

# TIMNATH LAKES METROPOLITAN DISTRICT (“TLMD”) NOS. 1-3

141 Union Boulevard, Suite 150  
Lakewood, Colorado 80228-1898  
Tel: 303-987-0835 • 800-741-3254  
Fax: 303-987-2032

## **NOTICE OF REGULAR MEETING AND AGENDA**

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Janis Emanuel	President	2023/May 2023
Robert Bol	Treasurer	2025/May 2025
Theodore Antenucci	Assistant Secretary	2023/May 2023
<b>VACANT</b>		2025/May 2023
<b>VACANT</b>		2025/May 2023
Ann Finn	Secretary	
Larry Loften	District Manager	

DATE: April 19, 2023

TIME: 1:00 p.m.

PLACE: **VIA ZOOM MEETING**

***IF YOU WOULD LIKE TO ATTEND THIS MEETING, THE LINK IS BELOW.***

<https://us02web.zoom.us/j/83875439749?pwd=Qk1VT1pHMEVJdEQxNVV1cWQ4N1VLdz09>

**Phone:** 1 719 359 4580

**Meeting ID:** 838 7543 9749

**Password:** 090300

**One tap mobile:** +17193594580,,83875439749#

### I. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

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B. Approve Agenda, confirm location of the meeting and posting of meeting notices, and designate 24-hour posting location.

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C. Acknowledge resignation of Ann Finn as District Secretary, and consider appointment of Larry Loften as new District Secretary.

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D. Review and consider approval of the Minutes of the December 5, 2022 and December 21, 2022 Special Meetings (**TLMD 1-3**) (enclosures).

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- E. Discuss status of May 2, 2023 Regular Directors' Election (**TLMD 1**).
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- F. Discuss cancelled May 2, 2023 Regular Directors' Elections. (**TLMD 2 & 3**).
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## II. PUBLIC COMMENTS

- A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
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## III. FINANCIAL MATTERS

- A. Review and accept Unaudited Financial Statements through the period ending December 31, 2022 and Schedule of Cash Position as of March 31, 2023 (**TLMD 1 & 3**) (enclosures).
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- B. Ratify engagement of Wipfli LLP to prepare 2022 Audit, (**TLMD 3**) (enclosure).
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- C. Ratify approval, execution and filing of Application for Exemption from Audit for 2022 (**TLMD 2**) (to be distributed).
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- D. Discuss and consider engagement of CliftonLarsonAllen LLP to provide billing services for Domestic Water usage.
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## IV. LEGAL MATTERS

- A. Review and consider adoption of Resolution No. 2023-04-\_\_\_\_, Joint Resolution of the Board of Directors of Timnath Lakes Metropolitan District No. 1 and Timnath Lakes Metropolitan District No. 3 Regarding the Imposition of District Residential Fees (**TLMD 1 & 3**) (enclosure).
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1. Discuss billing of domestic water usage.
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- B. Discuss status of Resolution establishing District Operation Fees (Commercial) (**TLMD 2**).
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- C. Authorize submittal of Town Submittal Letter and other documents and requests to the Town of Timnath (**TLMD 1-3**) (enclosure).
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- D. Authorize submittal of First Amendment to the Consolidated Amended and Restated Service Plan for Timnath Lakes MD Nos. 1-3 and First Amendment to the Service Plan for Timnath Lakes MD Nos. 4-6 to the Town of Timnath (**TLMD 1-3**) (enclosure).
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- E. Review and consider adoption of Resolution No. 2023-04-\_\_\_\_, Resolution Acknowledging and Adopting the Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Commercial) (**TLMD 2**) (to be distributed).
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- F. Consider approval of Engineer’s Report and Certification No. \_\_\_\_\_ (to be distributed) and consider acceptance of verified costs for Public Improvements (**TLMD 1-3**).
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- G. Review and consider approval of Timnath Lakes Community Authority Establishment Agreement (**TLMD 1-3**) (enclosure).
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1. Discuss appointment of Authority Board Members and Alternate Board Members. Consider adoption of Resolution No. 2023-04-\_\_\_\_, Resolution Approving Appointment of Representatives to the Timnath Lakes Community Authority (to be distributed).
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- H. Conduct public hearing on Petition for Inclusion of approximately 5.3697 acres of real property owned by CAC Timnath LLC, and consider adoption of Resolution No. 2023-04-\_\_\_\_, Resolution for Inclusion of Real Property, subject to notification to the Town of Timnath of the inclusion prior to recording the Order for Inclusion (**TLMD 1**) (enclosures – Petition and Resolution).
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V. CAPITAL MATTERS

- A. Discuss status of the relocation of the Akin Lateral Irrigation Ditch.
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B. Discuss process for acceptance and transfer of improvements.

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1. Discuss service agreements and maintenance services required for acceptances.

