

**EXHIBIT A**

Intergovernmental Agreements

**TERMINATION OF  
AMENDED AND RESTATED  
MASTER INTERGOVERNMENTAL AGREEMENT**

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This TERMINATION OF AMENDED AND RESTATED MASTER INTERGOVERNMENTAL AGREEMENT (“**Termination Agreement**”) is made and entered into this 13th day of July 2023, by and between the TOWN OF CASTLE ROCK, a home-rule municipal corporation of the State of Colorado (the “**Town**”), and LANTERNS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”).

**RECITALS**

WHEREAS, the Town and the District entered into that certain *Master Intergovernmental Agreement* dated September 2, 2004, as superseded and replaced by that certain *Amended and Restated Master Intergovernmental Agreement* dated September 16, 2014 (the “**Master IGA**”) which sets forth, among other things, the parameters of the District’s authority to finance and construct public improvements.

WHEREAS, the Town and the District are parties to that certain *Intergovernmental Agreement between Town of Castle Rock, Colorado, Lanterns Metropolitan District No. 1, Lanterns Metropolitan District No. 2, Lanterns Metropolitan District No. 3, Lanterns Metropolitan District No. 4, and Lanterns Metropolitan District No. 5*, dated February 25<sup>th</sup>, 2019 (the “**Intergovernmental Agreement**”); and

WHEREAS, although Paragraph 25 of the Intergovernmental Agreement contains an “Integration” provision providing that the Intergovernmental Agreement “constitutes the entire agreement between the Parties with respect to the matters addressed” in the Intergovernmental Agreement, and further provides that “[A]ll prior discussions and negotiations regarding the subject matter hereof are merged herein,” for the avoidance of doubt that the Master IGA has been superseded and replaced by the Intergovernmental Agreement and is of no further force or effect, the District and the Town desire to enter into this Termination Agreement.

NOW, THEREFORE, in consideration of the covenants and mutual promises of the Town and the District, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Town and the District agree as follows:

**COVENANTS AND AGREEMENTS**

1. Termination. The Town and the District agree that the Master IGA is terminated and of no force and effect as of February 25<sup>th</sup>, 2019, the date of the Intergovernmental Agreement, (the “**Effective Date**”), that the District has no further obligations to the Town under the Master IGA, and that the Town has no further obligations to the District under the Master IGA.

2. Satisfaction of Obligations. As of the Effective Date, the Town and the District have fully satisfied any and all obligations under the Master IGA, and are released from any further obligations or performance under the Master IGA. In addition, the Town and District agree that no default exists with respect to the Master IGA, and any and all claims of default under or with respect to the Master IGA, whether in existence on the date hereof or otherwise, whether known or unknown, foreseen or unforeseen are hereby waived and released.


3. Counterpart Execution. This Termination Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Town and the District have executed this Termination Agreement as of the day and year first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Termination Agreement.


**DISTRICT:**

**LANERNS METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado

  
Ben Both (Jul 18, 2023 21:39 EDT)

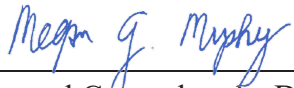
\_\_\_\_\_  
Officer of the District

ATTEST:

  
Reggie Carveth (Jul 25, 2023 09:56 MDT)

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

  
\_\_\_\_\_  
General Counsel to the District

*District's Signature Page to Termination Agreement between the Town of Castle Rock and  
Lanterns Metropolitan District No. 1, dated July 13, 2023.*

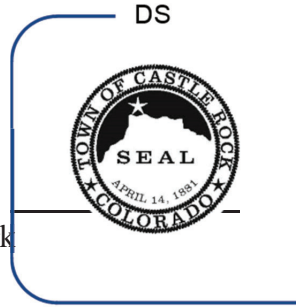
TOWN:

TOWN OF CASTLE ROCK

DocuSigned by:  
*David L. Corliss*  
1BB5457CFF75414...  
David L. Corliss, Town Manager

ATTEST:

DocuSigned by:  
*Lisa Anderson*  
298A8A4EDEE34AF...  
Lisa Anderson, Town Clerk



