**Developer**”) to empower the District to provide covenant enforcement services to the residents of the District.

The District, pursuant to the provisions of its Service Plan, which was approved by the City of Colorado Springs, on September 11, 2018, as it has been and may be amended from time to time, and pursuant to the Covenants, may enforce the Covenants through any proceeding in law or in equity against any Person(s) violating or attempting to violate any provision therein. Possible remedies include all of those available at law or in equity. In addition, the District has the right to send demand letters and notices, to levy and collect fines, to negotiate, to settle, and to take any other actions, with respect to any violation(s) or alleged violation(s) of the Covenants.

Unless otherwise specified, all references to the “District” made herein shall refer to the Chaparral Pointe Metropolitan District and its Board of Directors. The District has retained a management company (the “**District Manager**”) to assist it in managing its affairs, including the assessment and collection of penalties for violations of the Covenants under these Policies and Procedures.

ARTICLE 1.

SCOPE OF POLICIES AND PROCEDURES

1.1 Scope. These Policies and Procedures shall apply to the enforcement of the Covenants, including the Rules and Regulations and Design Review Guidelines adopted pursuant thereto, as well as any reimbursable costs incurred by the District for enforcing the Covenants and for correction of noncompliance with the Covenants, including but not limited to, abatement of unsightly conditions, towing and storage of improperly parked vehicles, removal of trash, and removal of non-complying landscaping or improvements.

ARTICLE 2.

VIOLATIONS OF THE COVENANTS

2.1 Violations. Any Person violating any provisions of the Covenants shall be liable to the District for any expense, loss, or damage occasioned by reason of such violation and shall also be liable to the District for the penalties set forth in Article 2.3 below.

2.2 Notice of Violation. A Notice of Violation shall be sent upon a determination, following investigation, by the District Manager that a violation is likely to exist. Such Notice of

Violation shall set forth the specifics of the alleged violation and the time period within which the alleged violation must be corrected, pursuant to the following classification guidelines:

a. Class I Violation: a violation that, in the sole discretion of the District, can be corrected immediately and/or does not require submission to, and approval by, the District of any plans and specifications. Class I Violations include, but are not limited to, parking violations, trash violations and other violations of the Covenants concerning annoying lights, sounds or odors. Class I Violations can in most cases be corrected within seven (7) days of notification. If the violation is not corrected within seven (7) days of notification, the District may take any appropriate action necessary to remedy the violation, including but not limited to, abatement of unsightly conditions, towing and storage of improperly parked vehicles, and removal of trash, etc.

b. Class II Violation: a violation that, in the sole discretion of the District, cannot be corrected immediately and/or require plans and specifications to be submitted to, and approval by, the District prior to any corrective action. Class II Violations include, but are not limited to, violations of the Covenants related to landscaping and construction of, or modification to, improvements. Class II Violations can in most cases be corrected within thirty (30) days of notification. If the violation is not corrected within thirty (30) days of notification, the District may take any appropriate action necessary to remedy the violation, including but not limited to, removing the non-complying landscaping or improvement.

2.3 Penalties. Penalties for violations of the Covenants shall be assessed as follows. Any penalties that have not been paid by the applicable due date shall be considered delinquent (the “**Delinquent Account**”).

- a. First Offense – Notice of Violation, no penalty
- b. Second Repeated Offense – Fee of up to \$100.00
- c. Third Repeated Offense – Up to \$250.00
- d. Continuing Repeated Violation – Up to \$500 each day violation continues (each day constitutes a separate violation).

ARTICLE 3. INTEREST

3.1 Interest. Interest charges shall accrue and shall be charged on all amounts not paid by the applicable due date, including delinquent penalties and any amounts expended by the District to cure a violation of the Covenants or amounts expended by the District to repair damages caused as a result of a violation of the Covenants. Interest charges shall accrue and shall be charged at the maximum statutory rate of eighteen percent (18%) per annum.

ARTICLE 4. LIEN FILING POLICIES AND PROCEDURES

4.1 Perpetual Lien. Pursuant to Section 32-1-1001(1)(j)(I), C.R.S., all Fees and Charges, until paid, shall constitute a perpetual lien on and against the Property to be served by

the District. Except for the for the lien against the Property created by the imposition of property taxes by the District and other taxing jurisdictions pursuant to Section 32-1-1202, C.R.S., all liens for unpaid Fees and Charges shall to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All liens contemplated herein may be foreclosed as authorized by law at such time as the District in its sole discretion may determine. Notwithstanding the foregoing, the lien policies and procedures set forth herein shall be implemented in order to ensure an orderly and fair execution of the lien filing and collections process.