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VI. OTHER BUSINESS

A. Discuss status of development (TLMD 1-3).

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VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR JULY 19, 2023.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 5, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Monday, the 5<sup>th</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Longs Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)  
Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Ann Finn (via Zoom) and Peggy Ripko (in person at the meeting location and via Zoom); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Curtis Bourgoon; CliftonLarsonAllen LLP (via Zoom)

Nick Montalbano (via Zoom, for a portion of the meeting) and Michael Kuykendall (via Zoom); Catellus Development Corporation

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with

## RECORD OF PROCEEDINGS

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the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Ms. Ripko was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**Resignation and Appointment of Secretary to the Board:** The Board discussed the resignation of Matt Cohrs and considered the appointment of Ann Finn as Secretary to the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the resignation of Matt Cohrs as Secretary to the Board and appointed Ann Finn as Secretary to the Board.

**Minutes:** The Board reviewed the Minutes of the July 20, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the July 20, 2022 Regular Meeting were approved.

**Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** The Board considered Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

## RECORD OF PROCEEDINGS

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Ms. Finn reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. Following discussion, the Board determined to meet on January 18, April 19, July 19, and October 18, 2023 at 1:00 p.m. Meetings will be held virtually.

Following review, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

**§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2023:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

**District website:** The Board discussed the status of the District website.

*Subscription Agreement with TownCloud:* The Board reviewed the Subscription Agreement with TownCloud for creation of the District website.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Subscription Agreement with TownCloud for creation of the District website.

*Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority:* The Board reviewed the termination of the Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority and all associated documents for website services.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the termination of the Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority and all associated documents for website services.

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### **PUBLIC COMMENTS**

There were no public comments.

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## RECORD OF PROCEEDINGS

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### FINANCIAL MATTERS

**Unaudited Financial Statements and Schedule of Cash Position:** Mr. Bourgouin reviewed with the Board the unaudited financial statements through the period ending September 30, 2022 and the schedule of cash position as of November 28, 2022.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending September 30, 2022 and the schedule of cash position as of November 28, 2022, as presented.

**Preparation of 2022 Audit:** The Board discussed the engagement of Wipfli LLP to prepare the 2022 Audit.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to prepare the 2022 Audit, for an amount not to exceed \$5,400.00.

**2022 Budget Amendment Hearing:** The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, Director Emanuel moved to adopt the Resolution to Amend 2022 Budget, Director Bol seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-02 to Amend the 2022 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2023 Budget Hearing:** The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.



## RECORD OF PROCEEDINGS

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Mr. Bourgouin reviewed the estimated 2022 revenues and expenditures and the proposed 2023 revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-12-03 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-12-04 to Set Mill Levies (for the General Fund at 0.000 mills and the Debt Service Fund at 50.980 mills, for a total of 50.980 mills). Upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. Mr. Bourgouin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Larimer County and the Division of Local Government not later than December 15, 2022. Mr. Bourgouin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

**Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan:** The Board reviewed Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following review and discussion, Director Emanuel moved to adopt the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan, Director Bol seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**DLG-70 Certification of Tax Levies Form (“Certification”):** Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the Certification, authorized Director Emanuel to sign the Certification, and directed the District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

**CliftonLarsonAllen LLP 2023 Statements of Work:** The Board reviewed the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

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Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

**2024 Budget Preparation:** The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget. The Board determined to hold the public hearing to consider adoption of the 2024 Budget on October 19, 2023, at 1:00 p.m., via Zoom.

### **LEGAL MATTERS**

**May 2, 2023 Regular Directors' Election ("Election"):** The Board discussed the Election.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-06; Resolution Calling a Regular Election for Directors on May 2, 2023, appointing Larry Loftin as Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**District Operation Fees (Residential):** A brief discussion was held. No action was taken by the Board.

**Service Plan Amendment:** Attorney Williams provided the Board with an update regarding the timing of the Service Plan Amendment.

**Timnath Lakes Community Authority:** The Board discussed the status of creation of the Timnath Lakes Community Authority. No action was taken by the Board.

**Cost Verification Reports:** The Board deferred action on this matter.

**Issuance of the District's General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3):**

*Schedule of Events:* The Board discussed the Schedule of Events. No action was taken by the Board.

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Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co: The Board reviewed the Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co.

Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.: The Board reviewed the Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.

Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc: The Board reviewed the Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc.

External Financial Advisor: The Board discussed the engagement of an External Financial Advisor.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the engagement of MuniCap, Inc. as External Financial Advisor for a fee not to exceed \$5,000.00, and authorized execution of the Agreement for Consulting Services.

Engagement of CliftonLarsonAllen LLP for preparation of Financial Forecast: The Board discussed the engagement of CliftonLarsonAllen LLP for preparation of the Financial Forecast.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board

## RECORD OF PROCEEDINGS

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approved the engagement of CliftonLarsonAllen LLP for preparation of the Financial Forecast.

*Resolution authorizing the issuance of District's General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A, in a maximum original principal amount of \$7,000,000 and appreciating to a maximum accreted principal amount of \$9,000,000 (the "Series 2022A Senior Bonds") and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3), in a maximum aggregate principal amount of \$4,000,000 (the Series 2022B(3) Subordinate Bonds" and, together with the Series 2022A Senior Bonds, the "Series 2022 Bonds"):* The Board deferred action, noting that due to a change in the parameter amounts of the Series 2022 Bonds, the resolution will need to be considered at a future meeting.

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**CAPITAL MATTERS** **Akin Lateral Irrigation Ditch Relocation:** Mr. Kuykendall updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch. No action was taken by the Board.

