DEVILS HEAD METROPOLITAN DISTRICT

2025 ANNUAL REPORT

DEVILS HEAD METROPOLITAN DISTRICT

2025 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Devils Head Metropolitan District (the "**District**"), the District is required to provide an annual report to Douglas County, Colorado with regard to the following matters:

For the year ending December 31, 2025, and with information about prospective years, the District makes the following report:

Service Plan Requirements

I. District Description.

a. *Board members, officers' titles, and terms.*

Director	***Office***	***Term***
Donald Conty	President/Treasurer	2027
Matthew Brown	Secretary	2029
David Phelps	Director	2029
Vacant		2027
Vacant		2029

b. *Changes in board membership in past year.*

Thomas Clark, Dalton Horan, and Darwin Horan were elected to 4-year terms beginning May 6, 2025. Bryan Horan resigned from the Board on September 9, 2025. Dalton Horan and Darwin Horan resigned from the Board on October 2, 2025. David Phelps, Matthew Brown, and Donald Conty were appointed to the Board on October 14, 2025. Thomas Clark, and Josh Brgoch resigned from the Board on December 9, 2025.

c. *Name and address for official District contact.*

Megan J. Murphy, Esq., Legal Counsel
WBA, P.C.
2154 E. Commons Ave., Ste. 2000, Centennial, CO 80122
mmurphy@wbapc.com
303-858-1800

Diane Wheeler, District Accountant
Simmons & Wheeler, P.C.
304 Inverness Way, S., Ste. 490, Englewood, CO 80112
diane@simmonswheeler.com
303-689-0833

d. *Elections held in the past year.*

The District held an election on November 4, 2025 for the purpose of presenting the 5.25 Limitation Issue to the electorate.

The District adopted a Resolution Calling the May 6, 2025 Election and a Resolution Calling the November 5, 2025 Election. The May 6, 2025 election was subsequently cancelled as there were not more candidates than seats to be filled.

II. Boundary changes for the report year and proposed changes for the coming year.

There were no boundary changes or proposed changes made to the District's boundaries in 2025.

III. List of intergovernmental agreements (existing or proposed) and a brief description of each detailing the financial and service agreements.

a. Contracts for operations, debt, and other contractual obligations with sub-districts or operating and taxing districts.

None.

b. Reimbursement agreements with developers and/or builders for advances to fund capital costs and administrative/operational and maintenance costs of the District.

The District terminated a Facilities Funding and Acquisition Agreement and Reimbursement Agreement with Midwest Heritage Inn of Oklahoma City, Inc., R.I. Heritage Inn of Oklahoma City, Inc., and Circle C Ranch LLC, dated October 14, 2025, attached hereto as **Exhibit A**.

The District entered into a Funding and Reimbursement Agreement for Operations and Maintenance with Circle C Ranch LLC, dated October 14, 2025, attached hereto as **Exhibit B**.

IV. Service Plan.

a. List and description of services authorized in Service Plan.

The District shall have the power and authority to provide the public improvements and related operation and maintenance services within and without the boundaries of the District as such power and authority is permitted by this Service Plan and described in the Special District Act, C.R.S. Title 32, and other applicable statutes, common law, and the Colorado Constitution.

The District shall have the authority pursuant to C.R.S. §§ 32-1-1001 and 32-1-1004 to provide the following services and public improvements described in this section:

Service Authorized	Description
Storm Sewer	• Finance, design, construct, acquire, install, maintain, and provide for flood and surface drainage improvements
Street Improvements	• Finance, design, construct, acquire, install, maintain, and provide for local, arterial and collector streets and roadway improvements
Traffic Safety Protection	• Finance, design, construct, acquire, install, maintain, and provide for safety protection through traffic control devices and safety controls on streets, as well as such other facilities and improvements
Parks and Recreation	• Finance, design, construct, acquire, install, maintain, and provide for public park and public recreation centers and other recreation facilities, services, or programs
Television Relay and Translation	• Finance, design, construct, install, acquire, operate, and maintain television relay and translator facilities
Mosquito Control	• Finance, design, construct, acquire, install, operate, maintain, and provide for systems and methods for elimination and control of mosquitoes
Fire Protection	• Provide construction, maintenance, and operation of required fired cistern(s), and any other services or improvements as may be requested by West Douglas County Fire Protection District
Covenant Enforcement and Design Review	• Provide covenant enforcement and design review services subject to the limitations set forth in C.R.S. § 32- 1-1004(8)
Security	• Provide security services within the boundaries of the District, subject to the limitations set forth in C.R.S. § 32- 1-1004(7)

b. *List and description of facilities authorized in Service Plan.*

See response to a. above.

c. *List and description of any extraterritorial services, facilities, and agreements.*

There are no extraterritorial services, facilities, or agreements in the District as of December 31, 2025.

V. Development Progress.

a. Indicate the estimated year of build-out, as set forth in the Service Plan.

The District's Service Plan estimates 100% build-out by 2034.

b. List the services provided with the date service began compared to the date authorized by the Service Plan.

Not applicable as development has not yet occurred.

c. List changes made to the Service Plan, including when the change was authorized, when it was implemented or is expected to be implemented.

There have been no changes made to the Service Plan since its approval on September 25, 2018.

d. List facilities to be acquired or constructed or leased back as set forth in the Service Plan and compare the date of completion or operation with the date authorized by the Service Plan.

Not applicable as development has not yet occurred.

e. List facilities not completed. Indicate the reason for incompletion and provide a revised schedule, if any.

Not applicable as development has not yet occurred.

f. List facilities currently under construction with the percentage complete and an anticipated date of completion.

Not applicable as development has not yet occurred.

g. Indicate the population of the District for the previous five (5) years and provide population projections for the next five (5) years.

Year	Estimated Population
2020	0
2021	0
2022	0
2023	0
2024	0
2025	0
2026	0
2027	0

2028	0
2029	0
2030	0

h. *List the planned number of housing units by type and the number of commercial and industrial properties with respective square footage and anticipated dates of completion/operation. Compare the completed units and completed commercial and industrial properties to the amount planned in the Service Plan.*

The Service Plan projects construction of 32 single family residential units and 0 square feet of commercial space at 100% build-out in 2034. The financial projections in the Service Plan anticipated the construction of two (2) units per year each starting in 2019 and ending in 2034.

i. *List any enterprises created by and/or operated by or on behalf of the District, and summarize the purpose of each.*

No enterprises have been created by and/or operated by or on behalf of the District.