APPROVED AS TO FORM:

DocuSigned by:  
*Michael J. Hyman*  
F7347F32A6794D1...  
Michael J. Hyman, Town Attorney

***Town's Signature Page to Termination Agreement between the Town of Castle Rock and Lanterns Metropolitan District No. 1, dated July 13, 2023.***

## TERMINATION OF MASTER INTERGOVERNMENTAL AGREEMENT

---

This TERMINATION OF MASTER INTERGOVERNMENTAL AGREEMENT (“**Termination Agreement**”) is made and entered into this 13th day of July 2023, by and between the TOWN OF CASTLE ROCK, a home-rule municipal corporation of the State of Colorado (the “**Town**”), and LANTERNS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”).

### RECITALS

WHEREAS, the Town and the District entered into that certain *Master Intergovernmental Agreement* dated September 16, 2014 (the “**Master IGA**”) which sets forth, among other things, the parameters of the District’s authority to finance and construct public improvements.

WHEREAS, the Town and the District are parties to that certain *Intergovernmental Agreement between Town of Castle Rock, Colorado, Lanterns Metropolitan District No. 1, Lanterns Metropolitan District No. 2, Lanterns Metropolitan District No. 3, Lanterns Metropolitan District No. 4, and Lanterns Metropolitan District No. 5*, dated February 25<sup>th</sup>, 2019 (the “**Intergovernmental Agreement**”); and

WHEREAS, although Paragraph 25 of the Intergovernmental Agreement contains an “Integration” provision providing that the Intergovernmental Agreement “constitutes the entire agreement between the Parties with respect to the matters addressed” in the Intergovernmental Agreement, and further provides that “[A]ll prior discussions and negotiations regarding the subject matter hereof are merged herein,” for the avoidance of doubt that the Master IGA has been superseded and replaced by the Intergovernmental Agreement and is of no further force or effect, the District and the Town desire to enter into this Termination Agreement.

NOW, THEREFORE, in consideration of the covenants and mutual promises of the Town and the District, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Town and the District agree as follows:

### COVENANTS AND AGREEMENTS

1. Termination. The Town and the District agree that the Master IGA is terminated and of no force and effect as of February 25<sup>th</sup>, 2019, the date of the Intergovernmental Agreement, (the “**Effective Date**”), that the District has no further obligations to the Town under the Master IGA, and that the Town has no further obligations to the District under the Master IGA.

2. Satisfaction of Obligations. As of the Effective Date, the Town and the District have fully satisfied any and all obligations under the Master IGA, and are released from any further obligations or performance under the Master IGA. In addition, the Town and District

agree that no default exists with respect to the Master IGA, and any and all claims of default under or with respect to the Master IGA, whether in existence on the date hereof or otherwise, whether known or unknown, foreseen or unforeseen are hereby waived and released.


3. Counterpart Execution. This Termination Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Town and the District have executed this Termination Agreement as of the day and year first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Termination Agreement.

**DISTRICT:**

**LANERNS METROPOLITAN DISTRICT NO. 2**, a quasi-municipal corporation and political subdivision of the State of Colorado

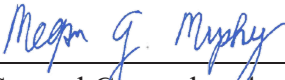
  
Ben Both (Jul 18, 2023 21:39 EDT)  
\_\_\_\_\_  
Officer of the District

**ATTEST:**

  
Reggie Carveth (Jul 25, 2023 09:56 MDT)  
\_\_\_\_\_

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

  
\_\_\_\_\_  
General Counsel to the District

***District's Signature Page to Termination Agreement between the Town of Castle Rock and  
Lanterns Metropolitan District No. 2, dated July 13, 2023.***



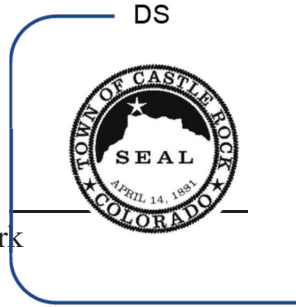
TOWN:

TOWN OF CASTLE ROCK

DocuSigned by:  
*David L. Corliss*  
1BB5457CFF75414...  
David L. Corliss, Town Manager

ATTEST:

DocuSigned by:  
*Lisa Anderson*  
298A8A4EDEE34AF...  
Lisa Anderson, Town Clerk



APPROVED AS TO FORM:

DocuSigned by:  
*Michael J. Hyman*  
F7347F32A6794D1...  
Michael J. Hyman, Town Attorney

***Town's Signature Page to Termination Agreement between the Town of Castle Rock and Lanterns Metropolitan District No. 2, dated July 13, 2023.***

## TERMINATION OF MASTER INTERGOVERNMENTAL AGREEMENT

---

This TERMINATION OF MASTER INTERGOVERNMENTAL AGREEMENT (“**Termination Agreement**”) is made and entered into this 13th day of July 2023, by and between the TOWN OF CASTLE ROCK, a home-rule municipal corporation of the State of Colorado (the “**Town**”), and LANTERNS METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (the “**District**”).

### RECITALS

WHEREAS, the Town and the District entered into that certain *Master Intergovernmental Agreement* dated September 16, 2014 (the “**Master IGA**”) which sets forth, among other things, the parameters of the District’s authority to finance and construct public improvements.

WHEREAS, the Town and the District are parties to that certain *Intergovernmental Agreement between Town of Castle Rock, Colorado, Lanterns Metropolitan District No. 1, Lanterns Metropolitan District No. 2, Lanterns Metropolitan District No. 3, Lanterns Metropolitan District No. 4, and Lanterns Metropolitan District No. 5*, dated February 25<sup>th</sup>, 2019 (the “**Intergovernmental Agreement**”); and

WHEREAS, although Paragraph 25 of the Intergovernmental Agreement contains an “Integration” provision providing that the Intergovernmental Agreement “constitutes the entire agreement between the Parties with respect to the matters addressed” in the Intergovernmental Agreement, and further provides that “[A]ll prior discussions and negotiations regarding the subject matter hereof are merged herein,” for the avoidance of doubt that the Master IGA has been superseded and replaced by the Intergovernmental Agreement and is of no further force or effect, the District and the Town desire to enter into this Termination Agreement.

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2. Satisfaction of Obligations. As of the Effective Date, the Town and the District have fully satisfied any and all obligations under the Master IGA, and are released from any further obligations or performance under the Master IGA. In addition, the Town and District

agree that no default exists with respect to the Master IGA, and any and all claims of default under or with respect to the Master IGA, whether in existence on the date hereof or otherwise, whether known or unknown, foreseen or unforeseen are hereby waived and released.

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*[Signature page follows.]*

IN WITNESS WHEREOF, the Town and the District have executed this Termination Agreement as of the day and year first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Termination Agreement.

**DISTRICT:**

**LANTERNS METROPOLITAN DISTRICT NO. 3**, a quasi-municipal corporation and political subdivision of the State of Colorado

*Scott L Carlson*  
Scott L Carlson (Sep 6, 2023 13:56 MDT)

Officer of the District

**ATTEST:**

*Kent D Carlson*  
Kent D Carlson (Sep 6, 2023 10:09 MDT)

**APPROVED AS TO FORM:**

WHITE BEAR ANKELE TANAKA & WALDRON  
Attorneys at Law

*Megan G. Murphy*  
General Counsel to the District

***District's Signature Page to Termination Agreement between the Town of Castle Rock and  
Lanterns Metropolitan District No. 3, dated July 13, 2023.***

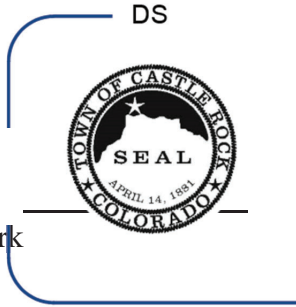
TOWN:

TOWN OF CASTLE ROCK

DocuSigned by:  
*David L. Corliss*  
1BB5457CFF75414...  
David L. Corliss, Town Manager

ATTEST:

DocuSigned by:  
*Lisa Anderson*  
298A8A4EDEE34AF...  
Lisa Anderson, Town Clerk



APPROVED AS TO FORM:

DocuSigned by:  
*Michael J. Hyman*  
F7347F32A6794D1...  
Michael J. Hyman, Town Attorney

***Town's Signature Page to Termination Agreement between the Town of Castle Rock and Lanterns Metropolitan District No. 3, dated July 13, 2023.***

## COST ALLOCATION AGREEMENT

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This COST ALLOCATION AGREEMENT, including any and all exhibits attached hereto (the “**Agreement**”), is effective as of the 19<sup>th</sup> day of October 2023, by and between LANTERNS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 1**”), and LANTERNS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“**District No. 2**”). District No. 1 and District No. 2 are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

### RECITALS

WHEREAS, the Districts have been duly and validly organized as quasi-municipal corporations and political subdivisions of the State of Colorado, in accordance with the provisions of Article 1, Title 32, Colorado Revised Statutes (the “**Special District Act**”), with the power to provide certain public infrastructure, improvements, facilities and services (collectively, the “**Public Infrastructure**”), as described in the Special District Act, and as authorized in the Second Amended and Restated Service Plan for Lanterns Metropolitan District No. 1 and First Amended and Restated Service Plan for Lanterns Metropolitan District No. 2 and First Amended and Restated Service Plan for Lanterns Metropolitan District No. 3 and Service Plan for Lanterns Metropolitan District No. 4 and Service Plan for Lanterns Metropolitan District No. 5 (the “**Service Plan**”); and

WHEREAS, District No. 1 issued is Limited Tax General Obligation Bonds, Series 2019A in the principal amount of \$18,740,000; Subordinate Limited Tax General Obligation Bonds, Series 2019B in the principal amount of \$2,051,000; and its Junior Lien Limited Tax General Obligation Bonds, Series 2019C in the principal amount of \$1,329,000 on July 31, 2019 (collectively, the “**District No. 1 Bonds**”); and

WHEREAS, District No. 2 issued its Limited Tax General Obligation Bonds, Series 2021A(3) in the principal amount of \$25,482,000 on August 19, 2021 (the “**District No. 2 Bonds**” and together with the District No. 1 Bonds, the “**Bonds**”); and

WHEREAS, District No. 1 and Toll Southwest, LLC are parties to that certain Infrastructure Acquisition and Reimbursement Agreement dated July 8, 2019 (the “**District No. 1 Reimbursement Agreement**”); and

WHEREAS, District No. 2 and Toll Southwest, LLC are parties to that certain Infrastructure Acquisition and Project Fund Disbursement Agreement dated July 21, 2021 (the “**District No. 2 Reimbursement Agreement**” and together with the District No. 1 Reimbursement Agreement, the “**Reimbursement Agreements**”); and

WHEREAS, as of the date of this Agreement, the proceeds of the Bonds have been depleted and were used to reimburse Toll Southwest, LLC pursuant to the terms of the Reimbursement

Agreements for public improvements that benefit the project known as Montaine which includes the property located in the boundaries of both District No. 1 and District No. 2; and

WHEREAS, District No. 1 and Independent District Engineering Services (“**IDES**”) are parties to that certain Independent Contractor Agreement dated September 6, 2018, as amended (the “**District No. 1 IDES Agreement**”); and

WHEREAS, District No. 1 and IDES are parties to that certain Independent Contractor Agreement dated October 21, 2021, as amended (the “**District No. 2 IDES Agreement**” and together with the District No. 1 IDES Agreement, the “**IDES Agreements**”); and

WHEREAS, pursuant to the IDES Agreements, IDES, an independent professional engineer, was engaged to review Certified District Eligible Costs (as defined in the Reimbursement Agreements) that were previously accepted by the Parties and issue a report allocating the Certified District Eligible Costs between the Parties; and

WHEREAS, pursuant to this Agreement, the Parties acknowledge and agree to the allocation of Certified District Eligible Costs as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and stipulations set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