4.2 District Manager's Procedures. The District Manager shall be responsible for collecting Fees and Charges imposed by the District against the Property. In the event payment of Fees and Charges is delinquent, the District Manager shall perform the procedures listed below. Any Fees and Charges which have not been paid by the applicable due date are considered delinquent:

a. Fifteen (15) Business days Past Due. A delinquent payment "Reminder Letter" shall be sent to the address of the last known owner of the Property according to the District Manager's records. In the event the above mailing is returned as undeliverable, the District Manager shall send a second copy of the Reminder Letter to: (i) the Property; and (ii) the address of the last known owner of the Property as found in the real property records of the El Paso County, Colorado Assessor's office (collectively the "Property Address"). Said Reminder Letter shall request prompt payment of amounts due.

b. On the Fifteenth (15) Business day of the Month Following the Scheduled Due Date for Payment. A "Warning Letter" shall be sent to the Property Address requesting prompt payment and warning of further legal action should the Property owner fail to pay the total amount owing. Along with the Warning Letter, a summary of these Policies and Procedures, and a copy of the most recent account ledger reflecting the total amount due and owing to the District according to the records of the District Manager shall also be sent.

c. First (1) Business day of the Month Following the Postmark Date of the Warning Letter. Once the total amount owing on the Property, inclusive of Interest and Costs of Collections as defined below, has exceeded One Hundred Twenty Dollars (\$120.00) and the District Manager has performed its duties outlined in these Policies and Procedures, the District Manager shall refer the Delinquent Account to the District's General Counsel (the "General Counsel"). However, if the amount owing on the Delinquent Account is less than One Hundred Twenty Dollars (\$120.00), the District Manager shall continue to monitor the Delinquent Account until the amount owing on such account is One Hundred Twenty Dollars (\$120.00) or greater, at which point the Delinquent Account shall be referred to General Counsel. At the time of such referral, the District Manager shall provide General Counsel with copies of all notices and letters sent and a copy of the most recent ledger for the Delinquent Account.

4.3 General Counsel Procedures. Upon referral of a Delinquent Account from the District Manager, General Counsel shall perform the following:

a. Upon Referral of the Delinquent Account from the District Manager. A "Demand Letter" shall be sent to the Property Address, notifying the Property owner that his/her

Property has been referred to General Counsel for further collections enforcement, including the filing of a lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the District according to the records of the District Manager shall also be sent.

b. No Earlier Than Thirty (30) Business days from the Date of the Demand Letter. A Notice of Intent to File Lien Statement, along with a copy of the lien to be filed, shall be sent to the Property Address of the Delinquent Account notifying the Property owner that a lien will be filed within thirty (30) days of the Notice of Intent to File Lien Statement postmark date.

c. No Earlier Than Ten (10) Business days from the Postmark Date of the Notice of Intent to File Lien Statement. A lien for the total amount owing as of the date of the lien shall be recorded against the Property with the County Clerk and Recorder's Office; all Fees and Charges, Interest, and Costs of Collection (as defined below) will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the District is paid in full.

ARTICLE 5. COSTS OF COLLECTIONS

"Costs of Collections" are generated by the District Manager and General Counsel's collection efforts. They consist of the following fixed rates and hourly fees and costs:

5.1 Action Fees. The following fixed rate fees shall be charged to a Delinquent Account once the corresponding action has been taken by either the District Manager or General Counsel:

a. Reminder Letter Fee. No charge for the Reminder Letter. This action is performed by the District Manager.

b. Warning Letter Fee. Fifteen Dollars (\$15.00) per Warning Letter sent. This action is performed by the District Manager.

c. Demand Letter Fee. Fifty Dollars (\$50.00) per Demand Letter sent. This action is performed by General Counsel.

d. Notice of Intent to File Lien Fee. One Hundred Fifty Dollars (\$150.00) per Notice of Intent to File Lien Statement sent. This action is performed by General Counsel.

e. Lien Recording Fee. One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Property. This action is performed by General Counsel.

f. Lien Release Fee. One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Property. This action is performed by General Counsel.

5.2 Attorney Hourly Fees and Costs. After a lien has been filed, all hourly fees and costs generated by General Counsel to collect unpaid Fees and Charges shall also be assessed to the Delinquent Account.

5.3 Recovery of Costs of Collections. In accordance with Section 29-1-1102(8), C.R.S., nothing in these Policies and Procedures shall be construed to prohibit the District from recovering all the Costs of Collections whether or not outlined above.