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**OTHER BUSINESS** **Status of Development:** Mr. Kuykendall updated the Board on the status of development.

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**ADJOURNMENT** There being no further business to come before the Board at this time, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 2 HELD DECEMBER 5, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Monday, the 5<sup>th</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Longs Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)  
Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Ann Finn (via Zoom) and Peggy Ripko (in person at the meeting location and via Zoom); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Curtis Bourgouin; CliftonLarsonAllen LLP (via Zoom)

Nick Montalbano (via Zoom, for a portion of the meeting) and Michael Kuykendall (via Zoom); Catellus Development Corporation

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with

## RECORD OF PROCEEDINGS

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the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Regular Meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Ms. Ripko was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**Resignation and Appointment of Secretary to the Board:** The Board discussed the resignation of Matt Cohrs and considered the appointment of Ann Finn as Secretary to the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the resignation of Matt Cohrs as Secretary to the Board and appointed Ann Finn as Secretary to the Board.

**Minutes:** The Board reviewed the Minutes of the July 20, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the July 20, 2022 Regular Meeting were approved.

**Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** The Board considered Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

## RECORD OF PROCEEDINGS

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Ms. Finn reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. Following discussion, the Board determined to meet on January 18, April 19, July 19, and October 18, 2023 at 1:00 p.m. Meetings will be held virtually.

Following review, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

**§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2023:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

**District website:** The Board discussed the status of the District website.

*Subscription Agreement with TownCloud:* The Board reviewed the Subscription Agreement with TownCloud for creation of the District website.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Subscription Agreement with TownCloud for creation of the District website.

*Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority:* The Board reviewed the termination of the Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority and all associated documents for website services.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority and all associated documents for website services.

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### **PUBLIC COMMENTS**

There were no public comments.

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## RECORD OF PROCEEDINGS

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### FINANCIAL MATTERS

**Exemption from Audit for 2022:** The Board discussed the appointment of the District Accountant to prepare the Application for Exemption from Audit for 2022.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the Application for Exemption from Audit for 2022.

**2022 Budget Amendment Hearing:** The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

The Board determined that an amendment to the 2022 Budget was not necessary.

**2023 Budget Hearing:** The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mr. Bourgouin reviewed the estimated 2022 revenues and expenditures and the proposed 2023 revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-12-02 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-12-03 to Set Mill Levies (for the General Fund at 25.300 mills and the Debt Service Fund at 0.000 mills, for a total of 25.300 mills). Upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. Mr. Bourgouin was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Larimer County and the Division of Local Government not later than December 15, 2022. Mr. Bourgouin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023.



## RECORD OF PROCEEDINGS

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Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

**DLG-70 Certification of Tax Levies Form (“Certification”)**: Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the Certification, authorized Director Emanuel to sign the Certification, and directed the District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

**CliftonLarsonAllen LLP 2023 Statements of Work**: The Board reviewed the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

**2024 Budget Preparation**: The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget. The Board determined to hold the public hearing to consider adoption of the 2024 Budget on October 19, 2023, at 1:00 p.m., via Zoom.

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### **LEGAL MATTERS**

**May 2, 2023 Regular Directors’ Election (“Election”)**: The Board discussed the Election.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-04; Resolution Calling a Regular Election for Directors on May 2, 2023, appointing Larry Loften as Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**District Operation Fees (Commercial)**: A brief discussion was held. Following discussion, the Board deferred action on this matter.

**Service Plan Amendment**: Attorney Williams provided the Board with an update regarding the timing of the Service Plan Amendment.

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**Resolution Acknowledging and Adopting the Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Commercial):** The Board deferred discussion.

**Timnath Lakes Community Authority:** The Board discussed the status of creation of the Timnath Lakes Community Authority. No action was taken by the Board.

**Cost Verification Reports:** The Board deferred action on this matter.

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**CAPITAL MATTERS** **Akin Lateral Irrigation Ditch Relocation:** Mr. Kuykendall updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch. No action was taken by the Board.

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**OTHER BUSINESS** **Status of Development:** Mr. Kuykendall updated the Board on the status of development.

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**ADJOURNMENT** There being no further business to come before the Board at this time, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 3 HELD DECEMBER 5, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (referred to hereafter as "Board") was convened on Monday, the 5<sup>th</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Longs Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)

Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Ann Finn (via Zoom) and Peggy Ripko (in person at the meeting location and via Zoom); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Curtis Bourgouin; CliftonLarsonAllen LLP (via Zoom)

Nick Montalbano (via Zoom, for a portion of the meeting) and Michael Kuykendall (via Zoom); Catellus Development Corporation

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

Ms. Finn noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with

## RECORD OF PROCEEDINGS

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the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Agenda was approved, as amended.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Ms. Ripko was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**Resignation and Appointment of Secretary to the Board:** The Board discussed the resignation of Matt Cohrs and considered the appointment of Ann Finn as Secretary to the Board.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the resignation of Matt Cohrs as Secretary to the Board and appointed Ann Finn as Secretary to the Board.

**Minutes:** The Board reviewed the Minutes of the July 20, 2022 Regular Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the July 20, 2022 Regular Meeting were approved.

**Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices:** The Board considered Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices.