VI. Financial Plan and Financial Activities

a. *Provide a copy of the audit or exemption from the audit for the reporting year.*

The 2025 Audit Exemption Application is attached hereto as **Exhibit C**.

b. *Provide a copy of the budget, showing the reporting and previous years.*

The District went inactive as of January 1, 2026 and did not adopt a budget. A copy of the 2025 Budget is attached hereto as **Exhibit D**.

c. *Show revenues and expenditures of the District for the previous five (5) years and provide projections for the next five (5) years. Include any non-District or non-governmental financial support. Include and list individually all fees, rates, tolls, etc., with a summary of the purpose of each. Show other miscellaneous tax revenue, such as specific ownership taxes. For the same period, show actual and projected mill levies by purpose (showing mill levies for each individual general obligation, revenue-based obligation, or contractual obligation).*

Please refer to the attached 2025 Budget as stated above.

d. *List all debt that has been issued, including all individual issuances with a schedule of service until the debt is retired.*

As of December 31, 2025, the District had not issued any debt.

e. *List individually all authorized but unissued debt, including the purpose, ballot issue letter designation and election date, and amounts authorized and unissued.*

Purpose	Ballot Issue	Election Date	Authorized Debt	Unissued Debt
Water	F	11-06-2018	$30,000,000	$30,000,000
Sanitation	G	11-06-2018	$30,000,000	$30,000,000
Streets	H	11-06-2018	$30,000,000	$30,000,000
Traffic and Safety	I	11-06-2018	$30,000,000	$30,000,000
Parks and Recreation	J	11-06-2018	$30,000,000	$30,000,000
Transportation	K	11-06-2018	$30,000,000	$30,000,000
Television Relay	L	11-06-2018	$30,000,000	$30,000,000
Security	M	11-06-2018	$30,000,000	$30,000,000
Fire Protection	N	11-06-2018	$30,000,000	$30,000,000
Operations and Maintenance	O	11-06-2018	$30,000,000	$30,000,000
Refunding	P	11-06-2018	$30,000,000	$30,000,000
Reimbursement Agreement	Q	11-06-2018	$30,000,000	$30,000,000

f. *List the total amount of debt issued and outstanding as of the date of the annual report and compare to the maximum authorized debt level as set forth in the Service Plan.*

As of December 31, 2025, the District has not issued any debt.

g. *Enterprises of the District.*

i. *Include revenues of the enterprise, showing both direct support from the District and all other sources.*

N/A

ii. *Include expenses of the enterprise, showing both direct payments to the District and all other obligations.*

N/A

h. *Detail contractual obligations.*

i. *Describe the type of obligation, current year dollar amount, and any changes in the payment schedule, e.g. balloon payments.*

See responses to section III above.

ii. *Report any inability of the District to pay current obligations that are due within the current budget year.*

None.

iii. *Describe any District financial obligations in default.*

None.

i. *Actual and Assessed Valuation history.*

i. *Report the annual actual and assessed valuation for the current year and for each of seven (7) years prior to the current year.*

The District was formed in 2018.
2019 – $14,310
2020 – $14,310
2021 – $14,310
2022 – $15,100
2023 – $13,730
2024 – $18,440
2025 – $16,960

ii. *For each year, compare the certified assessed value with the Service Plan estimate for that year. If Service Plan estimates are not available, indicate the same and report the certified value.*

Year	Certified Assessed Valuation	Service Plan Estimate
2019	$14,310	Not available
2020	$14,310	$174,000
2021	$14,310	$606,000
2022	$15,100	$1,055,280
2023	$13,730	$1,504,733
2024	$18,440	$1,989,789
2025	$16,960	$2,457,400

j. *Mill Levy History*

i. *Report the annual mill levy for the current year and for each of the seven (7) years prior to the current year. Break the mill levies out by purpose (e.g., debt issuance and operations and maintenance).*

Year	Mill Levy	Purpose
2019	10.000 45.000	General Operating General Obligation Bonds and Interest
2020	20.000 50.000	General Operating General Obligation Bonds and Interest
2021	20.000 50.000	General Operating General Obligation Bonds and Interest
2022	20.000 50.000	General Operating General Obligation Bonds and Interest
2023	20.000 50.000	General Operating General Obligation Bonds and Interest

2024	20.000 50.000	General Operating General Obligation Bonds and Interest
2025	20.000 50.000	General Operating General Obligation Bonds and Interest - Contractual Obligations
2026	0.000	N/A – District went inactive 1/1/2026

ii. *For each year, compare the actual mill levy with the Service Plan estimate for that year. If Service Plan estimates are not available, indicated the same and report the actual mill levies.*

Year	Actual DS	Service Plan DS	Actual O&M	Service Plan O&M
2019	45.000	50.000	10.000	10.000 initial, up to 20.000
2020	50.000	50.000	20.000	10.000 initial, up to 20.000
2021	50.000	50.000	20.000	10.000 initial, up to 20.000
2022	50.000	50.000	20.000	10.000 initial, up to 20.000
2023	50.000	50.000	20.000	10.000 initial, up to 20.000
2024	50.000	50.000	20.000	10.000 initial, up to 20.000
2025	50.000	50.000	20.000	10.000 initial, up to 20.000
2026	0.000	50.000	0.000	10.000 initial, up to 20.000

k. *Miscellaneous Taxes History.*

i. *Report the annual miscellaneous tax revenues for the current year and for each of the seven (7) years prior to the current year. Break the tax revenue out by purpose (e.g., general operations, revenue-based obligations, debt by issue, contractual obligations, other).*

N/A

ii. *For each year, compare the actual miscellaneous tax revenue with the Service Plan estimate for that year (if provided in Plan). If the Service Plan estimates are not available, indicate the same and report the actual taxes.*

N/A

l. *Estimated Assessed Valuation of District at 100% build-out.*

i. *Provide an updated estimate and compare this with the Service Plan estimate.*

The Service Plan estimates that value at full build-out as $10,591,452. There are no updates currently.

m. *Estimated Amount of Additional General Obligation Debt to be issued by the District between the end of current year and 100% build-out.*

i. *Provide an updated estimate based on current events. Do not include refunding bonds.*

The District anticipates issuing bonds as provided in the Service Plan; however, the District went inactive as of January 1, 2026 so the timing of such issuance will be delayed.

§32-1-207(3) Statutory Requirements

1. **Boundary changes made.**

   There were no boundary changes made to the District's boundaries in 2025.

2. **Intergovernmental Agreements entered into or terminated with other governmental entities.**

   The District did not enter into or terminate any Intergovernmental Agreements in 2025.

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

   As of December 31, 2025, the District had not adopted any rules and regulations.

4. **A summary of litigation involving public improvements owned by the District.**

   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 District's public improvements as of December 31, 2025.

5. **The status of the construction of public improvements by the District.**

   As of December 31, 2025, no public improvements had been constructed by the District.

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

   As of December 31, 2025, no facilities and improvements constructed by the District had been conveyed or dedicated to the county.

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

   The District's assessed valuation for 2025 is $16,960.

8. **A copy of the current year's budget.**

   The District went inactive as of January 1, 2026 and did not adopt a budget. A copy of the 2025 Budget is attached hereto as **Exhibit D**.

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 2025 Audit Exemption Application is attached hereto as **Exhibit C.**

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

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

11. **Any inability of the District to pay its 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 District to pay its obligations as they came due, in accordance with the terms of such obligations, which continued beyond a ninety (90) day period.

EXHIBIT A
Termination of Facilities Funding and Acquisition Agreement

TERMINATION OF FACILITIES FUNDING AND ACQUISITION AGREEMENT AND REIMBURSEMENT AGREEMENT

This **TERMINATION OF FACILITIES FUNDING AND ACQUISITION AGREEMENT AND REIMBURSEMENT AGREEMENT** (the "**Termination Agreement**") is made and entered into as of the 14th day of October, 2025, by and among **DEVILS HEAD METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"); **MIDWEST HERITAGE INN OF OKLAHOMA CITY, INC.**, a Nevada corporation ("**Midwest**"); **R.I. HERITAGE INN OF OKLAHOMA CITY, INC.**, a Nevada corporation ("**R.I**" and together with Midwest, "**Heritage Inn**"); and **CIRCLE C RANCH LLC**, a Colorado limited liability corporation ("**Circle C**"). The District, Heritage Inn, and Circle C are collectively referred to herein as the "**Parties.**"

RECITALS

A. Heritage Inn and the District previously entered into the agreements listed: (i) that certain Facilities Funding and Acquisition Agreement dated November 27, 2018; and (ii) that certain Reimbursement Agreement (Operations) dated November 27, 2018 (collectively, the "**Prior Agreements**").