ARTICLE 6. WAIVER OF INTEREST AND COSTS OF COLLECTIONS

6.1 Waiver of Interest. The District Manager and General Counsel shall each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Interest. Such action shall be permitted if either the District Manager or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of the penalties due. Notwithstanding, if the cumulative amount due and owing the District on the Delinquent Account exceeds One Thousand Dollars (\$1,000.00), neither the District Manager nor General Counsel shall have any authority to waive or reduce any portion of the Interest. In such case, the person or entity owing in excess of One Thousand Dollars (\$1,000.00) shall first submit a request for a waiver or reduction, in writing, to the District, and the District shall make the determination in its sole discretion.

6.2 Waiver of Delinquent Penalties and Costs of Collections. Neither the District Manager nor General Counsel shall have the authority to waive any portion of delinquent penalties or Costs of Collections. Should the Property owner desire a waiver of such costs, she/he shall submit a written request to the District, and the District shall make the determination in its sole discretion.

6.3 No Waiver of Future Interest. Any waiver or reduction of Interest or other costs granted pursuant to Sections 6.1 and 6.2 hereof shall not be construed as a waiver or reduction of future Interest, or as the promise to waive or reduce future Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision making power of the District, District Manager, or General Counsel, whether related to the Property in question or other properties within the District.

ARTICLE 7. OPPORTUNITY TO BE HEARD

7.1 Opportunity to be Heard. Individuals who receive any notice or demand pursuant to these Policies and Procedures may request a hearing in accordance with the procedures set forth herein, or in the alternative, may elect to follow the Alternative Dispute Resolution procedures set forth in the Covenants.

7.2 Hearing Process. The hearing and appeal procedures established by this Article shall apply to all complaints concerning the interpretation, application, or enforcement of the Covenants, as each now exists or may hereafter be amended.

a. Complaint. Complaints concerning the interpretation, application, or enforcement of the Covenants must be presented in writing to the District Manager, or such representative as he or she may designate. Upon receipt of a complaint, the District Manager or designated representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall

notify the complainant of the action or determination by mail within fifteen (15) business days after receipt of the complaint. Decisions of the District Manager which impact the District financially will not be binding upon the District unless approved by the Board of Directors of the District at a special or regular meeting of the District.

b. Hearing. In the event the decision of the District Manager or his representative is unsatisfactory to the complainant, the complainant may submit to the District a written request for formal hearing before a hearing officer (“**Hearing Officer**”), which may be a member of the Board of Directors or such other Person as may be appointed by the Board of Directors. Such request for a formal hearing must be submitted within twenty (20) business days from the date written notice of the decision of the District Manager or designated representative was mailed.

Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Policies and Procedures have been met, the Hearing Officer shall conduct a hearing at the District’s convenience but in any event not later than fifteen (15) business days after the submission of the request for formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Policies and Procedures. Decisions of the Hearing Officer which impact the District financially will not be binding upon the District unless approved by the Board of Directors at a special or regular meeting of the District.

c. Rules. At the hearing, the Hearing Officer shall preside, and the hearing shall be recorded. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by any Person (including legal counsel) of his or her choice.

The complainant or his or her representative and the District representatives shall have the right to present evidence and arguments; the right to confront and cross-examine any Person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained of. The Hearing Officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent Persons in the conduct of their affairs.

The Hearing Officer shall determine whether clear and convincing grounds exist to alter, amend, defer, or cancel the interpretation, application, and/or enforcement of the Policies and Procedures that are the subject of the complaint. The Hearing Officer’s decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer, or cancel the action shall be upon the complainant.

d. Findings. Subsequent to the formal hearing, the Hearing Officer shall make written findings and an order disposing of the matter and shall mail a copy thereto to the complainant not later than fifteen (15) business days after the date of the formal hearing.

e. Appeals. In the event the complainant disagrees with the findings and order of the Hearing Officer, the complainant may, within fifteen (15) business days from the date such findings and order were mailed, file with the District a written request for an appeal thereof to the Board of Directors. The request for an appeal shall set forth with specificity the facts or exhibits

presented at the formal hearing upon which the complainant relied and shall contain a brief statement of the complainant's reasons for the appeal. The District shall compile a written record of the appeal consisting of (1) a transcript of the recorded proceedings at the formal hearing, (2) all exhibits, or other physical evidence offered and reviewed at the formal hearing, and (3) a copy of the written findings and order. The District shall consider the complainant's written request and the written record on appeal at its next regularly scheduled meeting held not earlier than ten (10) days after the filing of the complainant's request for appeal. The District's consideration of the appeal shall be limited exclusively to a review of the record on appeal and the complainant's written request for appeal. No further evidence shall be presented by any Person or party to the appeal, and there shall be no right to a hearing de novo before the Board of Directors.

f. District Board of Directors Findings. The Board of Directors shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be mailed to the complainant within thirty (30) days after the Board of Directors' meeting at which the appeal was considered. The Board of Directors will not reverse the decision of the Hearing Officer unless it appears that such decision was contrary to the manifest weight of the evidence made available at the formal hearing.

g. Notices. A complainant shall be given notice of any hearing before the District Manager, the hearing officer, or before the Board of Directors, by certified mail at last seven (7) business days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the complainant shall also be served upon the attorney.

h. Costs. All costs of the formal hearing and appeal processes shall be paid by the complainant, including, but not limited to, certified mailing, transcription of the recorded proceedings, and General Counsel fees.