## RECORD OF PROCEEDINGS

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Ms. Finn reviewed the business to be conducted in 2023 to meet the statutory compliance requirements. Following discussion, the Board determined to meet on January 18, April 19, July 19, and October 18, 2023 at 1:00 p.m. Meetings will be held virtually.

Following review, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-01, Resolution Establishing Regular Meeting Dates, Time and Location and Designating Location for Posting of 24-Hour Notices. A copy of the Resolution is attached hereto and incorporated herein by this reference.

**§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2023:** The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

**District website:** The Board discussed the status of the District website.

*Subscription Agreement with TownCloud:* The Board reviewed the Subscription Agreement with TownCloud for creation of the District website.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Subscription Agreement with TownCloud for creation of the District website.

*Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority:* The Board reviewed the termination of the Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority and all associated documents for website services.

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the Board approved the termination of the Eligible Governmental Entity Agreement with the Colorado Statewide Internet Portal Authority and all associated documents for website services.

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### **PUBLIC COMMENTS**

There were no public comments.

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## RECORD OF PROCEEDINGS

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### FINANCIAL MATTERS

**Preparation of 2022 Audit:** The Board discussed the engagement of Wipfli LLP to prepare the 2022 Audit.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the engagement of Wipfli LLP to prepare the 2022 Audit, for an amount not to exceed \$5,400.00.

**2022 Budget Amendment Hearing:** The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider amendment of the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

Following review and discussion, Director Emanuel moved to adopt the Resolution to Amend 2022 Budget, Director Bol seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-02 to Amend the 2022 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**2023 Budget Hearing:** The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mr. Bourgouin reviewed the estimated 2022 revenues and expenditures and the proposed 2023 revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-12-03 to Adopt the 2023 Budget and Appropriate Sums of Money and Resolution No. 2022-12-04 to Set Mill Levies (for the General Fund at 54.924 mills and the Debt Service Fund at 0.000 mills, for a total of 54.924 mills). Upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022. Mr. Bourgouin was authorized to

## RECORD OF PROCEEDINGS

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transmit the Certification of Mill Levies to the Board of County Commissioners of Larimer County and the Division of Local Government not later than December 15, 2022. Mr. Bourgouin was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

**Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan:** The Board reviewed Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following review and discussion, Director Emanuel moved to adopt the Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan, Director Bol seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-05, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**DLG-70 Certification of Tax Levies Form (“Certification”):** Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare the Certification, authorized Director Emanuel to sign the Certification, and directed the District Accountant to file the Certification with the Board of County Commissioners and other interested parties.

**CliftonLarsonAllen LLP 2023 Statements of Work:** The Board reviewed the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the CliftonLarsonAllen LLP 2023 Statements of Work for accounting services.

**2024 Budget Preparation:** The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget. The Board determined to hold the public hearing to consider adoption of the 2024 Budget on October 19, 2023, at 1:00 p.m., via Zoom.

## RECORD OF PROCEEDINGS

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### LEGAL MATTERS

**May 2, 2023 Regular Directors' Election ("Election"):** The Board discussed the Election.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-12-06; Resolution Calling a Regular Election for Directors on May 2, 2023, appointing Larry Loften as Designated Election Official ("DEO") and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**District Operation Fees (Residential):** A brief discussion was held. Following discussion, the Board deferred action on this matter.

**Service Plan Amendment:** Attorney Williams provided the Board with an update regarding the timing of the Service Plan Amendment.

**Timnath Lakes Community Authority:** The Board discussed the status of creation of the Timnath Lakes Community Authority. No action was taken by the Board.

**Cost Verification Reports:** The Board deferred action on this matter.

**Issuance of the District's General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3):**

*Schedule of Events:* The Board discussed the Schedule of Events. No action was taken by the Board.

*Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co:* The Board reviewed the Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co.

*Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.:* The Board reviewed the Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.



## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C.

Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc: The Board reviewed the Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc.

Engagement of MuniCap, Inc. as External Financial Advisor: The Board reviewed the proposal for External Financial Advisor Services from MuniCap, Inc.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the proposal for External Financial Advisor Services from MuniCap, Inc., for an amount not to exceed \$5,000.00, and authorized execution of the Agreement for Consulting Services.

Engagement of CliftonLarsonAllen LLP for preparation of Financial Forecast: The Board discussed the engagement of CliftonLarsonAllen LLP for preparation of the Financial Forecast.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board approved the engagement of CliftonLarsonAllen LLP for preparation of the Financial Forecast.

Resolution authorizing the issuance of District's General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2022A, in a maximum original principal amount of \$14,000,000 and appreciating to a maximum accreted principal amount of \$16,000,000 (the "Series 2022A Senior Bonds") and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3), in a maximum aggregate principal amount of \$6,500,000 (the Series 2022B(3) Subordinate Bonds" and, together with the Series 2022A Senior Bonds, the "Series 2022 Bonds"):

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The Board deferred action, noting that due to a change in the parameter amounts of the Series 2022 Bonds, the resolution will need to be considered at a future meeting.

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**CAPITAL MATTERS**

**Akin Lateral Irrigation Ditch Relocation:** Mr. Kuykendall updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch. No action was taken by the Board.