B. Heritage Inn has contributed to the Costs (defined below) for the District since 2018 through fiscal year 2025.

C. Heritage Inn and Circle C are parties to that certain Purchase and Sale Agreement, dated June 26, 2024, between Midwest Heritage Inn of Oklahoma City, Inc. and R.I. Heritage Inn of Oklahoma City, Inc. (Seller) and David Phelps (Purchaser), and First Amendment to Purchase and Sale Agreement, dated September 30, 2024, amongst the same parties (the "**PSA**") whereby David Phelps, the principal of Circle C purchased the property within the boundaries of the District from Heritage Inn.

D. The District has incurred and will incur costs in furtherance of the District's permitted purposes, including, but not limited to, costs in the nature of general administrative (such as legal, engineering, architectural, surveying, management, accounting, auditing, and insurance), operating, and maintenance costs, and other costs necessary to continued good standing under applicable law (the "**Costs**").

E. Heritage Inn and Circle C have reviewed the invoices for the Costs for fiscal year 2025 and determined that Heritage Inn will contribute $5,040.66 and Circle C will contribute $5,040.66. Circle C's contribution will be recognized pursuant to a Funding and Reimbursement Agreement (Operations and Maintenance) which will be entered into simultaneously with this Termination Agreement.

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

COVENANTS AND AGREEMENTS

1. Recitals Incorporated Herein. The recitals to this Agreement are incorporated as if fully set forth herein.

2. Termination of the Prior Agreements. The Parties hereby agree that the Prior Agreements are terminated and of no further force and effect as of the date of this Termination Agreement, without any further action of the Parties.

3. Representations of Heritage Inn. Heritage Inn represents that it has not transferred, assigned or granted to any other party any rights or obligations under any of the Prior Agreements.

4. Satisfaction of Obligations. Heritage Inn the District agree that upon execution of this Termination Agreement, Heritage Inn the District shall be deemed to have fully satisfied their respective obligations under the Prior Agreements, and Heritage Inn the District are released from any further obligations or performance under the Prior Agreements. In addition, the Parties agree that no default exists with respect to the Prior Agreements, and any and all claims of default under or with respect to the Prior Agreements, whether in existence on the date hereof or otherwise, whether known or unknown, foreseen or unforeseen are hereby waived and released.

5. Waiver and Release. Heritage Inn the District hereby release one another from any and all liabilities, obligation or duties that may have arisen or have been contemplated by the Prior Agreements. Heritage Inn the District agree not to make a claim against the other with respect to the Prior Agreements or the performance or non-performance of any covenant or condition contained within or contemplated by the Prior Agreements.

6. Entire Agreement. This Termination Agreement constitutes the entire agreement between the Parties related to the termination of the Prior Agreements, and sets forth the rights, duties, and obligations of each to the other as of this date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Termination Agreement are of no force and effect. This Termination Agreement may not be modified except by a writing executed by both the Parties.

7. Miscellaneous.

a. Execution of Additional Documentation. The Parties each agree that at the request of the other Party, it will, at any time hereafter, make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by the other party in order that this Termination Agreement may be fully performed in accordance with its intent and provisions.

b. Severability. If any covenant, term, condition or provision of this Termination Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition or provision shall not affect any other provision contained in the Agreement, the intention being that such provisions are severable. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Termination Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

c. Provisions Negotiated and Independent. Each and every provision of this Termination Agreement has been independently, separately and freely negotiated by the Parties as if this Agreement were drafted by all parties hereto. The Parties, therefore, waive any statutory or common law presumption which would serve to have this document construed in favor of, or against, either party.

d. Governing Law. This Termination Agreement shall be governed by and interpreted under the laws of the State of Colorado without regard to conflict of law principles that would result in the application of any law other than the law of the State of Colorado. Venue for any legal action relating to this Termination Agreement shall be exclusive to the District Court in and for the County of Douglas, Colorado. 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.

e. Successors and Assigns. This Termination Agreement and all of the provisions hereof shall be binding upon the Parties and their respective heirs, successors and assigns.

f. Counterpart Execution. This Termination Agreement may be executed in several counterparts, each of which shall be deemed an original, and 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 Parties have executed this Termination Agreement on the date 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:

DEVILS HEAD METROPOLITAN DISTRICT, quasi-municipal corporation and political subdivision of the State of Colorado

Donald Conty (Nov 24, 2025 11:18:01 MST)

Officer of the District

ATTEST:

Matthew J. Brown

Matthew J. Brown (Nov 24, 2025 11:19:02 MST)

[Signature page to Termination of Facilities Funding and Acquisition Agreement and Reimbursement Agreement]

MIDWEST:

MIDWEST HERITAGE INN OF OKLAHOMA CITY, INC., a Nevada corporation

Darrwain Horan (Nov 24, 2025 15:00:30 MST)

Printed Name: Darrwain Horan

Title: Manager

R.I.:

R.I. HERITAGE INN OF OKLAHOMA CITY, INC., a Nevada corporation

Darrwain Horan (Nov 24, 2025 15:00:30 MST)

Printed Name: Darrwain Horan

Title: Manager

[Signature page to Termination of Facilities Funding and Acquisition Agreement and Reimbursement Agreement]

CIRCLE C:

CIRCLE C RANCH LLC, a Colorado limited liability corporation

Donald Conty (Nov 24, 2025 11:18:01 MST)

Printed Name: Donald Conty

Title: Manager

[Signature page to Termination of Facilities Funding and Acquisition Agreement and Reimbursement Agreement]

EXHIBIT B
Funding and Reimbursement Agreement

FUNDING AND REIMBURSEMENT AGREEMENT
(Operations and Maintenance)

This **FUNDING AND REIMBURSEMENT AGREEMENT** (the "**Agreement**") is made and entered into as of October 14, 2025 by and between **DEVILS HEAD METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**"), and **CIRCLE C RANCH LLC**, a Colorado limited liability corporation ("**Developer**"). The District and Developer are collectively referred to herein as the "**Parties**."