ARTICLE 8. PAYMENT PLANS

8.1 Payment Plans. Neither the District Manager nor General Counsel shall have the authority to enter into or establish payment plans for the repayment of a Delinquent Account. Should the Property owner desire to enter into a payment plan with the District, such owner shall first submit a written request to the District and the District shall make the determination in its sole discretion.

ARTICLE 9. RATIFICATION OF PAST ACTIONS

9.1 Ratification of Past Actions. All waivers and payment plans heretofore undertaken by the District Manager or General Counsel that would otherwise have been authorized by these Policies and Procedures are hereby affirmed, ratified, and made effective as of the date said actions occurred.

ARTICLE 10.
ADDITIONAL ACTIONS

10.1 Additional Actions. The District directs and authorizes its officers, staff and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of these Policies and Procedures.

ARTICLE 11.
COLORADO AND FEDERAL FAIR DEBT COLLECTIONS ACTS

11.1 Acts Not Applicable. Protective covenant enforcement as described herein is not a consumer transaction and, therefore, is not subject to the Colorado Fair Debt Collection Practices Act or the Federal Fair Debt Collections Practices Act.

ARTICLE 12.
SEVERABILITY

12.1 Severability. If any term or provision of these Policies and Procedures is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of these Policies and Procedures as a whole but shall be severed herefrom, leaving the remaining terms or provisions in full force and effect.

ARTICLE 13.
SAVINGS PROVISION

13.1 Savings Provision. The failure to comply with the procedures set forth herein shall not affect the status of the Fees and Charges as a perpetual lien subject to foreclosure in accordance with law. Failure by the District Manager, General Counsel, or other authorized representative to take any action in accordance with the requirements as specifically provided herein shall not invalidate subsequent efforts to collect the Fees and Charges.

RESOLUTION NO. 2021-06-02**RESOLUTION OF CHAPARRAL POINTE METROPOLITAN DISTRICT
ACKNOWLEDGING AND ADOPTING THE RECORDED COVENANTS AND
RESTRICTIONS OF THE VISTAS AT CHAPARRAL**

1. Chaparral Pointe Metropolitan District (the “**District**”) is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended (“**C.R.S.**”).
2. The District was organized, in part, to provide covenant enforcement and design review services for the property within the boundaries of the District.
3. On December 13, 2018, the District adopted Resolution No. 2018-12-14 Declaring the District’s Intent to Adopt the Declaration of Covenants and Restrictions of Chaparral Pointe (the “**Original Resolution**”).
4. At the time of the adoption of the Original Resolution, it was anticipated that certain covenants and restrictions of Chaparral Pointe, now known as The Vistas at Chaparral, would be recorded upon the property and it was the intent of the District to enforce the provisions of such covenants and restrictions.
5. Century Land Holdings, LLC, a Colorado limited liability company (the “**Developer**”) has caused to be recorded the Covenants and Restrictions of The Vistas at Chaparral recorded in the real property records of El Paso County, State of Colorado, on January 25, 2021, at Reception No. 221014737, as the same may be amended and/or modified from time to time (the “**Declaration**”) applicable to the real property within the District (the “**Property**”), and which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved in accordance with and subject to the covenants and use restrictions contained therein.
6. The Declaration provides that the District shall enforce each of the provisions provided therein.
7. Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district named the district as the enforcement or design review entity.
8. The Declaration assigns to the District all duties, rights, and obligations to enforce the Declaration and to promulgate the Rules and Regulations with respect to real property within the boundaries of the District that is subject to the Declaration.
9. The Board of Directors of the District (the “**Board**”) wishes to re-confirm the intent of the Original Resolution and adopt the Declaration as an official policy of the District and to acknowledge the duties, obligations and rights assigned to the District pursuant to such Declaration.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHAPARRAL POINTE METROPOLITAN DISTRICT, CITY OF COLORADO SPRINGS, COUNTY OF EL PASO, COLORADO, AS FOLLOWS:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.

2. The Board hereby determines that it is in the best interests of the District and its property owners and users for the District to accept the assignment of all duties, rights and obligations under the Declaration and to provide the covenant enforcement and design review services established thereby.