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**OTHER BUSINESS**

**Status of Development:** Mr. Kuykendall updated the Board on the status of development.

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**ADJOURNMENT**

There being no further business to come before the Board at this time, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 HELD DECEMBER 21, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Wednesday, the 21<sup>st</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Hagues Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)  
Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Larry Loften, Special District Management Services, Inc.; (in person at the meeting location and via Zoom)

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Michael Kuykendall; Catellus Development Corporation (via Zoom)

Tiffany Leichman Esq.; Sherman & Howard LLC (via Zoom)

Mike Sullivan; Piper Sandler & Co. (via Zoom)

Keenan Rice; MuniCap, Inc. (via Zoom)

Curtis Bourgoquin; CliftonLarsonAllen LLP (via Zoom)

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

## RECORD OF PROCEEDINGS

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Mr. Loften noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Mr. Loften distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Mr. Loften was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**PUBLIC  
COMMENTS**

There were no public comments.

**CAPITAL  
MATTERS**

**Engineer's Report and Certification #02:** Mr. Kuykendall reviewed with the Board Engineer's Report and Certification #02 – Timnath Lakes Metropolitan District No. 1, dated December 21, 2022 and prepared by Ranger Engineering, LLC, certifying soft, indirect, District-funded, and hard costs for Public Improvements in the amount of \$2,228,541.72 ("Report #02).

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously approved Report #02, and accepted \$2,228,541.72 in certified costs for Public Improvements.

## RECORD OF PROCEEDINGS

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### **LEGAL MATTERS**

**The District's General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3)**: Attorney Leichman reviewed with the Board the resolution authorizing the issuance of the District's General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2022A, in a maximum original principal amount of \$7,500,000 and appreciating to a maximum accreted principal amount of \$9,000,000 (the "Series 2022A Senior Bonds") and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3), in a maximum aggregate principal amount of \$4,000,000 (the Series 2022B(3) Subordinate Bonds" and, together with the Series 2022A Senior Bonds, the "Series 2022 Bonds") for the purpose of paying, reimbursing and financing certain public improvements for the District, and paying the costs incidental to the issuance of the Series 2022 Bonds; such resolution also authorizing the execution of Indentures of Trust and all agreements, documents, instruments, certificates, and actions necessary or appropriate in connection with the issuance of such bonds (the "Bond Resolution").

Following extensive discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Board appointed Director Emanuel as the District Representative per the Indentures of Trust, and adopted the Bond Resolution.

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### **OTHER BUSINESS**

There was no other business.

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### **CONTINUATION OF MEETING**

Upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote, unanimously carried, the meeting was continued to December 29, 2022 at 8:30 a.m. via Zoom.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 2 HELD DECEMBER 21, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Monday, the 21<sup>st</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Hagues Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)

Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Larry Loften, Special District Management Services, Inc.; (in person at the meeting location and via Zoom)

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Michael Kuykendall; Catellus Development Corporation (via Zoom)

Tiffany Leichman Esq.; Sherman & Howard LLC (via Zoom)

Mike Sullivan; Piper Sandler & Co. (via Zoom)

Keenan Rice; MuniCap, Inc. (via Zoom)

Curtis Bourgoquin; CliftonLarsonAllen LLP (via Zoom)

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

# RECORD OF PROCEEDINGS

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Mr. Loften noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Mr. Loften distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Bol, seconded by Director Emanuel and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Mr. Loften was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

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**PUBLIC  
COMMENTS**

There were no public comments.  
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**FINANCIAL  
MATTERS**

There were no financial matters.  
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**LEGAL MATTERS**

There were no legal matters.  
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**CAPITAL MATTERS**

There were no capital matters.  
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**OTHER BUSINESS**

There was no other business.  
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## RECORD OF PROCEEDINGS

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### ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting



## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 3 HELD DECEMBER 21, 2022

A Special Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (referred to hereafter as "Board") was convened on Wednesday, the 21<sup>st</sup> day of December, 2022 at 10:00 a.m. via Zoom and at the Loveland Public Library (Hagues Peak Room) 300 N. Adams Ave., Loveland, CO 80537. The meeting was open to the public. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Janis L. Emanuel (via Zoom)  
Robert Bol (via Zoom)

Following discussion, upon motion duly made by Director Emanuel seconded by Director Bol and, upon vote, unanimously carried, the absence of Director Theodore Antenucci was excused.

##### Also In Attendance Were:

Larry Lofton, Special District Management Services, Inc.; (in person at the meeting location and via Zoom)

Paula Williams, Esq., Kate Olson, Esq., and Craig Sorensen; McGeady Becher P.C. (via Zoom)

Michael Kuykendall; Catellus Development Corporation (via Zoom)

Tiffany Leichman Esq.; Sherman & Howard LLC (via Zoom)

Mike Sullivan; Piper Sandler & Co. (via Zoom)

Keenan Rice; MuniCap, Inc. (via Zoom)

Curtis Bourgooin; CliftonLarsonAllen LLP (via Zoom)

#### ADMINISTRATIVE MATTERS

Disclosures of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

## RECORD OF PROCEEDINGS

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Mr. Loften noted that a quorum was present and requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Williams noted that all Directors' Disclosure Statements have been filed, and that no new conflicts were disclosed at the meeting.