RECITALS

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado, organized 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 and services, as described in the Special District Act, within and without its boundaries (collectively, the "**Public Infrastructure**"), as authorized and in accordance with the Service Plan for the District (the "**Service Plan**"); and

WHEREAS, the District has incurred and will incur costs in furtherance of the District's permitted purposes, including, but not limited to, costs in the nature of general administrative (such as legal, engineering, architectural, surveying, management, accounting, auditing, and insurance), operating, and maintenance costs, and other costs necessary to continued good standing under applicable law (the "**Costs**"); and

WHEREAS, the District does not presently have financial resources to provide funding for payment of Costs that are projected to be incurred prior to the anticipated availability of funds; and

WHEREAS, the Developer is willing to advance funds to the District, from time to time, on the condition that the District agrees to repay such advances, in accordance with the terms set forth in this Agreement; and

WHEREAS, the District is willing to execute one or more reimbursement notes, bonds, or other instruments ("**Reimbursement Obligations**"), which may be multiple fiscal year obligations that are not subject to annual appropriation, in an aggregate principal amount not to exceed the Maximum Loan Amount (as defined below) and accrued interest, to be issued to or at the direction of the Developer upon its request, subject to the terms and conditions of this Agreement, to further evidence the District's obligation to repay the funds advanced hereunder; and

WHEREAS, the District anticipates repaying moneys advanced by the Developer hereunder, including as evidenced by any requested Reimbursement Obligations, with funds available from ad valorem taxes, fees, or other legally available revenues of the District determined to be available therefor; and

WHEREAS, the District and the Developer desire to enter into this Agreement for the purpose of consolidating all understandings and commitments between them relating to amounts to be advanced by the Developer to the District in order for the District to be able to pay the Costs, and the repayment by the District of such amounts; and

WHEREAS, the Board of Directors of the District (the "**Board**") has determined that the best interests of the District and its property owners and taxpayers will be served by entering into this Agreement in order to allow the District to meet its obligations to pay for Costs; and

WHEREAS, the Parties have authorized their officers to execute this Agreement and to take all other actions necessary and desirable to effectuate the purposes of this Agreement.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the Developer agree as follows:

COVENANTS AND AGREEMENTS

1. Advance Amount and Term. The Developer agrees to advance to the District one or more sums of money not to exceed the aggregate of $10,000 per annum (the "**Annual Loan Cap**") for two years, up to $20,000 (as the same may be subsequently increased as set forth below, or by agreement of the Parties and execution of a supplement or addendum to this Agreement) (the "**Maximum Loan Amount**"). These funds shall be advanced to the District in one or a series of installments and shall be available to the District through December 31, 2026 (the "**Loan Obligation Termination Date**"). Thereafter, the Loan Obligation Termination Date will automatically extend for additional one (1) year terms unless the Developer provides written notice to the District of termination at least thirty (30) days prior to December 31st of each year. Upon each automatic one (1) year extension of the Loan Obligation Termination Date, the Developer agrees to advance the District one or more sums of money up to the Annual Loan Cap, and the Maximum Loan Amount shall be automatically increased upon each one (1) year extension by the Annual Loan Cap.

2. Prior Costs Incurred. The Parties agree and acknowledge that the Developer has incurred or been assigned Costs on behalf of the District prior to the execution of this Agreement in anticipation that the same would be reimbursed as provided in this Agreement (the "**Prior Costs**"). A summary of the Prior Costs is attached hereto as **Exhibit A** and incorporated herein. Interest on the Prior Costs shall begin accruing as of the date of this Agreement. Reimbursement for Prior Costs shall be made in accordance with, and subject to the terms and conditions of, this Agreement governing the reimbursement for Costs, except that any Prior Costs reimbursed in accordance with this Agreement shall not be included in the calculation of the Maximum Loan Amount under Section 1 of this Agreement.

3. Use of Funds. The District agrees that it shall apply all funds advanced by the Developer under this Agreement solely to Costs of the District as set forth from time to time in the annual adopted budget for the District, and pursuant to any contracts entered into with third parties to perform functions for the District under such adopted budget. It is understood that the District has budgeted or will budget as revenue from year to year the entire aggregate amount which may be borrowed hereunder to enable the District to appropriate revenues to pay the Costs included within the District's annual budget. The Developer shall be entitled to a quarterly accounting of

the expenditures made by the District, upon request, and otherwise may request specific information concerning such expenditures at reasonable times and upon reasonable notice to the District.

4. Manner for Requesting Advances.

a. The District shall from time to time determine the amount of revenue required to fund budgeted expenditures by the District, but such determination shall be made not more often than monthly. Each determination shall be made based upon the expenditures contained in the adopted budget for the District, the rate of expenditures estimated for the next succeeding month, and such other factors as the District may consider relevant to the projection of future financial needs. Not less than fifteen (15) days before the beginning of each month, the District shall notify the Developer of the requested advance for the next month, and, subject to the Annual Loan Cap, the Developer shall deposit such advance with the District on or before the beginning of that month. The Parties may vary from this schedule upon mutual agreement.

b. Upon receipt of advances hereunder, the District shall keep a record of such advances made. Failure to record such advances shall not affect inclusion of such amounts as reimbursable pursuant to this Agreement; provided that such advances are substantiated by the District's accountant. The Developer may provide any relevant documentation evidencing such unrecorded advance to assist in the District's final determination.

5. Obligations Irrevocable. The obligations of the Developer created by this Agreement are absolute, irrevocable, unconditional, and are not subject to setoff or counterclaim. The Developer shall not take any action which would delay or impair the District's ability to receive the funds contemplated herein with sufficient time to properly pay approved invoices and/or notices of payment due.

6. Interest Prior to Issuance of Reimbursement Obligations. With respect Advances made under this Agreement prior to the earlier of payment in full thereof, or the issuance of any Reimbursement Obligation reflecting such Advances, interest shall accrue on such amounts, as simple interest with no compounding at the interest rate based on the MMD AAA Index on January 1st of each year plus 400 basis points (the "**Interest Rate**"). The MMD AAA Index means the Municipal Market Data "AAA" General Obligation Yield Curve, 30-Year constant maturity, published by Refinitiv at www.tm3.com, or successor index if replaced (the "**MMD AAA Index**"). Repayments of such advances will apply first to accrued and unpaid interest and second to principal. Upon issuance of a Reimbursement Obligation, unless otherwise consented to by the Developer, any interest then accrued on any previously advanced amount shall be added to the amount of the loan advance and reflected as principal of the Reimbursement Obligation, and shall thereafter accrue interest as provided in such Reimbursement Obligation.

7. Terms of Repayment; Source of Revenues.

a. Any funds advanced under this Agreement shall be repaid in accordance with the terms of this Agreement. The District intends to repay any advances made under this Agreement to the extent that funds are available from ad valorem taxes, fees, or other legally available revenues of the District, net of any debt service obligations or annual operations and maintenance costs of the District. Any mill levy certified by the District for the purpose of repaying advances made hereunder shall not exceed 10.000 mills and shall be further subject to any restrictions provided in the District's Service Plan, outstanding debt instruments, electoral authorization, or any applicable laws. Any payments made by the District shall be credited first, to any interest then due and payable under this Agreement, and second, to the outstanding principal balance of amounts advanced to the District.

b. The provision for repayment of advances, as set forth in Section 7(a) hereof, shall be at all times subject to annual appropriation by the District. To the extent required by Article X, Section 20 of the Colorado Constitution, the District's failure to appropriate funds in any given fiscal year will not be deemed or construed to constitute a default by the District under this Section 7(b). The District's failure to appropriate funds in any given fiscal year will not be deemed or construed to effect a discharge of the District's obligation to pay in any subsequent fiscal year, and interest will continue to accrue on any unpaid principal as provided in Section 6 above.

c. At such time as the District issues Reimbursement Obligations to evidence an obligation to repay advances made under this Agreement, the repayment terms of such Reimbursement Obligations shall control and supersede any otherwise applicable provision of this Agreement, except for the Maximum Reimbursement Obligation Repayment Term (as defined below). Such Reimbursement Obligations may be issued as multi-fiscal-year financial obligations, not subject to annual appropriation.