## **TERMS AND CONDITIONS**

1. Acknowledgment and Acceptance of Expenditure Allocation Memorandum. The Parties have reviewed the Expenditure Allocation Memorandum dated October 19, 2023 attached hereto and incorporated herein as Exhibit A (the “**Memorandum**”). The Parties agree that the Memorandum sets forth IDES’ allocation of Certified District Eligible Costs as between the Parties. The Parties agree that the methodology identified in the Memorandum is reasonable and appropriate given the types of Certified District Eligible Costs and the coordination of construction of Public Infrastructure for the Montaine project.

a. The Board of Directors of District No. 1, having reviewed the Memorandum and all other information as deemed necessary and appropriate, finds and determines that the Certified District Eligible Costs to be allocated to District No. 1 pursuant to the District No. 1 Reimbursement Agreement is **\$27,556,150.23**.

b. The Board of Directors of District No. 2, having reviewed the Memorandum and all other information as deemed necessary and appropriate, finds and determines that the Certified District Eligible Costs to be allocated to District No. 2 pursuant to the District No. 2 Reimbursement Agreement is **\$26,644,965.05**.

2. Prior Provisions Effective. Except as specifically provided in this Agreement, all of the terms and conditions of the Reimbursement Agreements, IDES Agreements, and resolutions accepting Certified District Eligible Costs shall remain in full force and effect.

3. Governmental Immunity. Nothing in this Agreement shall be construed to be a waiver, in whole or in part, of any right, privilege, or protection afforded the Parties or its directors, officers, employees, servants, agents, or authorized volunteers under any governmental immunity that may be available under law, in particular, governmental immunity afforded or available to the Parties pursuant to the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as amended from time to time.

4. No Third-Party Beneficiaries. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and their successors and assigns and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

5. Counterparts. This Agreement may be executed in multiple counterparts that, taken together, shall constitute the whole agreement. Facsimile or electronic copies of signatures shall be valid as originals, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

6. Subject to Annual Appropriation and Budget. The Parties do not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The obligations of the Parties under this Agreement are subject to annual budgeting and appropriations.

7. Modification, Amendment; Waiver. This Agreement may not be modified or amended in any respect, except by a further agreement in writing duly executed by the Parties.

8. Governing Law. This Agreement, including all questions concerning the construction, validity and interpretation of this Agreement, and the exhibits hereto, and all claims or controversies arising out of or relating to this Agreement, shall be governed and construed under the applicable laws of the State of Colorado, without regard to conflict of law principals that would result in the application of any law other than the law of the State of Colorado. Venue for all actions arising from this Agreement shall be in the District Court in and for Douglas County. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action, including, but not limited to, *forum non-conveniens* or otherwise.

9. Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

10. Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties hereto to express their mutual intent, and no rule of strict construction will be applied against any party hereto. This Agreement shall be given a reasonable construction so that the intention of the Parties can be carried out. The Parties hereby acknowledge



they have both participated substantially in the negotiation, drafting and revision of this Agreement with representation by counsel and/or such other advisers as they have deemed appropriate. Accordingly, this Agreement shall be deemed to have been prepared jointly by the Parties and shall not be construed against any party as the drafter hereof.

11. Electronic Storage and Execution. The Parties agree that the transactions described herein may be conducted and related documents may be signed and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of electronically signed and stored documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. Any electronic signature affixed to this Agreement or any amendments or consents thereto shall carry the full legal force and effect of any original, handwritten signature.


12. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

**DISTRICT NO. 1:**

LANTERNS METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado


  
Ben Both (Mar 19, 2024 13:17 EDT)  
Officer of the District

ATTEST:


  
Chris Osler (Mar 25, 2024 07:53 MDT)

**DISTRICT NO. 2:**

LANTERNS METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado

  
Ben Both (Mar 19, 2024 13:17 EDT)  
Officer of the District

ATTEST:

  
Chris Osler (Mar 25, 2024 07:53 MDT)

## Exhibit A



1626 Cole Boulevard, Suite 125  
Lakewood, CO 80401

October 19, 2023

Lanterns Metropolitan District Nos. 1-2 Board  
C/o Clint Waldron  
White Bear Ankele Tanaka & Waldron  
2154 E Commons Ave #2000  
Centennial, CO 80122

