

PAYING AGENT AGREEMENT

November 29, 2017

In consideration of the mutual promises and covenants and subject to the terms, conditions, and covenants hereinafter recited, **HEATHER GARDENS METROPOLITAN DISTRICT**, in the City of Aurora, Arapahoe County, Colorado (the "District"), hereby appoints **ZB, NATIONAL ASSOCIATION dba ZIONS BANK** (the "Bank"), and the Bank accepts such appointment, as Paying Agent (the "Paying Agent") for the General Obligation Refunding Bonds, Series 2017 (the "Bonds") in the total aggregate principal amount of \$8,025,000 dated November 29, 2017.

Section 1. The Bank hereby accepts all duties and responsibilities required or permitted to be performed by the Paying Agent as provided in the resolution of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds adopted by the Board on October 19, 2017, (the "Resolution"), and shall be subject to the provisions and limitations thereof. Such Resolution is incorporated herein by reference and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed in the Resolution.

Section 2. The Bank understands and acknowledges that, by reason of the execution hereof, it has assumed a role of agent with respect to the disbursements of funds received from the District for the purpose of paying the principal of, premium, if any, and interest due on the Bonds. The Bank shall receive and disburse such funds solely in accordance with the terms and provisions hereof, and shall remit to the District the funds not necessary for the purpose of making the aforesaid payments on the Bonds after any particular Due Date, as defined in Section 6 hereof.

Section 3. The Bank shall establish the registration books for the Bonds and thereafter maintain such books in accordance with the provisions of the Resolution. The District shall be permitted to review the registration books at any time during the regular business hours of the Bank and, upon written request to the Bank, shall be provided a copy of the list of registered owners of the Bonds. Upon expiration or other termination of this Agreement, in the event that the Bonds are no longer held in book-entry form, the Bank shall promptly return such registration books to the District.

Section 4. The District hereby authorizes and directs the Bank to establish the "Heather Gardens Metropolitan District Series 2017 Bond Account" (the "Bond Account"). The Bank shall deposit funds received from or on behalf of the District for the purposes described in Section 6 hereof. The Bond Account shall not be used for any other purposes.

Section 5. The District hereby authorizes and directs the Bank to establish an account for the payment of the costs of issuance (the "COI Account"). The Bank shall deposit funds received from or on behalf of the District for the purposes described in this section. The Bank is hereby authorized and directed to pay solely from moneys deposited with the Bank for the purpose of paying costs of issuance and applied as provided in a closing certificate signed by the District. The balance of any moneys in the COI Account 90 days after issuance of the Bonds shall be transferred to the Bond Account and the COI Account shall be terminated. Pending its

application provided herein, the funds held for the payment of the costs of issuance will be held in cash.

Section 6. The Bank shall make payments of principal, premium, if any, and interest on the Bonds on each date established for payment thereof (the "Due Date"). Not less than two business days prior to a Due Date, the District shall furnish funds to the Bank in amounts sufficient to pay all amounts due. Such funds shall be used by the Bank solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Resolution and the Sale Certificate (as defined in the Resolution). The Bank shall have no duty to make any payments prior to any Due Date or until funds necessary to cover all payments due on the Due Date have been deposited with it. The Bank shall not be required to advance its own funds for any payments in connection with the Bonds. The Bank shall not be required to invest or to pay interest on any funds of the District for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment. For so long as the Bond Insurance Policy (defined in the Resolution) is in effect, in the event that the District notifies the Paying Agent that it has insufficient funds to pay the principal of or interest on the Bonds, the Paying Agent shall notify the Bond Insurer (as defined in the Resolution) of such insufficiency and shall cooperate with the Bond Insurer and do and perform all acts necessary to effectuate the payments to be made by the Bond Insurer under the Bond Insurance Policy.

Section 7. The Bank shall be entitled to payments from the District of its fees and reasonable expenses for acting as Paying Agent in accordance with the fee schedule attached hereto as Exhibit A, and such fees and expenses shall be paid notwithstanding that the Bonds have been refunded or otherwise refinanced at the time the payment is due.

Section 8. Within one year after the final maturity date of the Bonds, the Bank shall present a final statement and shall return any unclaimed funds to the District. All cancelled Bonds and blank, unused certificates retained by the Bank shall be destroyed in accordance with the customary practices of the Bank and applicable retention laws. In the event that the Bonds are no longer held in book-entry form, the final statement shall include a list of any unpaid Bonds and any outstanding or unclaimed interest checks.