8. Issuance of Reimbursement Obligations.

a. Subject to any limitations or restrictions contained in any loan or bond documents or other multi-fiscal-year instruments, and the conditions of this Section 8 and Section 9 hereof, upon request of the Developer, the District hereby agrees to issue to or at the direction of the Developer one or more Reimbursement Obligations to evidence any repayment obligation of the District then existing with respect to advances made, and interest accrued, under this Agreement. Such Reimbursement Obligations shall be payable solely from the sources identified in the Reimbursement Obligations, including, but not limited to, ad valorem property tax revenues of the District, and shall be secured by the District's pledge to apply such revenues as required thereunder, unless otherwise consented to by the Developer. Such Reimbursement Obligations shall mature on a date or dates, subject to the limitation set forth in the Maximum Reimbursement Obligation Repayment Term defined herein, and bear interest at a market rate to be determined at the time of issuance of such Reimbursement Obligations, subject to compliance with the provisions of Section 32-1-1101(7), C.R.S.

b. The term for repayment of any Reimbursement Obligations issued under this Agreement shall not extend beyond twenty (20) years from the date of this Agreement (the "**Maximum Reimbursement Obligation Repayment Term**").

c. The issuance of any Reimbursement Obligations shall be subject to the availability of an exemption from the registration requirements of §11-59-106, C.R.S., and shall be subject to such prior filings with the Colorado State Securities Commissioner as may be necessary to claim such exemption, in accordance with §11-59-110, C.R.S., and any regulations promulgated thereunder.

d. In connection with the issuance of any such Reimbursement Obligations, the District shall make such filings as it may deem necessary to comply with the provisions of §32-1-1604, C.R.S., as amended.

e. The terms of this Agreement may be used to construe the intent of the Parties in connection with issuance of any Reimbursement Obligations, and shall be read as nearly as possible to make the provisions of any Reimbursement Obligations and this Agreement fully effective. Should any irreconcilable conflict arise between the terms of this Agreement and the terms of any Reimbursement Obligations, the terms of such Reimbursement Obligations shall prevail.

f. If, for any reason, any Reimbursement Obligations are determined to be invalid or unenforceable, the District shall issue new Reimbursement Obligations that are legally enforceable, subject to the provisions of this Section 8.

g. In the event that it is determined that payments of all or any portion of interest on any Reimbursement Obligations may be excluded from gross income of the holder thereof for federal income tax purposes upon compliance with certain procedural requirements and restrictions that are not inconsistent with the intended uses of funds contemplated herein and are not overly burdensome to the District, the District agrees, upon request of the Developer, to take all action reasonably necessary to satisfy the applicable provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

9. No Debt. It is hereby agreed and acknowledged that this Agreement evidences the District's good faith intent to repay the Developer for advances made in accordance with the terms of this Agreement. However, this Agreement shall not constitute a debt or indebtedness by the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal-year financial obligation. Further, the provision for repayment of advances made, as set forth in Section 7 hereof, and the agreement to issue Reimbursement Obligations as set forth in Section 8 hereof, shall be at all times subject to annual appropriation by the District, in its absolute discretion. The Developer expressly understands and agrees that the District's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the District's Board and shall not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. By acceptance of this Agreement, the Developer agrees and consents to all of the limitations with respect to the payment of the principal and interest due under this Agreement, and as may be limited by the District's Service Plan.

10. Termination.

a. The Developer's obligations to advance funds to the District in accordance with this Agreement shall terminate on December 31, 2026 (subject to the extension terms above), except to the extent advance requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

b. The District's obligations under this Agreement shall terminate at the earlier of the repayment in full of the Maximum Loan Amount (or such lesser amount advanced hereunder if it is determined by the District that no further advances shall be required hereunder) and accrued interest or twenty (20) years from the execution date hereof. After twenty (20) years from the execution of this Agreement, the Parties hereby agree and acknowledge that any obligation created by this Agreement which remains due and outstanding under this Agreement, including accrued interest, is forgiven in its entirety, generally and unconditionally released, waived, acquitted and forever discharged, and shall be deemed a contribution to the District by the Developer, and there shall be no further obligation of the District to pay or reimburse the Developer with respect to such amounts. For the avoidance of any doubt, Reimbursement Obligations are not considered "due and outstanding" under this Agreement, but are payable in accordance with their terms.

c. Notwithstanding any provision in this Agreement to the contrary, the District's obligation to reimburse the Developer for any and all funds advanced or otherwise payable to the Developer under and pursuant to this Agreement (whether the Developer has already advanced or otherwise paid such funds or intends to make such advances or payments in the future) shall terminate automatically and be of no further force or effect upon the occurrence of (a) the Developer's voluntary dissolution, liquidation, winding up, or cessation to carry on business activities as a going concern; (b) administrative dissolution (or other legal process not initiated by the Developer dissolving the Developer as a legal entity) that is not remedied or cured within sixty (60) days of the effective date of such dissolution or other process; or (c) the initiation of bankruptcy, receivership or similar process or actions with regard to the Developer (whether voluntary or involuntary). The termination of the District's reimbursement obligation as set forth in this section shall be absolute and binding upon the Developer, its successors and assigns. The Developer, by its execution of this Agreement, waives and releases any and all claims and rights, whether existing now or in the future, against the District relating to or arising out of the District's reimbursement obligations under this Agreement in the event that any of the occurrences described in this section occur.

11. Time Is of the Essence. Time is of the essence hereof; provided, however, that if the last day permitted or otherwise determined for the performance of any required act under this Agreement falls on a Saturday, Sunday, or legal holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated.

12. Notices and Place for Payments. All notices, demands and communications (collectively, "**Notices**") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested; (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate by notice pursuant to this Section 12; or (c) sent by confirmed facsimile transmission, PDF, or email. Notices shall be deemed given either one (1) business day after delivery BY the overnight carrier, three (3) days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

District: Devils Head Metropolitan District
WBA, PC
Attorneys at Law
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Attention: Megan Murphy
(303) 858-1800 (phone)
(303) 858-1801 (fax)
mmurphy@wbapc.com

Developer: Circle C Ranch LLC
The Conty Law Firm, PLLC
435 S. Vine Street
Denver, CO 80209
Attention: Don Conty

13. Amendments. This Agreement may only be amended or modified by a writing executed by the Parties.

14. 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.

15. Applicable Laws. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed and construed in accordance with the law of the State of Colorado, without regard to conflict of law principles 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 the county in which the District is located.

16. Assignment. In no event shall either party assign, transfer or convey all or any portion of its rights or obligations under this Agreement. Any purported assignment, transfer or conveyance is void.

17. Authority. By execution hereof, the Parties represent and warrant that their respective representatives signing hereunder have full power and authority to execute this Agreement and to bind the respective party to the terms hereof.

18. Entire Agreement. This Agreement constitutes and represents the entire, integrated agreement between the Parties with respect to the matters set forth herein and hereby supersedes any and all prior negotiations, representations, agreements, or arrangements of any kind with respect to those matters, whether written or oral. This Agreement shall become effective upon the date of full execution hereof.

19. Legal Existence. The District will maintain its legal identity and existence so long as any of the advanced amounts contemplated herein remain outstanding. The foregoing statement shall apply unless, by operation of law, another legal entity succeeds to the liabilities and rights of the District without materially adversely affecting the Developer's privileges and rights under this Agreement.

20. Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to the District, its respective officials, employees, contractors, or agents, or any other person acting on behalf of the District and, in particular, governmental immunity afforded or available to the District, pursuant to the Colorado Governmental Immunity Act, §§24-10-101, *et seq*., C.R.S.