**Agenda:** Mr. Loften distributed for the Board's review and approval a proposed Agenda for the District's Special Meeting.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Agenda was approved, as presented.

**Location of Meeting and Posting of Notices:** The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting, noting that the meeting was being held at a physical location located within 20 miles of the District's boundaries, and that Mr. Loften was present at the meeting location. The Board determined that the meeting would also be held by video/telephonic means, and encouraged public participation via video or telephone. The Board further noted that notice of the time, date and location of the meeting was duly posted and that the District had not received any objections to the video/telephonic manner of the meeting, or any requests that the video/telephonic manner of the meeting be changed by taxpaying electors within the District boundaries.

**PUBLIC  
COMMENTS**

There were no public comments.

**CAPITAL  
MATTERS**

**Engineer's Report and Certification #01:** Mr. Kuykendall reviewed with the Board Engineer's Report and Certification #01 – Timnath Lakes Metropolitan District No. 3, dated December 21, 2022 and prepared by Ranger Engineering, LLC, certifying soft, indirect, District-funded, and hard costs for Public Improvements in the amount of \$23,942,590.31 ("Report #01).

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously approved Report #01, and accepted \$23,942,590.31 in certified costs for Public Improvements.

## RECORD OF PROCEEDINGS

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### **LEGAL MATTERS**

#### **District's General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds, Series 2022A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3):**

Attorney Leichman reviewed with the Board the resolution authorizing the issuance of District's General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2022A, in a maximum original principal amount of \$16,000,000 and appreciating to a maximum accreted principal amount of \$18,000,000 (the "Series 2022A Senior Bonds") and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3), in a maximum aggregate principal amount of \$8,000,000 (the Series 2022B(3) Subordinate Bonds" and, together with the Series 2022A Senior Bonds, the "Series 2022 Bonds") for the purpose of paying, reimbursing and financing certain public improvements for the District, and paying the costs incidental to the issuance of the Series 2022 Bonds; such resolution also authorizing the execution of Indentures of Trust and all agreements, documents, instruments, certificates, and actions necessary or appropriate in connection with the issuance of such bonds (the "Bond Resolution").

Following extensive discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Board appointed Director Emanuel as the District Representative per the Indentures of Trust, and adopted the Bond Resolution.

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### **OTHER BUSINESS**

There was no other business.

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### **CONTINUATION OF MEETING**

Upon motion duly made by Director Emanuel, seconded by Director Bol, and upon vote, unanimously carried, the meeting was continued to December 29, 2022 at 8:30 a.m. via Zoom.

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

**TIMNATH LAKES METRO DISTRICT NO. 1**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

Draft

**TIMNATH LAKES METRO DISTRICT NO. 1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
C - Safe	\$ 101	\$ 1,103	\$ -	\$ 1,204
UMB COI 2020	-	39,050	-	39,050
Due from other districts	-	3,006	-	3,006
Receivable from County Treasurer	-	661	-	661
Property Tax receivable	-	3,991	-	3,991
<b>TOTAL ASSETS</b>	<b>\$ 101</b>	<b>\$ 47,811</b>	<b>\$ -</b>	<b>\$ 47,912</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Due to other districts	\$ 101	\$ -	\$ -	\$ 101
Total Liabilities	101	-	-	101
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property tax	-	3,991	-	3,991
Total Deferred Inflows of Resources	-	3,991	-	3,991
<b>FUND BALANCES</b>				
Total Fund Balances	-	43,820	-	43,820
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 101</b>	<b>\$ 47,811</b>	<b>\$ -</b>	<b>\$ 47,912</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METRO DISTRICT NO. 1  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

**GENERAL FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
<b>TOTAL EXPENDITURES</b>			
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCES - BEGINNING</b>	-	-	-
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Draft

**SUPPLEMENTARY INFORMATION**

Draft

**TIMNATH LAKES METRO DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

**DEBT SERVICE FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 2,231	\$ 2,230	\$ (1)
Specific ownership tax	156	9,178	9,022
Interest income	4	1,914	1,910
URA District property taxes	126,070	128,062	1,992
Bond proceeds - 2022A	-	5,313,965	5,313,965
Bond proceeds - 2022B	-	2,586,000	2,586,000
<b>TOTAL REVENUES</b>	<u>128,461</u>	<u>8,041,349</u>	<u>7,912,888</u>
<b>EXPENDITURES</b>			
Cost of Issuance	-	201,500	(201,500)
URA Collection Fee	1,891	-	1,891
County Treasurer's fee	45	45	-
Paying agent fees	-	7,000	(7,000)
Contingency	48,064	-	48,064
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>208,545</u>	<u>(158,545)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	78,461	7,832,804	7,754,343
<b>OTHER FINANCING SOURCES (USES)</b>			
Repay developer advance	-	(2,876,864)	(2,876,864)
Payment to escrow account	-	(4,919,947)	(4,919,947)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(7,796,811)</u>	<u>(7,796,811)</u>
<b>NET CHANGE IN FUND BALANCES</b>	78,461	35,993	(42,468)
<b>FUND BALANCES - BEGINNING</b>	<u>1,189</u>	<u>7,826</u>	<u>6,637</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 79,650</u>	<u>\$ 43,819</u>	<u>\$ (35,831)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