Section 9. The Bank shall have no duty to disseminate or disclose information about the District or the Bonds pursuant to any statute, rule or regulation of the United States government, any of its agencies, or any statute, rule or regulation enacted by any state or political subdivision.

Section 10. The Bank may resign at any time by giving prior written notice of such resignation to the District at its last known address, and thereupon such duties as Paying Agent shall cease not sooner than 30 days following the District's receipt of such notice. The District shall appoint a successor agent and, upon such successor appointment, the Paying Agent shall deliver to the successor agent all its funds, documents, files and records relating to the Bonds. If a successor agent is not appointed within 60 days, the Paying Agent may petition a competent jurisdiction to appoint a successor agent. The successor agent, on behalf of the District, shall notify the registered owners of the Bonds of any change in agents as soon as the successor agent is appointed.

Section 11. This Agreement shall terminate upon delivery of the final statement described in Section 8 hereof or upon removal of the Paying Agent as provided in the Resolution.

Section 12. The terms and conditions of this Agreement may be amended only by written agreement between the District and the Bank adopted in the same manner as this Agreement. The District shall file with the Bank certified copies of all future amendments to the Resolution or other documents pertaining to the Bonds after the date of this Agreement.

Section 13. Any company or national banking association into which the Bank may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be successor to such Bank without the execution of filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 14. This Agreement is executed in the State of Colorado and shall be construed and enforced in accordance with the laws of the State of Colorado.

Section 15. This Agreement shall be dated as of the date of the Bonds set forth above.

Section 16. The parties hereto agree that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed 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.

[End of Paying Agent Agreement; Signatures Appear on Following Page]

IN WITNESS WHEREOF, the District and the Paying Agent have hereunto set their hands to the Paying Agent Agreement as of date first written above.

[SEAL]

HEATHER GARDENS METROPOLITAN
DISTRICT, in the City of Aurora, Arapahoe
County, Colorado

By: Craig Baldwin
President

ATTEST

By: Gary Aziz
Secretary

ZB, NATIONAL ASSOCIATION dba ZIONS
BANK, as Paying Agent

By: Douglas B. [Signature]
Authorized Signatory

[Signature Page to Paying Agent Agreement]

EXHIBIT A

[Attach Fee Schedule]

Zions Bank Corporate Trust Department Paying Agent/Registrar and Escrow Agent Fee Schedule

Paying Agent/Registrar Fees:

Initial (set-up) Fee:.....\$500.00

Covering our study and consideration of the governing documents, including the preparation and establishment of the necessary accounts and files and performing all duties associated with the closing. This one-time fee is due on the Closing Date.

Annual Administration Fee:.....\$400.00

The first year's fee is payable at closing and is due annually thereafter.

Escrow Agent Fees:

Initial (set-up) Fee:.....\$500.00

Covering our study and consideration of the governing documents, including the preparation and establishment of the necessary accounts and files and performing all duties associated with the closing. This one-time fee is due on the Closing Date.

Administration Fee - One-Time up-front fee:.....\$1,500.00

This one-time fee is due on the Closing Date (3 years @ \$500 per year)

Legal FeesWaived

Covering our in-house counsel's study and consideration of the governing documents and any required Paying Agent/Registrar counsel opinion.

This fee compensates Zions Bank for regular administrative services which include, but are not limited to, the following: identification and processing of all ticklers in accordance with the Agreement; maintenance of administrative records; furnishing information to City's auditors and responding to correspondence and telephone inquiries.

Out of Pocket Expenses:.....at cost

We will not charge for customary expenses incurred in the ordinary administration of accounts but will bill for UCC set-up/continuation/termination fees and non-routine costs such as overnight delivery charges, publication, and legal costs incurred as required or authorized during the acceptance and administration of the trust. Overnight delivery charges will be billed at \$15 minimum or at cost if over \$15.00.

The aforementioned fees cover normal services contemplated by such documents and are subject to change as circumstances may warrant. In the event of unusual complexities and special or extraordinary events, such as amendments to the documents, execution of additional documents or agreements, significant transaction increases, the necessity to hire agents, or defaults, we reserve the right to charge an additional amount based on the time and expenses incurred in handling such events should they occur.