FACILITIES ACQUISITION AGREEMENT

This to **FACILITIES ACQUISITION AGREEMENT** ("**Agreement**") is made and entered into this 4th day of August, 2016, with an effective date of August 4, 2016, by and between **STONE CREEK METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "**District**") and **CHOKE CHERRY INVESTORS, LLC**, a Colorado limited liability company (the "**Developer**") (individually, each a "**Party**" and collectively the "**Parties**").

RECITALS

A. The Developer is the owner of property within a project located in Douglas County, Colorado, commonly known as the Stone Creek Ranch (the "**Property**").

B. The Property is within the boundaries and/or service area of the District.

C. Pursuant to the authority granted to the District by its Service Plan, as approved by Douglas County, Colorado on September 23, 2014, as it may be amended from time to time (the "**Service Plan**"), the District is authorized to construct, acquire and install public improvements, including water, storm sewer, sanitation and wastewater treatment, street, safety protection, park and recreation, mosquito control and covenant enforcement and design review services, and other facilities and services ("**Improvements**"), which benefit property within the District's boundaries and/or service area.

D. The Improvements are necessary for the development of the Property.

E. The District does not currently have sufficient monies available to construct and/or acquire the Improvements.

F. The District has determined that for reasons of economic efficiency and timeliness it is in the best interests of the District for the Developer to construct or cause construction of certain of the Improvements.

G. The District was organized on December 15, 2014 ("**Organization Date**").

H. The Developer has incurred expenses for the organization of the District ("**Organization Expenses**").

I. It is anticipated that the District will issue bonds, the proceeds of which may be utilized in part to reimburse the Developer for Organization Expenses, and to reimburse the Developer for costs incurred for the Improvements acquired by the District, including but not limited to, all costs of design, testing, engineering, acquisition, construction, related consultant fees, and construction management ("**Construction Costs**").

J. The District and the Developer desire to set forth their respective rights, obligations and procedures with respect to the District's acquisition of Developer-constructed Improvements and reimbursement of the Developer as provided herein.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements of the Parties contained herein, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. Acknowledgement of and Reimbursement for Organization Expenses. District hereby acknowledges that the Developer has incurred the Organization Expenses and the District is authorized to reimburse the Developer for such Organization Expenses subject to the requirements of this Section. The Developer shall provide to the District's accountant written documentation of the Organization Expenses it has incurred and such other information as the District's accountant may reasonably require in order to verify the amount of the Organization Expenses reimbursable to Developer. Subject to the receipt of funding pursuant to Section 5, the District shall reimburse the Developer the amount of Organization Expenses that have been verified by the District's accountant and approved by the District's Board of Directors, plus amounts, if any, advanced to the District by the Developer to pay the costs incurred for such review, verification and approval.

2. Construction of Improvements. The Developer agrees to design, construct, and complete the Improvements in full conformance with the design standards and specifications as established and in use by the District, if applicable, and other entities with proper jurisdiction pursuant to the provisions of this Agreement. If the District so requests, the Developer shall provide periodic reports on the status of completion and costs of the Improvements.

3. Construction Contract Requirements. Any construction contract for all or any portion of the Improvements shall require the contractor to provide a warranty for the period of time between initial acceptance and final acceptance of the Improvements by the appropriate accepting jurisdiction, together with a security mechanism to secure the warranty approved by the District or as required by the applicable government entity to which the Improvements will be dedicated.

4. Acquisition of Improvements. The District shall acquire the Improvements after preliminary acceptance from the appropriate accepting jurisdiction, and prior to final acceptance upon receipt, review and approval by the District's accountant and engineer of the following:

(a) As-built drawings for the Improvements to be conveyed by the Developer;

(b) Lien waivers and indemnifications from each contractor verifying that all amounts due to contractors, subcontractors, material providers or suppliers have been paid in full, in a form acceptable to the District;

(c) An assignment from the Developer to the District of any warranties associated with the Improvements, in a form acceptable to the District;

(d) Copies of all contracts, pay requests, change orders, invoices and evidence of payment of same, the final AIA payment form (or similar form) and any other requested documentation to verify the amount of reimbursable Construction Costs requested;

(e) Such other documentation, records and verifications as may reasonably be required by the District; and

(f) An executed Bill of Sale conveying the Improvements to the District in form attached hereto as **Exhibit A**.

5. Certification of Construction Costs. The Parties hereby agree that a condition precedent to the District's acquisition of the Improvements and obligation to reimburse the Developer for Construction Costs shall be the District's receipt of a written certification of an independent engineer that the Construction Costs of the Improvements are reasonable and comparable to the costs of similar public improvements constructed in the Denver Metropolitan Area. Such independent engineer's determination shall be conclusive regarding the amount of Construction Costs the District shall be obligated to reimburse the Developer under this Agreement ("**Certified Construction Costs**"), notwithstanding the fact that the actual Construction Costs incurred by the Developer may exceed the Certified Construction Costs.