21. Negotiated Provisions. This Agreement shall not be construed more strictly against one party than against another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each party has contributed substantially and materially to the preparation of this Agreement.

22. Parties Interested Herein/No Third Party Beneficiaries. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the Parties any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties. 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. Nothing contained in this Agreement shall give or allow any such claim or right of action by any other third parties. It is the express intention of the Parties that any person other than the Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

23. Electronic Storage and Execution. The Parties agree that the transactions described in this Agreement 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.

24. 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. 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 Parties have executed this Agreement on the date 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 Agreement.

DISTRICT:

DEVILS HEAD METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: Tom Clark (Nov 25, 2025 10:22:53 MST)
Officer of the District

Attest:

By: Joshua Brgoch (Nov 25, 2025 13:10:10 MST)

DEVELOPER:

CIRCLE C RANCH LLC, a Colorado limited liability corporation

Donald Conty (Nov 25, 2025 09:54:04 MST)

Donald Conty
Printed Name

Manager
Title

[Signature page to Funding and Reimbursement Agreement (Operations and Maintenance)]

EXHIBIT A

PRIOR COSTS

EXHIBIT C
2025 Audit Exemption Application

Application for Exemption From Audit
Short Form

Instructions

If either revenues or expenditures exceed $200,000, use the Long Form

Under the Local Government Audit Law (Section 29-1-601, et seq., C.R.S.) any local government may apply for an exemption from audit if neither revenues nor expenditures exceed $1,000,000 in the year.

Exemptions from audit are NOT automatic

To qualify for exemption from audit, a local government must complete an Application for Exemption from Audit **each year** and submit it to the Office of the State Auditor (OSA). Approval for an exemption from audit is granted only upon the review by the OSA.

Any preparer of an Application for Exemption from Audit — Short Form must be a person skilled in governmental accounting.

Read ALL instructions before completing and submitting this form

All applications must be filed with the OSA **within 3 months** after the accounting year-end.

For example, applications must be received by the OSA on or before March 31 for governments with a December 31 year-end. Applications for exemption from audit are not eligible for an extension of time.

Governmental activity should be reported on the modified accrual basis. Proprietary activity should be reported on a cash or budgetary basis.

Important!

All Applications for Exemption from Audit are subject to review and approval by the Office of the State Auditor.

Governmental Activity should be reported on the **Modified Accrual Basis.**

Proprietary Activity should be reported on a **Budgetary Basis**.

Failure to file an application or denial of the request could cause the local government to lose its exemption from audit for that year and the ensuing year. In that event, an audit shall be required.

Postmark dates will not be accepted as proof of submission on or before the statutory deadline

Prior year forms are obsolete and will not be accepted.

Applications must be fully and accurately completed. Applications submitted on forms other than those prescribed by the OSA will not be accepted.

For your reference, the Colorado Revised Statutes are available through the LexisNexis Colorado portal.

Checklist

- ☐ Has the preparer signed the application prior to board approval?
- ☐ Has the entity corrected all prior year deficiencies as communicated by the OSA?
- ☐ Has the application been **personally** reviewed and approved by the governing body?
- ☐ Are all sections on the form complete, including responses to all of the questions?
- ☐ Did you include any relevant explanations for unusual items in the appropriate spaces at the end of each section?

Will this application be submitted electronically? ○ Yes ○ No

- ☐ If yes, have you read and understood the Electronic Signature Policy? See policy in Part 10.

-- or --

☐ If yes, have you included a resolution?

  ☐ Does the resolution state that the governing body **personally** reviewed and approved the resolution in an open public meeting?

  ☐ Has the resolution been signed by a **majority** of the governing body? See sample resolution at the end of this form.

Will this application be submitted via a mail service (e.g., U.S. Post Office, FedEx, UPS, courier)? ○ Yes ○ No

☐ If yes, does the application include **original ink signatures** from the **majority** of the governing body?

Filing Methods

Web Portal (recommended)

apps.leg.co.gov/osa/lg

For faster processing, the web portal should be used for submissions.

Mail

Office of the State Auditor

Local Government Audit Division
1375 Sherman St., 5th Floor
Denver, CO 80261-3000

Questions? **Email:** osa.lg@coleg.gov **Phone:** 303-869-3000

Contact Information

For the year ended 12/31/2025 or the fiscal year ended 2025.

Name of government	Devils Head Metropolitan District
Street address	304 Inverness Way South, Suite 490
City, State, Zip	Englewood, CO 80112
Contact person	Diane Wheeler
Phone	303-689-0833
Email	Diane@simmonswheeler.com

Certification of Preparer

I certify that I am skilled in governmental accounting and that the information in the application is complete and accurate, to the best of my knowledge. The preparer must sign prior to board approval.

Name	Diane Wheeler	
Title	District Accountant	
Firm name (if applicable)	Simmons & Wheeler, P.C.	
Address	304 Inverness Way South, Suite 490 Englewood, CO 80112	
Phone	303-689-0833	
Preparer signature		Date prepared
Diane K Wheeler		03/25/26

Please indicate whether the following financial information is recorded using Governmental or Proprietary fund types.

☑ Governmental (modified accrual basis)

☐ Proprietary (cash or budgetary basis)

Part 1: Revenues

Part 1A: Revenues Table

All revenues for all funds must be reflected in this section, including proceeds from the sale of the government's land, building, and equipment, and proceeds from debt or lease transactions. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
1-1	Taxes: Property (report mills levied in line 9-12)	$ 1,291
1-2	Specific ownership	$ 99
1-3	Sales and use	
	Other (specify in line 1-4):	
1-4		
1-5	Licenses and permits	
1-6	Intergovernmental: Grants	
1-7	Conservation Trust Funds (Lottery)	
1-8	Highway Users Tax Funds (HUTF)	
	Other (specify in line 1-9):	
1-9		
1-10	Charges for services	
1-11	Fines and forfeits	
1-12	Special assessments	
1-13	Investment income	$ 159
1-14	Charges for utility services	
1-15	Debt proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-16	Lease proceeds (should agree to Part 3, Debt Schedule Table, column 'issued during year')	
1-17	Developer Advances received (should agree to Part 3, Debt Schedule Table, column 'issued during year')	$ 19,784
1-18	Proceeds from sale of capital assets	
1-19	Fire and police pension	
1-20	Donations	
	Other (specify in lines 1-21 through 1-24)	
1-21	Developer Advance Receivable	$ 14,329
1-22		
1-23		
1-24		
1-25	**TOTAL REVENUES** (add lines 1-1 through 1-24)	$ 35,662

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN $200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 1B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 2: Expenditures/Expenses

Part 2A: Expenditures/Expenses Table

All expenditures for all funds must be reflected in this section, including the purchase of capital assets and principal and interest payments on long-term debt. Financial information will not include fund equity information.