3. The Board hereby authorizes and directs the officers of the District and District staff to take all actions necessary to execute the duties, rights and obligations assigned to the District by the Declaration.

4. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

5. This Resolution shall be effective as of January 25, 2021, the date of recordation of the Declaration in the Office of the Clerk and Recorder for El Paso, Colorado.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO
RESOLUTION OF CHAPARRAL POINTE METROPOLITAN DISTRICT
ACKNOWLEDGING AND ADOPTING THE RECORDED COVENANTS
AND RESTRICTIONS OF THE VISTAS AT CHAPARRAL]**

APPROVED AND ADOPTED on June 9, 2021.

**CHAPARRAL POINTE
METROPOLITAN DISTRICT**

By: DocuSigned by:
Mike Fenton

D0B3697DF2B847F...
President

Attest:

DocuSigned by:
Sarah Darnell

21B2C8AFD2E9450...
Secretary

RESOLUTION NO. 2021-06-04**RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHAPARRAL POINTE METROPOLITAN DISTRICT ADOPTING THE VISTAS AT CHAPARRAL HOMEOWNER DESIGN GUIDELINES**

A. The Chaparral Pointe Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado located in the City of Colorado Springs, County of El Paso, Colorado.

B. The District operates pursuant to its Service Plan approved by the City of Colorado Springs on September 11, 2018, as the same may be amended and/or modified from time to time (the “**Service Plan**”).

C. Pursuant to Section 32-1-1001(1)(m), C.R.S., the District has the power “to adopt, amend and enforce bylaws and rules and regulations not in conflict with the constitution and laws of this state for carrying on the business, objects, and affairs of the board and of the special district.”

D. The District was organized, in part, to provide covenant enforcement and design review services for the property within the boundaries of the District.

E. On December 13, 2018, the District adopted Resolution No. 2018-12-13 Declaring the District’s Intent to Adopt Design and Landscape Guidelines of Chaparral Pointe (the “**Original Resolution**”).

F. At the time of the adoption of the Original Resolution, it was anticipated that certain covenants and restrictions of Chaparral Pointe, now known as The Vistas at Chaparral, would be recorded upon the property and it was the intent of the District to enforce the provisions of such covenants and restrictions and to provide for the orderly and efficient enforcement of such covenants and restrictions by adopting design and landscape guidelines.

G. Century Land Holdings, LLC (the “**Developer**”) has caused to be recorded the Covenants and Restrictions of The Vistas at Chaparral, recorded on January 25, 2021, at Reception No. 221014737, of the El Paso County, Colorado, real property records, as the same may be amended and/or modified from time to time (the “**Covenants**”) applicable to the real property within the District (the “**Property**”).

H. Pursuant to Section 32-1-1004(8), C.R.S., and pursuant to the District’s Service Plan, a metropolitan district may provide covenant enforcement within the District if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement and design review entity.

I. The Covenants provide that it is the intention of the Developer to empower the District to provide covenant enforcement services to the Property.

J. Pursuant to the Covenants, the District may promulgate, adopt, enact, modify, amend, and repeal design and landscape guidelines concerning and governing the Property and the enforcement of the Covenants.

K. The District desires to re-confirm the intent of the Original Resolution and provide for the orderly and efficient enforcement of the Covenants by adopting design and landscape guidelines.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHAPARRAL POINTE METROPOLITAN DISTRICT:

1. The Board of Directors of the District hereby adopts The Vistas at Chaparral Homeowner Design Guidelines as described in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Design and Landscape Guidelines**”).

2. The Board of Directors declares that the Design and Landscape Guidelines are effective as of January 25, 2021.

3. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION NO. 2021-06-04]

APPROVED AND ADOPTED this 9th day of June, 2021.

**CHAPARRAL POINTE
METROPOLITAN DISTRICT**

By: DocuSigned by:
Mike Fenton
D0B3697DF2B847F...

President

Attest:

DocuSigned by:
Sarah Darneal
2182C6AFD2E9480...

Secretary or Assistant Secretary

EXHIBIT A

THE VISTAS AT CHAPARRAL HOMEOWNER DESIGN GUIDELINES

EXHIBIT B

CERTIFICATION OF VALUATION BY EL PASO COUNTY ASSESSOR

New Tax Entity? YES NODate November 24, 2021**NAME OF TAX ENTITY:** CHAPARRAL POINTE METROPOLITAN
USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("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 2021:

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		1. \$	48,840
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡		2. \$	958,780
3. LESS TOTAL TIF AREA INCREMENTS, IF ANY:		3. \$	0
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:		4. \$	958,780
5. NEW CONSTRUCTION: *		5. \$	31,490
6. INCREASED PRODUCTION OF PRODUCING MINE: ≈		6. \$	0
7. ANNEXATIONS/INCLUSIONS:		7. \$	0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈		8. \$	0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☐		9. \$	0
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. \$	0.00
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. \$	0.00