6. Reimbursement. Subject to the receipt of funding as set forth in Section 7, the District agrees to reimburse the Developer for Certified Construction Costs and Organization Expenses, up to a maximum amount of Sixteen Million Dollars ($16,000,000), together with interest thereon. Organization Costs and Certified Construction Costs incurred prior to the date of organization of the District shall accrue interest from the Organization Date, and Certified Construction Costs incurred after the Organization Date shall accrue interest from the date such costs are incurred by the Developer. Simple interest shall accrue at the rate of the current Bond Buyer 20-Bond GO Index plus four percent (4%) per annum, as set forth in this Section 6, however, in no event shall such interest exceed eight percent (8%) per annum.

7. Funding. The Parties agree that no payment shall be required of the District hereunder unless and until the District issues bonds in an amount sufficient to reimburse the Developer for all or a portion of the Certified Construction Costs and/or Organization Expenses. The District may, however, make payments from available funds after the provision for payment of the District's annual debt service and operations and maintenance expenses. The Developer agrees that, to the extent that any amounts are still owed under this Agreement after the District issues bonds, any obligation to pay such amounts is subordinate to such bonds. The Parties agree that payments by the District to the Developer shall credit first against accrued and unpaid interest and then to the principal amount due. The District agrees to exercise reasonable efforts to issue bonds to reimburse amounts owed to the Developer under this Agreement. The obligations of the District contemplated in this Agreement are subject to annual appropriation and shall not be deemed to be multiple-fiscal year obligations for the purposes of Article X, Section 20 of the Colorado Constitution.

8. Representations. Developer hereby represents and warrants to and for the benefit of the District as follows:

(a) The Developer is a Colorado limited liability company and is qualified to do business in the State of Colorado.

(b) Developer has the full power and legal authority to enter into this Agreement. Neither the execution and delivery of this Agreement nor the compliance by the Developer with any of its terms, covenants or conditions is or shall become a default under any other agreement or contract to which Developer is a party or by which Developer is or may be bound. Developer has taken or performed all requisite acts or actions which may be required by its organizational or operational documents to confirm its authority to execute, deliver and perform each of its obligations under this Agreement.

(c) Developer represents that it has, or will cause to have, sufficient available funds to fulfill its obligations under this Agreement.

(d) By its execution hereof, the Developer confirms and ratifies all of the certifications, statements, representations and warranties set forth in the Addendum attached hereto and made a part hereof by this reference.

The foregoing representations and warranties are made as of the date hereof and shall be deemed continually made by Developer to District for the entire term of this Agreement.

9. Term; Repose. Notwithstanding anything set forth in this Agreement to the contrary, the District shall not be obligated to make any payments to the Developer for costs incurred by the Developer, but not invoiced (as evidenced by the delivery of the documents described in Section 4 above) to the District within one (1) year of the date incurred. In the event the District has not reimbursed the Developer for any portion of the Certified Construction Costs and/or Organization Expenses by December 31, 2056, whether invoiced or not invoiced by such date, any amount of principal and accrued interest outstanding on such date shall be deemed to be forever discharged and satisfied in full.

10. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by courier delivery via Federal Express or other nationally-recognized overnight air courier service, by electronically-confirmed email transmission, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To District:

Stone Creek Metropolitan District
c/o McGeady Becher P.C.
Attn: Elisabeth A. Cortese
450 17th Avenue, Suite 400
Denver, CO 80203-1214
Phone: 303-592-4380
Email: ecortese@specialdistrictlaw.com

With a Copy To:	McGeady Becher P.C. Attn: Elisabeth A. Cortese 450 E. 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: 303-592-4380 Email: ecortese@specialdistrictlaw.com
To Developer:	Choke Cherry Investors, LLC Attn: Michael Sanders 6700 East Scott Avenue Parker, Colorado 80134 Phone: 310-460-6324 Email: landdad@gmail.com
With a Copy To:	Kristin Schelwat Schelwat Law, LLC 16350 E. Arapahoe Road, Suite 108-102 Foxfield, CO 80016 Phone: (720) 252-6764 Email: kschelwat@schelwatlaw.com

All notices, demands, requests or other communications shall be effective upon such personal delivery, one (1) business day after being deposited with United Parcel Service or other nationally-recognized overnight air courier service, on the date of transmission if sent by electronically-confirmed or email transmission, or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address or contact information.