Line	Description	Total (round to nearest dollar)
2-1	Administrative	$ 248
2-2	Salaries	
2-3	Payroll taxes	
2-4	Contract services	
2-5	Employee benefits	
2-6	Insurance	$ 2,667
2-7	Accounting and legal fees	$ 25,330
2-8	Repair and maintenance	
2-9	Supplies	
2-10	Utilities and telephone	
2-11	Fire/Police	
2-12	Streets and highways	
2-13	Public health	
2-14	Capital outlay	
2-15	Utility operations	
2-16	Culture and recreation	
2-17	Debt service principal (should agree to Part 3, Debt Schedule Table 'Retired during year')	
2-18	Debt service interest	
2-19	Repayment of Developer Advances Principal (should agree to Part 3, Debt Schedule Table, column 'Retired during year')	
2-20	Repayment of Developer Advances Interest	
2-21	Contribution to pension plan	
2-22	Contribution to Fire & Police Pension Association	
2-23	Other (specify in lines 2-24 through 2-27)	
2-24		
2-25		
2-26		
2-27		
2-28	**TOTAL EXPENDITURES/EXPENSES** (Add lines 2-1 through 2-27)	$ 28,245

IF TOTAL REVENUES OR TOTAL EXPENDITURES ARE GREATER THAN $200,000 — STOP.

You may not use this form. Please use the Application for Exemption from Audit - Long Form.

Part 2B: Comments or Additional Information

Please use the space below to provide any additional information (optional):

Part 3: Debt Outstanding, Issued, and Retired

3-1	Does the entity have outstanding debt?		◉ Yes	○ No
3-2	If no, skip to line 3-13. If yes, please attach a copy of the entity's debt repayment schedule.			
3-3	Is the debt repayment schedule attached?	○ N/A	○ Yes	◉ No
	If no, MUST explain below.			
	Developer Advance repaid with available funds			
3-4	Is the entity current in its debt service payments?		◉ Yes	○ No
	If no, MUST explain below.			
3-5	If no, also indicate if the government is in default with its bond agreements.		○ Yes	○ No

Debt Schedule Table

Please complete the following debt schedule, if applicable.
Please only include principal amounts. Enter all amounts as positive numbers.

Line	Debt Type	Oustanding at End of Prior Year*	Issued During Year	Retired During Year	Outstanding at Year-End
3-6	General Obligation Bonds				$ 0
3-7	Revenue Bonds				$ 0
3-8	Notes/Loans				$ 0
3-9	Lease & SBITA** Liabilities (GASB 87 & 96)				$ 0
3-10	Developer Advances	$ 83,570	$ 19,784		$ 103,354
	Other (specify in line 3-11)				
3-11					$ 0
3-12	**TOTAL** (Add lines 3-6 through 3-11)	$ 83,570	$ 19,784	$ 0	$ 103,354

*Must agree to prior year-end balance
**Subscription-Based Information Technology Arrangements

Comments (optional)

3-13	Does the entity have any authorized but unissued debt as of its fiscal year-end?	◉ Yes	○ No
3-14	If yes, how much?	$ 420,000,000	
3-15	Date the debt was authorized	11/06/2018	
3-16	Is the authorized but unissued debt further limited by the entity's most recent Service Plan?	◉ Yes	○ No
3-17	If yes, how much?	$ 10,000,000	
3-18	Date of the most recent Service Plan	10/25/2018	
3-19	Does the entity intend to issue debt within the next calendar year?	○ Yes	◉ No
3-20	If yes, how much?		
3-21	Does the entity have debt that has been refinanced that it is still responsible for?	○ Yes	◉ No
3-22	If yes, what is the amount outstanding?		
3-23	Does the entity have any lease agreements?	○ Yes	◉ No
3-24	If yes, what is being leased?		
3-25	What is the original date of the lease?		
3-26	Number of years of lease?		
3-27	Is the lease subject to annual appropriation?	○ Yes	◉ No
3-28	What are the annual lease payments?		

Please use the space below to provide any additional information (optional):

Part 4: Cash and Investments

Please provide the entity's cash deposit and investment balances.

Line	Description	Amount
4-1	Year-end Total of all Checking and Savings Accounts	$ 2,648
4-2	Certificates of deposit	
4-3	**TOTAL CASH DEPOSITS** (Add lines 4-1 and 4-2)	$ 2,648
	Investments (specify in lines 4-4 through 4-8. If investment is a mutual fund, please list underlying investment.)	
4-4	Colotrust	$ 1,296
4-5		
4-6		
4-7		
4-8		
4-9	**Total Investments** (Add lines 4-4 through 4-8)	$ 1,296
4-10	**TOTAL CASH AND INVESTMENTS** (Add lines 4-3 and 4-9)	$ 3,944

4-11	Are the entity's investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	○ N/A	◉ Yes	○ No
4-12	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?		◉ Yes	○ No
4-13	If no, MUST explain below.			

Please use the space below to provide any additional information (optional).

Part 5: Capital and Right-to-Use Assets

5-1	Does the entity have capitalized assets? (If "no" is selected, skip the rest of Part 5.)	○ Yes	◉ No
5-2	Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.?	◉ Yes	○ No
5-3	If no, MUST explain below.		

Capital and Right-to-Use Assets Table

Line	Asset Type	Beginning of the Year Balance*	Additions**	Deletions	Year-End Balance
5-4	Land				$ 0
5-5	Buildings				$ 0
5-6	Machinery and Equipment				$ 0
5-7	Furniture and Fixtures				$ 0
5-8	Infrastructure				$ 0
5-9	Construction In Progress (CIP)				$ 0
5-10	Leased & SBITA Right-to-Use Assets				$ 0
	Other (explain in line 5-11)				
5-11					$ 0
5-12	Accumulated Depreciation/ Amortization (Enter a negative or credit balance)				$ 0
5-13	**TOTAL** (Add lines 5-4 through 5-12)	$ 0	$ 0	$ 0	$ 0

*Must agree to prior year-end balance
**Generally capital asset additions should be reported as capital outlay on line 2-14 and capitalized in accordance with the government's capitalization policy. Please explain any discrepancy in the comments section below.

Please use the space below to provide any additional information (optional).

Part 6: Pension Information

6-1	Does the entity have an “old hire” firefighters’ pension plan?	○ Yes	◉ No
6-2	Does the entity have a volunteer firefighters’ pension plan?	○ Yes	◉ No
6-3	If yes, who administers the plan?		
	Indicate the contributions from the following in lines 6-4 through 6-6.		
6-4	Tax (property, specific ownership, sales, etc.)		
6-5	State contribution amount		
6-6	Other (gifts, donations, etc.)		
6-7	**TOTAL** (Add lines 6-4 through 6-6)	$ 0	
6-8	What is the monthly benefit paid for 20 years of service per retiree as of Jan 1?		

Please use the space below to provide any additional information (optional).

Part 7: Budget Information

7-1	Did the entity file a budget with the Department of Local Affairs for the current year in accordance with Section 29-1-113 C.R.S.?	○ N/A	◉ Yes	○ No
7-2	If no, MUST explain below.			
7-3	Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.?	○ N/A	◉ Yes	○ No
7-4	If no, MUST explain below.			
	If yes, indicate the amount appropriated for each fund separately for the year reported in the table below.			

Appropriation Amount by Fund Table

Enter the fund name, then indicate the final amount appropriated for each fund for the year reported.
Ensure each individual fund's final appropriated amount agrees to the adopted budget. Do not combine funds.

Line	Governmental/Proprietary Fund Name	Total
7-5	General Fund	$ 50,105
7-6	Debt Service Fund	$ 3,851
7-7		
7-8		
7-9		

Please use the space below to provide any additional information (optional).

Part 8: Taxpayer's Bill of Rights (TABOR)

8-1	Is the entity in compliance with all the provisions of TABOR (State Constitution, Article X, Section 20(5))?	◉ Yes	○ No
8-2	If no, MUST explain below.		