## **LANTERNS METROPOLITAN DISTRICT NOS. 1 & 2 COST CERTIFICATION REPORT #1-12 EXPENDITURE ALLOCATION MEMORANDUM**

Independent District Engineering Services (“IDES”) was engaged to review the expenditures certified as part of Lanterns Metropolitan District Nos. 1 & 2 Cost Certification Report #1-12 (the “Cost Certification Reports”) and allocate the certified costs to Lanterns Metropolitan District No. 1 or Lanterns Metropolitan District No. 2 (each a “District” and together the “Districts”). The Cost Certification Reports were for expenditures paid by Toll Southwest, LLC (the “Developer”) for the Montaine Development located in the County of Douglas, Colorado (the “Project”).

At the time of determining the shares included in this memorandum, Lanterns Metropolitan District No.3 (“District 3”) had not issued bonds for the construction of public improvements and it was unknown if the portions of the Project within the District 3 would be constructed. It is IDES’s understanding that no costs included as part of the Cost Certification Reports should be allocated to District 3.

The Cost Certification Reports include expenditures for storm sewer, sanitary sewer, water distribution system, roadway, and parks & recreation improvements. The expenditure documentation does not break out the physical location of improvement by District but instead identifies the improvement by a filing number. IDES reviewed the certified costs by improvement type and filing for this allocation. Subdivision improvement agreement costs were also reviewed and allocated to each District evenly as they benefit both Districts. Exhibit A shows a breakdown of the allocation by cost certification report and filing.

The Filing 1 expenditures are for the loop road improvements which serve as the access and utility backbone for the District. IDES allocated the costs for the loop road evenly between the Districts.

The storm sewer system was designed to capture runoff from the entire Project. The elements of the storm sewer system were placed to optimize the overall layout and District boundaries were not considered. IDES allocated the costs for each filings storm sewer improvements evenly between the Districts.

Railhead Trail and Simmental Loop roadway and water improvements were upsized to act as collectors for the Project. To determine the cost share ratio for these improvements, IDES allocated fifty percent of the collector roadway area to each District and then applied each Districts’ share of the

Filing 2 right of way to the total right of way area for Filing 2. The remaining improvements were allocated solely to District No. 1 as it falls within the District No. 1 boundary.

The sanitary sewer, water distribution system, and roadway improvements for Filings 3-7 and Filing 9 were allocated based on each Districts' ratio of right of way and lots within each filing. Open space was omitted from this calculation.

The subdivision improvement agreement costs and Cost Certification Reports totaled **\$54,201,115.28**. Of this amount and based on the methodology noted in this memorandum, IDES found **\$27,556,150.23** should be allocated to Lanterns Metropolitan District No.1 and **\$26,644,965.05** should be allocated to Lanterns Metropolitan District No.2.

Note that the Project contains shared improvements which includes utility mainlines that service multiple Districts, roadways that provide access to multiple Districts, and the storm sewer system that captures runoff from the entire Project. Tracking and allocation of improvements to a specific District varies based on methodology and is subject to opinion.

Please feel free to contact me if there are any questions or comments.