11. Assignment. None of the parties hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity, unless such assignment complies with the requirements of section 11-59-110 (2), C.R.S., of the Colorado Municipal Bond Supervision Act, and without having first obtained the prior written consent of the other party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

12. Parties Interested Herein. 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 District and the Developer 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 District and the Developer shall be for the sole and exclusive benefit of the District and the Developer.

13. Default/Remedies. In the event of a breach or default of this Agreement by either Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity. In the event of any litigation, arbitration or other proceeding to enforce the terms,

covenants or conditions hereof, the prevailing Party in such proceeding shall obtain as part of its judgment or award its reasonable attorneys' fees.

14. Governing Law and Jurisdiction. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for any legal action relating to this Agreement shall be exclusive to the District Court in and for the County of Douglas, Colorado.

15. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

16. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

17. Severability. If any covenant, term, condition, or provision under this 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 herein, the intention being that such provisions are severable.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

19. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

20. Amendment. This Agreement may be amended from time to time by agreement between the Parties hereto, provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding upon the District or the Developer unless the same is in writing and duly executed by the Parties hereto.

21. Certification of Compliance with Illegal Alien Statute. By its execution of this Agreement, the Developer confirms and ratifies all of the certifications, statements, representations and warranties set forth in **Exhibit B** attached hereto and made a part hereof by this reference.

22. Termination of Reimbursement Obligations. Notwithstanding any provision herein to the contrary, the District's obligations 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; or (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 60 days of the effective date of such dissolution or other process. The termination of the District's reimbursement obligations 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

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first set forth above.

DISTRICT:

STONE CREEK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

By: _____
President

ATTEST:

_____
Secretary

CHOKE CHERRY INVESTORS, LLC, a Colorado limited liability company

By: _____

EXHIBIT A

Form of Bill of Sale

KNOW ALL BY THESE PRESENTS that [_____], a [_____] ("**Grantor**"), for and in consideration of the sum of [_____] Dollars ($[_____]) to be paid by the District in accordance with the terms of the [YEAR] to [YEAR] Facilities Acquisition Agreement dated [_____], 20[____] and other good and valuable consideration, the receipt of which is hereby acknowledged, has bargained and sold, and by these presents does grant and convey unto [_____], a [_____], whose address is [_____] ("**District**"), its successors and assigns, all of Grantor's right, title and interest in and to the facilities, personal property and the improvements shown on **Exhibit I** attached hereto and incorporated herein by this reference ("Improvements").

TO HAVE AND TO HOLD the same unto the District, its successors and assigns forever; and Grantor, its successors and assigns, shall warrant and defend the sale of said Improvements made unto the District, its successors and assigns, against all and every person or persons whomsoever, and warrants that (i) the conveyance of the Improvements to the District, its successors and assigns, is made free from any claim or demand whatsoever, and (ii) the Improvements were constructed and installed in accordance with plans and specifications reviewed and approved by the District and all applicable Rules and Regulations of the District.

IN WITNESS WHEREOF, Grantor executes this Bill of Sale this [____] day of [_____], 20[____].

GRANTOR:
[_____], a [_____]

By: _____
Its: _____

STATE OF COLORADO)
) ss.
COUNTY OF [_____])

The foregoing instrument was acknowledged before me this [____] day of [_____], 20[____], by [_____], as [_____] of [_____] [and by [_____] as [_____] of [_____]].

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

EXHIBIT I

(Improvements)

Project Description	Estimated/Actual Cost

EXHIBIT B

Certification of Developer

1. Pursuant to the requirements of Section 8-17.5–102(1), C.R.S., the Developer hereby certifies to the District that the Developer does not knowingly employ or contract with an illegal alien who will perform work under the Agreement and that it will participate in the E-Verify Program or Department Program (as defined in Sections 8-17.5-101(3.3) and (3.7), C.R.S.) in order to confirm the employment eligibility of all employees of the Developer who are newly hired to perform work under the Agreement.

2. In accordance with Section 8-17.5-102(2)(a), C.R.S., the Developer shall not:

(a) Knowingly employ or contract with an illegal alien to perform work under the Agreement; or

(b) Enter into a contract with a subcontractor that fails to certify to the Developer that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

3. The Developer represents and warrants it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program.

4. The Developer is prohibited from using either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while the Agreement is in effect.

5. If the Developer obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, the Developer shall:

(a) Notify the subcontractor and the District within three days that the Developer has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and

(b) Terminate the subcontract with the subcontractor if within three days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that the Developer shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

6. The Developer shall comply with any reasonable request by the Colorado Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking, pursuant to the law.

7. If the Developer violates any provision of Section 8-17.5–102(1), C.R.S., the District may terminate the Agreement immediately and the Developer shall be liable to the District for actual and consequential damages of the District resulting from such termination, and

the District shall report such violation by the Developer to the Colorado Secretary of State, as required by law.