**TIMNATH LAKES METRO DISTRICT NO. 1  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022**

**CAPITAL PROJECTS FUND**

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Capital outlay	-	2,228,542	(2,228,542)
<b>TOTAL EXPENDITURES</b>	-	2,228,542	(2,228,542)
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	(2,228,542)	(2,228,542)
<b>OTHER FINANCING SOURCES (USES)</b>			
Developer advance	-	2,228,542	2,228,542
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	2,228,542	2,228,542
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-
<b>FUND BALANCES - BEGINNING</b>	-	-	-
<b>FUND BALANCES - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TIMNATH LAKES METRO DISTRICT NO. 1**

**Schedule of Cash Position**

**December 31, 2022**

**Updated as of January 11, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>CSAFE</u></b>			
Balance as of 12/31/22	\$ 100.84	\$ 1,102.72	\$ 1,203.56
Subsequent activities:			
01/10/23 Ptax Receipt	-	661.14	661.14
<i>Anticipated Transfer from District 6</i>	-	3,005.66	3,005.66
<i>Anticipated Transfer to District 6</i>	<u>(100.84)</u>	<u>-</u>	<u>(100.84)</u>
<i>Anticipated Balance</i>	<u>-</u>	<u>4,769.52</u>	<u>4,769.52</u>
<b>Total Funds Available</b>	<b><u>\$ -</u></b>	<b><u>\$ 4,769.52</u></b>	<b><u>\$ 4,769.52</u></b>

**Yield information 12/31/2022:**

CSAFE - 4.15%

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**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**Property Taxes Reconciliation**  
**2022**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 193.48	\$ -	\$ 790.91	\$ -	\$ (3.87)	\$ -	\$ 980.52	8.67%	8.67%	\$ -	0.00%	0.00%
February	244.99	-	716.71	-	(4.90)	-	956.80	10.98%	19.65%	-	0.00%	0.00%
March	250.86	-	833.86	-	(5.02)	-	1,079.70	11.24%	30.90%	-	0.00%	0.00%
April	69.90	-	677.24	-	(1.40)	-	745.74	3.13%	34.03%	-	0.00%	0.00%
May	1,278.72	-	786.32	-	(25.58)	-	2,039.46	57.32%	91.35%	-	0.00%	0.00%
June	187.53	-	631.11	-	(3.75)	-	814.89	8.41%	99.75%	-	0.00%	0.00%
July	-	-	758.82	-	-	-	758.82	0.00%	99.75%	-	0.00%	0.00%
August	4.82	-	989.15	0.14	(0.10)	-	994.01	0.22%	99.97%	-	0.00%	0.00%
September	-	-	846.20	-	-	-	846.20	0.00%	99.97%	-	0.00%	0.00%
October	-	-	805.25	-	-	-	805.25	0.00%	99.97%	-	0.00%	0.00%
November	-	-	681.54	-	-	-	681.54	0.00%	99.97%	-	0.00%	0.00%
December	-	-	661.14	-	-	-	661.14	0.00%	99.97%	-	0.00%	0.00%
	<b>\$ 2,230.30</b>	<b>\$ -</b>	<b>\$ 9,178.25</b>	<b>\$ 0.14</b>	<b>\$ (44.62)</b>	<b>\$ -</b>	<b>\$ 11,364.07</b>	<b>99.97%</b>	<b>99.97%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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**Property Tax**

Debt Service Fund	50.00	\$ 44,618	\$ 2,231.00	100.00%	\$ 2,230.30	99.97%
			<u>\$ 2,231.00</u>	<u>100.00%</u>	<u>\$ 2,230.30</u>	<u>99.97%</u>

**Specific Ownership Tax**

Debt Service Fund		\$ 156.00	100.00%	\$ 9,178.25	5883.49%
		<u>\$ 156.00</u>	<u>100.00%</u>	<u>\$ 9,178.25</u>	<u>5883.49%</u>

**Treasurer's Fees**

Debt Service Fund		\$ 45.00	100.00%	\$ 44.62	99.16%
		<u>\$ 45.00</u>	<u>100.00%</u>	<u>\$ 44.62</u>	<u>99.16%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**Property Taxes Reconciliation**  
**2022**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 10.12	\$ -	\$ -	\$ -	\$ 10.12	0.00%	0.00%	\$ -	0.00%	0.00%
February	-	-	9.18	-	-	-	9.18	0.00%	0.00%	-	0.00%	0.00%
March	2.15	-	10.65	-	(0.04)	-	12.76	8.96%	8.96%	-	0.00%	0.00%
April	21.78	-	8.67	-	(0.44)	-	30.01	90.75%	99.71%	-	0.00%	0.00%
May	-	-	10.06	-	-	-	10.06	0.00%	99.71%	-	0.00%	0.00%
June	-	-	8.07	-	-	-	8.07	0.00%	99.71%	-	0.00%	0.00%
July	-	-	9.72	-	-	-	9.72	0.00%	99.71%	-	0.00%	0.00%
August	-	-	12.65	-	-	-	12.65	0.00%	99.71%	-	0.00%	0.00%
September	-	-	10.81	-	-	-	10.81	0.00%	99.71%	-	0.00%	0.00%
October	-	-	10.31	-	-	-	10.31	0.00%	99.71%	-	0.00%	0.00%
November	-	-	8.73	-	-	-	8.73	0.00%	99.71%	-	0.00%	0.00%
December	-	-	8.47	-	-	-	8.47	0.00%	99.71%	-	0.00%	0.00%
<b>\$</b>	<b>23.93</b>	<b>\$ -</b>	<b>\$ 117.44</b>	<b>\$ -</b>	<b>\$ (0.48)</b>	<b>\$ -</b>	<b>\$ 140.89</b>	<b>99.71%</b>	<b>99.71%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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**Property Tax**