Note: An election to exempt the entity from the spending limitations of TABOR does not exempt the entity from the 3 percent emergency reserve requirement. All entities should determine if they meet this requirement of TABOR.

Please use the space below to provide any additional information (optional).

Part 9: General Information

9-1	Is this application for a newly formed governmental entity?	○ Yes	◉ No
9-2	If yes, what was the date of formation		
9-3	Has the entity changed its name in the past or current year?	○ Yes	◉ No
9-4	If yes, please list the NEW name below.		
9-5	If yes, please list the PRIOR name below.		
9-6	Is the entity a metropolitan district?	◉ Yes	○ No
9-7	Please indicate what services the entity provides below.		
	Financing for the design, acquisition, construction and installation of streets, lights, traffic and safety controls, sewer improvements and landscaping.		
9-8	Does the entity have an agreement with another government to provide services?	○ Yes	◉ No
9-9	If yes, list the name of the other governmental entity and the services provided below.		
9-10	Has the district filed a Title 32, Article 1 Special District Notice of Inactive Status during the year? (Applicable to Title 32 special districts only, pursuant to Sections 32-1-103 (9.3) and 32-1-104 (3), C.R.S.)	○ Yes	◉ No
9-11	If yes, what was the date filed		
9-12	Does the entity have a certified mill levy?	◉ Yes	○ No
	If yes, please provide the following mills levied for the year reported in lines 9-13 through 9-14. (Do not report $ amounts.)		
9-13	Bond redemption mills	50.000	
9-14	General/other mills	20.000	
9-15	**TOTAL MILLS** (Add lines 9-13 through 9-14)	70.000	

9-16	If the entity is a Title 32 Special District formed after 7/1/2000, has the entity filed its preceding year annual report with the State Auditor as required under SB 21-262 (Section 32-1-207 C.R.S.)?	○ N/A	◉ Yes	○ No
9-17	If no, please explain below.			

Please use the space below to provide any additional information (optional).

Part 10: Governing Body Approval

10-1	If you plan to submit this form electronically, have you read the Electronic Signature Policy?	◉ Yes	○ No

Office of the State Auditor — Local Government Division
Exemption Form Electronic Signature Policy and Procedure

The Office of the State Auditor Local Government Audit Division may accept an electronic submission of an application for exemption from audit that includes governing board signatures obtained through a program such as Docusign or Echosign. Required elements and safeguards are as follows:

- The preparer of the application is responsible for obtaining board signatures that comply with the requirement in Section 29-1-604 (3), C.R.S., that states the application shall be personally reviewed, approved, and signed by a majority of the members of the governing body.
- The application must be accompanied by the signature history document created by the electronic signature software. The signature history document must show when the document was created and when the document was emailed to the various parties, and include the dates the individual board members signed the document. The signature history must also show the individuals' email addresses and IP address.
- Office of the State Auditor staff will not coordinate obtaining signatures.

The application for exemption from audit form created by our office includes a section for governing body approval. Local governing boards must note their approval and submit the application using one of the following two methods:

1) Submit the application in hard copy via U.S. Mail, including original signatures.
2) Submit the application electronically via email and either:
   a. include a copy of an adopted resolution that documents formal approval by the board; or
   b. include electronic signatures obtained through a software program such as Docusign or Echosign, in accordance with the requirements noted above.

Governing Body Signatures

Print or type the names of all members of current governing body below.
A majority of the members of the governing body must sign below.

Board Member 1		
Board member's name	Donald Conty	
My term expires on	11/07/2025	
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
	Donald Conty (Mar 25, 2026 11:41:40 MDT)	03/25/26
Board Member 2		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 3		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 4		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 5		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 6		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date
Board Member 7		
Board member's name		
My term expires on		
I attest that I am a duly elected or appointed board member, and that I have personally reviewed and approved this application for exemption from audit.	Signature	Date

EXHIBIT D
2025 Budget

Devils Head Metropolitan District
Adopted Budget
General Fund
For the Year ended December 31, 2025

	Actual 2023	Adopted Budget 2024	Actual 6/30/2024	Estimate 2024	Adopted Budget 2025
Beginning fund balance	$ 2,629	$ -	$ 5,165	$ 5,165	$ -
Revenues:					
Property taxes	274	373	373	373	369
Specific ownership taxes	25	26	14	28	26
Developer Advance	17,923	49,706	8,797	14,060	49,706
Interest income	39	-	42	-	-
Total revenues	18,261	50,105	9,226	14,461	50,101
Total funds available	20,890	50,105	14,391	19,626	50,101
Expenditures:					
Accounting	5,885	5,000	3,777	6,500	5,000
Legal	7,097	15,000	4,117	10,000	15,000
Election	-	-	-	-	2,500
Insurance	2,603	4,000	2,620	2,620	4,000
Directors fees	-	-	-	400	400
Miscellaneous Expense	136	500	28	100	500
Treasurer's Fees	4	6	6	6	6
Contingency	-	24,864	-	-	21,873
Emergency reserve (3%)	-	735	-	-	822
Total expenditures	15,725	50,105	10,548	19,626	50,101
Ending fund balance	$ 5,165	$ -	$ 3,843	$ -	$ -
Assessed valuation		$ 18,640			$ 18,440
Mill Levy		20.000			20.000

Devils Head Metropolitan District
Adopted Budget
Capital Projects Fund
For the Year ended December 31, 2025

	Actual 2023	Adopted Budget 2024	Actual 6/30/2024	Estimate 2024	Adopted Budget 2025
Beginning fund balance	$ -	$ -	$ -	$ -	$ -
Revenues:					
Developer advances	-	-	-	-	10,000,000
Bond proceeds	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	-	-	-	-	10,000,000
Total funds available	-	-	-	-	10,000,000
Expenditures:					
Issuance costs	-	-	-	-	-
Organization costs	-	-	-	-	-
Accounting	-	-	-	-	-
Legal	-	-	-	-	-
Capital expenditures	-	-	-	-	10,000,000
Repay developer advances	-	-	-	-	-
Repay developer advances - intere	-	-	-	-	-
Transfer to Debt Service	-	-	-	-	-
Total expenditures	-	-	-	-	10,000,000
Ending fund balance	$ -	$ -	$ -	$ -	$ -

Devils Head Metropolitan District
Adopted Budget
Debt Service Fund
For the Year ended December 31, 2025

	Actual 2023	Adopted Budget 2024	Actual 6/30/2024	Estimate 2024	Adopted Budget 2025
Beginning fund balance	$ 2,352	$ 3,092	$ 3,092	$ 3,092	$ 4,077
Revenues:					
Property taxes	686	932	934	934	922
Specific ownership taxes	64	65	34	65	65
Transfer from Capital Project Fund	-	-	-	-	-
Interest income	-	-	-	-	-
Total revenues	750	997	968	999	987
Total funds available	3,102	4,089	4,060	4,091	5,064
Expenditures:					
Bond interest	-	-	-	-	-
Repay Developer	-	3,837	-	-	5,050
Treasurer's fees	10	14	14	14	14
Total expenditures	10	3,851	14	14	5,064
Ending fund balance	$ 3,092	$ 238	$ 4,046	$ 4,077	$ -
Assessed valuation		$ 18,640			$ 18,440
Mill Levy		50.000			50.000
Total Mill Levy		70.000			70.000