‡ This value reflects personal property exemptions 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 the 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 DLG 52 & 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. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2021:

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶		1. \$	3,955,282
ADDITIONS TO TAXABLE REAL PROPERTY			
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: *		2. \$	440,560
3. ANNEXATIONS/INCLUSIONS:		3. \$	0
4. INCREASED MINING PRODUCTION: §		4. \$	0
5. PREVIOUSLY EXEMPT PROPERTY:		5. \$	0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:		6. \$	0
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. \$	0

DELETIONS FROM TAXABLE REAL PROPERTY

8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:		8. \$	0
9. DISCONNECTIONS/EXCLUSIONS:		9. \$	0
10. PREVIOUSLY TAXABLE PROPERTY:		10. \$	0

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases 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:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ N/A

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

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): ** \$ 0

** The tax revenue lost due 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.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

EXHIBIT C

**CHAPARRAL POINTE METROPOLITAN DISTRICT
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2022**

**CHAPARRAL POINTE METROPOLITAN DISTRICT
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ (3,514)	\$ (18,919)	\$ 3,690
REVENUES			
Property Taxes	1,169	2,176	42,694
Specific Ownership Tax	127	168	4,269
Interest income	-	36	90
Developer Advance	29,500	68,500	47,000
Homeowner Fees	-	23,450	30,900
Other Revenue	-	465	1,129
Series 2021A Bond Proceeds	-	1,350,000	-
Total revenues	<u>30,796</u>	<u>1,444,795</u>	<u>126,082</u>
Total funds available	<u>27,282</u>	<u>1,425,876</u>	<u>129,772</u>
EXPENDITURES			
General Fund	46,188	71,686	82,500
Debt Service Fund	13	500	36,200
Capital Projects Fund	-	1,350,000	-
Total expenditures	<u>46,201</u>	<u>1,422,186</u>	<u>118,700</u>
Total expenditures and transfers out requiring appropriation	<u>46,201</u>	<u>1,422,186</u>	<u>118,700</u>
ENDING FUND BALANCES	<u>\$ (18,919)</u>	<u>\$ 3,690</u>	<u>\$ 11,072</u>
EMERGENCY RESERVE	\$ -	\$ 800	\$ 1,300
TOTAL RESERVE	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 1,300</u>

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
ASSESSED VALUATION			
Residential	\$ 26,250	\$ -	\$ 61,520
Vacant land	-	48,870	897,260
Certified Assessed Value	<u>\$ 26,250</u>	<u>\$ 48,870</u>	<u>\$ 958,780</u>
MILL LEVY			
General	11.132	11.132	11.132
Debt Service	33.397	33.397	33.397
Total mill levy	<u>44.529</u>	<u>44.529</u>	<u>44.529</u>
PROPERTY TAXES			
General	\$ 292	\$ 544	\$ 10,673
Debt Service	877	1,632	32,021
Budgeted property taxes	<u>\$ 1,169</u>	<u>\$ 2,176</u>	<u>\$ 42,694</u>
BUDGETED PROPERTY TAXES			
General	\$ 292	\$ 544	\$ 10,673
Debt Service	877	1,632	32,021
	<u>\$ 1,169</u>	<u>\$ 2,176</u>	<u>\$ 42,694</u>

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ (3,514)	\$ (19,878)	\$ 990
REVENUES			
Property taxes	292	544	10,673
Specific ownership tax	32	54	1,067
Interest income	-	6	15
Developer advance	29,500	68,500	47,000
Homeowner fees	-	23,450	30,900
Other Revenue	-	-	665
Total revenues	<u>29,824</u>	<u>92,554</u>	<u>90,320</u>
Total funds available	<u>26,310</u>	<u>72,676</u>	<u>91,310</u>
EXPENDITURES			
General and administrative			
Accounting	12,253	15,000	16,500
Audit	-	-	5,000
Billing	-	6,000	5,500
Contingency	-	367	1,400
County Treasurer's fee	4	7	160
District management	6,224	15,000	17,000
Dues and Licenses	305	309	340
Election expense	4,771	-	5,000
Insurance and Bonds	2,910	2,993	3,200
Legal Services	19,664	27,500	17,500
Miscellaneous	57	100	100
Operations and maintenance			
Covenant enforcement	-	2,800	5,000
Property assoc. contributions - Barnes Center	-	-	1,100
Website	-	310	500
Trash collection	-	850	3,000
Utilities	-	450	1,200
Total expenditures	<u>46,188</u>	<u>71,686</u>	<u>82,500</u>
Total expenditures and transfers out requiring appropriation	<u>46,188</u>	<u>71,686</u>	<u>82,500</u>
ENDING FUND BALANCE	<u>\$ (19,878)</u>	<u>\$ 990</u>	<u>\$ 8,810</u>
EMERGENCY RESERVE	\$ -	\$ 800	\$ 1,300
AVAILABLE FOR OPERATIONS	(19,878)	190	7,510
TOTAL RESERVE	<u>\$ (19,878)</u>	<u>\$ 990</u>	<u>\$ 8,810</u>

