

THE CANYONS METROPOLITAN DISTRICT NOS. 1-6

2023 CONSOLIDATED ANNUAL REPORT

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TO
THE CITY OF CASTLE PINES

Pursuant to §32-1-207(3)(c) and the Amended and Restated Service Plan for The Canyons Metropolitan District No. 1 (as amended), and the Amended and Restated Service Plan for The Canyons Metropolitan District Nos. 2-4 (as amended) and Consolidated Service Plan for The Canyons Metropolitan District Nos. 5-6 (as amended) (The Canyons Metropolitan District Nos. 1-6 are collectively referred to as the “**Districts**”), the Districts are required to provide an annual report to the City of Castle Pines (the “**City**”). The report is to include information concerning matters which occurred during the prior fiscal year.

For the year ending December 31, 2023, the Districts make the following report:

Service Plan Requirements

1. Boundary changes made or proposed to the Districts’ boundaries as of December 31 of the prior year.

There were no boundary changes made or proposed to the Districts' boundaries in 2023.

2. Intergovernmental Agreements with other governmental entities, either entered into or proposed, as of December 31 of the prior year.

The Agreement Regarding the Relocation of South Havana Street at the Castle Pines Parkway Intersection, dated November 9, 2023, between The Canyons Metropolitan District No. 3 (“**District No. 3**”), the City, and North Canyons, LLLP is attached hereto as **Exhibit A**.

The Canyons Metropolitan District Nos. 1, 2, 4-6 did not enter into or propose any new intergovernmental agreements as of December 31, 2023.

3. Copies of the Districts’ rules and regulations, if any, as of December 31 of the prior year.

As of December 31, 2023, the Districts had not adopted rules and regulations.

4. A summary of any litigation which involves the Districts’ Public Improvements as of December 31 of the prior year.

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts’ Public Improvements as of December 31, 2023.

5. Status of the Districts’ construction of the Public Improvements as of December 31 of the prior year.

As of December 31, 2023, The Canyons Metropolitan District Nos. 1, 2, and 4 had not constructed any Public Improvements.

District No. 3 constructed the following improvements in 2023: grading, erosion and sediment control, sewer and water mains, storm drainage infrastructure, sidewalks and roadways, and trails. These improvements have been initially accepted by the City and by Parker Water, so they are all currently in their warranty period.

The Public Improvements serving and benefitting property within The Canyons Metropolitan District No. 5 (“**District No. 5**”) and The Canyons Metropolitan District No. 6 (“**District No. 6**”) are being constructed by Shea Canyons, LLC (“**Shea**”).

6. A list of all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of December 31 of the prior year.

The Canyons Metropolitan District Nos. 1, 2 and 4 did not construct any facilities or improvements dedicated to or accepted by the City in 2023.

District No. 3 obtained Initial Acceptance on the Canyonside Filing 2 Road and Storm Improvements with the City in July 2023, and the Canyonside Filing 2 Water and Sewer infrastructure with Parker Water and Sanitation District in March 2023. Both of these acceptances are contingent on a 2-year warranty period.

The Public Improvements serving and benefitting property within District No. 5 and District No. 6 are being constructed by Shea. The public improvements constructed by Shea, and dedicated and accepted by the City in the report year are as follows:

Initial Acceptance:

- Superblock Phase 3
- Filing 1-2nd Amendment, Phase 1
- Filing 1-2nd Amendment, Phase 5
- Filing 2-1st Amendment

Final Acceptance:

- Filing 1 West
- Filing 1-1st Amendment

7. The assessed value of the Districts for the report year.

The assessed valuation for the Districts are as follows:

- | | |
|-------------------------------------------|--------------|
| • The Canyons Metropolitan District No. 1 | \$ 40 |
| • The Canyons Metropolitan District No. 2 | \$ 1,296,620 |
| • The Canyons Metropolitan District No. 3 | \$ 4,701,630 |
| • The Canyons Metropolitan District No. 4 | \$ 32,680 |

The Canyons Metropolitan District Nos. 1-2 and 4-6 did not enter into or propose any new intergovernmental agreements as of December 31, 2023.

3. Access information to obtain a copy of rules and regulations adopted by the board.

As of December 31, 2023, the Districts had not adopted rules and regulations.

4. A summary of litigation involving Public Improvements owned by the Districts.

To our actual knowledge, based on review of the court records in Douglas County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' Public Improvements as of December 31, 2023.

5. The status of the construction of Public Improvements by the Districts.

As of December 31, 2023, The Canyons Metropolitan District Nos. 1, 2, and 4 had not constructed any Public Improvements.

District No. 3 constructed the following improvements in 2023: grading, erosion and sediment control, sewer and water mains, storm drainage infrastructure, sidewalks and roadways, and trails.

The Public Improvements serving and benefitting property within The Canyons Metropolitan District No. 5 ("**District No. 5**") and The Canyons Metropolitan District No. 6 ("**District No. 6**") are being constructed by Shea Canyons, LLC ("**Shea**").

6. A list of facilities or improvements constructed by the Districts that were conveyed or dedicated to the county or municipality.

The Canyons Metropolitan District Nos. 1, 2 and 4 did not construct any facilities or improvements dedicated to or accepted by the City in 2023.

In July of 2023, District No. 3 obtained Initial Acceptance on the Canyonside Filing 2 Road and Storm Improvements with the City and in March of 2023 Parker Water and Sanitation District initially accepted the Water and Sewer infrastructure within Canyonside Filing 2.

The Public Improvements serving and benefitting property within District No. 5 and District No. 6 are being constructed by Shea. The public improvements constructed by Shae, and dedicated and accepted by the City in the report year are as follows:

Initial Acceptance:

- Superblock Phase 3
- Filing 1-2nd Amendment, Phase 1
- Filing 1-2nd Amendment, Phase 5
- Filing 2-1st Amendment

Final Acceptance:

- Filing 1 West
- Filing 1-1st Amendment

7. The final assessed valuation of the Districts as of December 31st of the reporting year.

The assessed valuation for the Districts are as follows:

• The Canyons Metropolitan District No. 1	\$ 40
• The Canyons Metropolitan District No. 2	\$ 1,296,620
• The Canyons Metropolitan District No. 3	\$ 4,701,630
• The Canyons Metropolitan District No. 4	\$ 32,680
• The Canyons Metropolitan District No. 5	\$ 72,498,860
• The Canyons Metropolitan District No. 6	\$ 72,498,850

8. A copy of the current year’s budget.

The 2024 budgets are attached hereto as **Exhibit B**.

9. A copy of the audited financial statements, if required by the “Colorado Local Government Audit Law”, part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Applications for Audit Exemption for The Canyons Metropolitan District Nos. 1, 2, and 4 are attached hereto as **Exhibit C**. The 2023 Audits for The Canyons Metropolitan District Nos. 3, 5, and 6 are attached hereto as **Exhibit D**.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the Districts.

To our actual knowledge, the Districts did not receive notice of any uncured events of default by the Districts, which continued beyond a ninety (90) day period, under any debt instrument.

11. Any inability of the Districts to pay their obligations as they come due under any obligation which continues beyond a ninety (90) day period.

To our actual knowledge, there was not any inability of the Districts to pay their obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.