Sincerely,



Chase Hanusa, P.E.  
Independent District Engineering Services LLC

**Exhibit A**

Lanterns Metropolitan District Nos. 1 & 2 Cost Share By Cost Certification Report			
Report Number	Total Certified Amount	Metro District No. 1 Share	Metro District No. 2 Share
SIA Costs	\$3,980,852.02	\$1,990,426.01	\$1,990,426.01
Cost Certification Report #1	\$5,522,648.80	\$2,761,324.40	\$2,761,324.40
Cost Certification Report #2	\$2,046,809.10	\$1,023,404.55	\$1,023,404.55
Cost Certification Report #3	\$2,240,820.09	\$1,338,795.31	\$902,024.78
Cost Certification Report #4	\$4,296,953.38	\$2,716,496.27	\$1,580,457.11
Cost Certification Report #5	\$11,330,056.67	\$7,581,192.79	\$3,748,863.88
Cost Certification Report #6	\$5,356,476.32	\$2,542,517.59	\$2,813,958.73
Cost Certification Report #7	\$2,269,417.67	\$1,144,752.73	\$1,124,664.94
Cost Certification Report #8	\$3,626,945.38	\$1,684,881.75	\$1,942,063.63
Cost Certification Report #9	\$2,218,012.10	\$269,129.77	\$1,948,882.34
Cost Certification Report #10	\$5,259,487.60	\$2,629,743.80	\$2,629,743.80
Cost Certification Report #11	\$2,977,180.67	\$1,241,535.42	\$1,735,645.25
Cost Certification Report #12	\$3,075,455.48	\$631,949.85	\$2,443,505.63
<b>TOTAL</b>	<b>\$54,201,115.28</b>	<b>\$27,556,150.23</b>	<b>\$26,644,965.05</b>

Lanterns Metropolitan District Nos. 1 & 2 Cost Share Allocation Percentages					
Cost Type	Total Certified Amount	Metro District No. 1 Percentage	Metro District No. 1 Cost	Metro District No. 2 Percentage	Metro District No. 2 Cost
SIA Costs	\$3,980,852.02	50.00%	\$1,990,426.01	50.00%	\$1,990,426.01
Loop Road	\$10,716,612.23	50.00%	\$5,358,306.12	50.00%	\$5,358,306.12
Storm Sewer	\$16,977,355.23	50.00%	\$8,488,677.62	50.00%	\$8,488,677.62
Filing 2 Water	\$1,408,521.96	84.87%	\$1,195,454.55	15.13%	\$213,067.41
Filing 2 Roadway	\$2,845,515.33	84.87%	\$2,415,073.63	15.13%	\$430,441.69
Filing 2 Other	\$884,216.43	100.00%	\$884,216.43	0.00%	\$0.00
Filing 3	\$2,391,728.29	100.00%	\$2,391,728.29	0.00%	\$0.00
Filing 4	\$4,068,576.49	31.84%	\$1,295,371.92	68.16%	\$2,773,204.57
Filing 5	\$2,924,759.20	58.78%	\$1,719,162.94	41.22%	\$1,205,596.25
Filing 6	\$2,918,044.22	62.29%	\$1,817,732.73	37.71%	\$1,100,311.50
Filing 7	\$3,329,482.82	0.00%	\$0.00	100.00%	\$3,329,482.82
Filing 8	\$143,134.14	0.00%	\$0.00	100.00%	\$143,134.14
Filing 9	\$1,612,316.93	0.00%	\$0.00	100.00%	\$1,612,316.93
<b>TOTAL</b>	<b>\$54,201,115.28</b>		<b>\$27,556,150.23</b>		<b>\$26,644,965.05</b>

Prepared By: Independent District Engineering Services

Note: Allocations are based on land area approximations.

<b>Lanterns Metropolitan District Nos. 1 &amp; 2 Cost Share</b>			
<b>By Improvement Category</b>			
<b>Cost Category</b>	<b>Total Certified Amount</b>	<b>Metro District No. 1 Share</b>	<b>Metro District No. 2 Share</b>
SIA Costs	\$3,980,852.02	\$1,990,426.01	\$1,990,426.01
Water	\$7,628,267.47	\$3,819,104.32	\$3,809,163.15
Sanitation	\$5,706,220.20	\$2,853,866.08	\$2,852,354.12
Storm	\$16,977,355.23	\$8,488,677.62	\$8,488,677.62
Street Improvements	\$19,193,888.30	\$10,148,221.97	\$9,045,666.33
Safety	\$141,111.17	\$85,215.18	\$55,895.99
Parks and Rec	\$573,420.89	\$170,639.04	\$402,781.85
<b>TOTAL</b>	<b>\$54,201,115.28</b>	<b>\$27,556,150.23</b>	<b>\$26,644,965.05</b>

Prepared By: Independent District Engineering Services

Note: Allocations are based on land area approximations.