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ 959	\$ 2,700
REVENUES			
Property taxes	877	1,632	32,021
Specific ownership tax	95	114	3,202
Interest income	-	30	75
Other revenue	-	465	464
Total revenues	972	2,241	35,762
Total funds available	972	3,200	38,462
EXPENDITURES			
County Treasurer's fee	13	26	480
Contingency	-	474	223
Paying agent fees	-	-	6,500
Bond interest Senior Bonds	-	-	28,997
Total expenditures	13	500	36,200
Total expenditures and transfers out requiring appropriation	13	500	36,200
ENDING FUND BALANCE	\$ 959	\$ 2,700	\$ 2,262

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
CAPITAL PROJECTS FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/24/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Developer advance	-	-	-
Series 2021A Bond Proceeds	-	1,350,000	-
Total revenues	-	1,350,000	-
EXPENDITURES			
Capital Projects			
Series 2021A Costs of Issuance	-	184,065	-
Series 2021A Underwriter's Discount	-	-	-
Capital outlay	-	1,165,935	-
Capital Expenditure	-	-	-
Total expenditures	-	1,350,000	-
Total expenditures and transfers out requiring appropriation	-	1,350,000	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, was organized by order and decree of the District Court for El Paso County recorded on December 10, 2018 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City Council of Colorado Springs on September 11, 2018. The District's service area is located entirely in El Paso County, Colorado.

The District was established to provide financing for the construction, installation, and operation of public improvements including streets and safety control, landscaping, storm drainage, water, sewer, television relay, and park and recreation improvements and facilities.

The Service Plan limits total general obligation indebtedness to \$5,000,000.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the Board of Directors of the District. The levy is imposed upon assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is expressed in terms of mills. A mill is equal to 1/10 of one cent per dollar of assessed valuation. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year.

The property taxes resultant from the mill levy and assessed valuation have been reduced by 0.5% to allow for uncollectible taxes.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taking entities within the County. The budget assumes that the District's share will be equal to approximately 10.00% of the property taxes collected.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Developer Advance

The District is in the development stage. As such, the operating and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue. As of December 31, 2022, the District has received advances from the Developer, which remain outstanding per the attached schedule.

District Service Fees

The District imposes an Operations Fee upon the sale of a lot to an owner (other than the homebuilder constructing the initial residential unit) in the amount of \$99 per month per residential unit to meet the costs of operating and maintaining District improvements and furnishing covenant enforcement and design review services. The District has determined that the Operations Fee is reasonably related to the overall cost of providing the services.

Expenditures

Administrative and Operating Expenses

General and Administrative Costs include the services necessary to maintain the administrative viability of the District such as legal, management, accounting and audit, election, insurance, and other administrative costs. Operations and maintenance costs include landscape maintenance, snow removal, repairs and maintenance, utilities, trash collection, billing services, and covenant enforcement.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.50% of property tax collections.

Debt and Leases

Debt

Bond Proceeds

The District issued the Bonds on June 24, 2021, in the par amount of \$1,350,000. Proceeds from the sale of the Bonds will be used to pay Project Costs and costs of issuance of the Bonds.

Details of the Bonds

The Bonds bear interest at the rate of 5.000% per annum and are payable annually on December 1, beginning on December 1, 2021, but only to the extent of available Pledged Revenue. The Bonds mature on December 1, 2051 and are subject to mandatory redemption to the extent of available Pledged Revenue.

The Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest. Unpaid interest on the Bonds compounds annually on each December 1. In the event any amounts due and owing on the Bonds remain outstanding on December 2, 2059, such amounts shall be extinguished and no longer due and outstanding.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases (continued)

Debt (continued)

Optional Redemption

The Bonds are subject to redemption prior to maturity, at the option of the District, on June 1, 2026, and on any date thereafter, upon payment of par, accrued interest, and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

<u>Date of Redemption</u>	<u>Redemption Premium</u>
June 1, 2026, to May 31, 2027	3.00%
June 1, 2027, to May 31, 2028	2.00
June 1, 2028, to May 31, 2029	1.00
June 1, 2029, and thereafter	0.00

Pledged Revenue

The Bonds are secured by and payable from moneys derived by the District from the following sources: (a) the Required Mill Levy; (b) the portion of the Specific Ownership Tax which is collected as a result of the imposition of the Required Mill Levy; and (c) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Pledged Revenue.

Required Mill Levy

The District is required to impose an ad valorem mill levy upon all taxable property of the District each year in the amount of 30 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2006) or such lesser mill levy which is sufficient to pay all of the principal of and interest on the Bonds in full. The Required Mill Levy is net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County.

Bonds Debt Service

The annual debt service requirements of the Bonds are not currently determinable since they are payable only from available Pledged Revenue.

Developer Advances

The District has entered into Agreements with the Developer as follows:

Operation Funding Agreements

On December 13, 2018, the District and Century Land Holdings, LLC, (the Developer), entered into that certain Operation Funding Agreement (The Agreement), and effective as of December 10, 2018, whereby the Developer agreed to advance funds to the District for operations, maintenance and administrative expenses. The Agreement was amended pursuant to First Amendment to Operation Funding Agreement, dated December 10, 2019, and was further amended pursuant to the Second Amendment to Operation Funding Agreement, dated December 8th, 2020 (as so amended, the Amended Agreement).

Under the Amended Agreement, the Developer agreed to advance funds sufficient to pay operation and maintenance expenses incurred in 2021, not to exceed the Shortfall Amount of \$129,000. Under the Amended Agreement, advances bear simple interest at 8.0% per annum.

Leases

The District has no operations or capital leases.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserves

The District has provided an Emergency Reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying budget.

CHAPARRAL POINTE METROPOLITAN DISTRICT
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

\$1,350,000
 General Obligation Bonds, Series 2021A(3)
 Dated June 24, 2021
 Interest Rate of 5.00%
 Interest Payable June 1 and December 1,
 Principal Due December 1

Year Ended December 31,	Principal	Interest	Total
2022	\$ -	\$ 28,997	\$ 28,997
2023	-	59,948	59,948
2024	-	69,176	69,176
2025	-	69,176	69,176
2026	-	73,567	73,567
2027	-	73,567	73,567
2028	-	78,221	78,221
2029	-	78,221	78,221
2030	-	83,154	83,154
2031	-	83,154	83,154
2032	-	88,383	88,383
2033	-	88,383	88,383
2034	25,000	68,893	93,893
2035	27,000	66,250	93,250
2036	35,000	64,900	99,900
2037	37,000	63,150	100,150
2038	44,000	61,300	105,300
2039	47,000	59,100	106,100
2040	56,000	56,750	112,750
2041	59,000	53,950	112,950
2042	69,000	51,000	120,000
2043	72,000	47,550	119,550
2044	83,000	43,950	126,950
2045	87,000	39,800	126,800
2046	100,000	35,450	135,450
2047	104,000	30,450	134,450
2048	118,000	25,250	143,250
2049	124,000	19,350	143,350
2050	139,000	13,150	152,150
2051	124,000	6,200	130,200
	<u>\$ 1,350,000</u>	<u>\$1,682,086</u>	<u>\$ 3,032,086</u>

No assurance provided. See summary of significant assumptions.

**CHAPARRAL POINTE METROPOLITAN DISTRICT
2022 BUDGET
SCHEDULE OF DEVELOPER ADVANCES**

	Balance at December 31, 2020	Additions*	Repayments*	Balance at December 31, 2021*
Developer Advance - Operating	\$ 59,500	\$ 68,500	\$ -	\$ 128,000
Total Advances	<u>59,500</u>	<u>68,500</u>	<u>-</u>	<u>128,000</u>
Accrued Interest - Operating	5,063	8,374	-	13,437
Total Accrued Interest	<u>5,063</u>	<u>8,374</u>	<u>-</u>	<u>13,437</u>
 Total Advances and Accrued Interest	 <u>\$ 64,563</u>	 <u>\$ 76,874</u>	 <u>\$ -</u>	 <u>\$ 141,437</u>
	Balance at December 31, 2021*	Additions*	Repayments*	Balance at December 31, 2022*
Developer Advance - Operating	\$ 128,000	\$ 47,000	\$ -	\$ 175,000
Total Advances	<u>128,000</u>	<u>47,000</u>	<u>-</u>	<u>175,000</u>
Accrued Interest - Operating	13,437	15,595	-	29,032
Total Accrued Interest	<u>13,437</u>	<u>15,435</u>	<u>-</u>	<u>29,032</u>
 Total Advances and Accrued Interest	 <u>\$ 141,437</u>	 <u>\$ 62,595</u>	 <u>\$ -</u>	 <u>\$ 204,032</u>

*Estimated amounts