General Fund	25.000	\$ 965	\$ 24.00	100.00%	\$ 23.93	99.71%
			\$ 24.00	100.00%	\$ 23.93	99.71%

**Specific Ownership Tax**

General Fund		\$ 2.00	100.00%	\$ 117.44	0.00%
		\$ 2.00	0.00%	\$ 117.44	0.00%

**Treasurer's Fees**

General Fund		\$ 1.00	100.00%	\$ 0.48	0.00%
		\$ 1.00	100.00%	\$ 0.48	0.00%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**Property Taxes Reconciliation**  
**2022**

	Current Year								Prior Year				
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received		
								Monthly	Y-T-D		Monthly	Y-T-D	
January	\$ -	\$ -	\$ 0.08	\$ -	\$ -	\$ -	\$ 0.08	0.00%	0.00%	\$ -	0.00%	0.00%	
February	-	-	0.08	-	-	-	0.08	0.00%	0.00%	-	0.00%	0.00%	
March	-	-	0.10	-	-	-	0.10	0.00%	0.00%	-	0.00%	0.00%	
April	(0.10)	-	0.06	-	-	-	(0.04)	0.00%	0.00%	-	0.00%	0.00%	
May	-	-	0.08	-	-	-	0.08	0.00%	0.00%	-	0.00%	0.00%	
June	-	-	0.07	-	-	-	0.07	0.00%	0.00%	-	0.00%	0.00%	
July	-	-	0.08	-	-	-	0.08	0.00%	0.00%	-	0.00%	0.00%	
August	-	-	0.10	-	-	-	0.10	0.00%	0.00%	-	0.00%	0.00%	
September	-	-	0.10	-	-	-	0.10	0.00%	0.00%	-	0.00%	0.00%	
October	-	-	0.09	-	-	-	0.09	0.00%	0.00%	-	0.00%	0.00%	
November	-	-	0.06	-	-	-	0.06	0.00%	0.00%	-	0.00%	0.00%	
December	-	-	0.06	-	-	-	0.06	0.00%	0.00%	-	0.00%	0.00%	
<b>\$</b>	<b>(0.10)</b>	<b>\$ -</b>	<b>\$ 0.96</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.86</b>	<b>0.00%</b>	<b>0.00%</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>	

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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**Property Tax**

General Fund	50.000	\$	4	\$ -	0.00%	\$ (0.10)	0.00%
				\$ -	0.00%	\$ (0.10)	0.00%

**Specific Ownership Tax**

General Fund	\$	-	0.00%	\$ 0.96	0.00%
	\$	-	0.00%	\$ 0.96	0.00%

**Treasurer's Fees**

General Fund	\$	-	0.00%	\$ -	0.00%
	\$	-	0.00%	\$ 0.01	0.00%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METRO DISTRICT NO. 3**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**Timnath Lakes Metro District No. 3**  
**Balance Sheet - Governmental Funds**  
For the Period Ending December 31, 2022

	General	Capital Projects	Total
<b>Assets</b>			
CSAFE	-	-	-
UMB COI Fund	-	39,050	39,050
Receivable from County Treasurer	-	-	-
Property Tax receivable	319	-	319
<b>Total Assets</b>	<b>\$ 319</b>	<b>\$ 39,050</b>	<b>\$ 39,369</b>
<b>Liabilities</b>			
Due to other districts	-	-	-
Deferred property tax	319	-	319
<b>Total Liabilities</b>	<b>319</b>	<b>-</b>	<b>319</b>
<b>Fund Balances</b>	<b>-</b>	<b>39,050</b>	<b>39,050</b>
<b>Liabilities and Fund Balances</b>	<b>\$ 319</b>	<b>\$ 39,050</b>	<b>\$ 39,369</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**Timnath Lakes Metro District No. 3**  
**General Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending December 31, 2022**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 0
URA District property taxes	12	12	0
Specific ownership taxes	-	1	(1)
Other revenue	3,988	-	3,988
Total Revenue	<u>4,000</u>	<u>13</u>	<u>3,987</u>
Expenditures			
Intergovernmental expenditures	12	13	(1)
Contingency	3,988	-	3,988
Total Expenditures	<u>4,000</u>	<u>13</u>	<u>3,987</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



## **SUPPLEMENTARY INFORMATION**

**Timnath Lakes Metro District No. 3**  
**Capital Projects Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending December 31, 2022**

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Other revenue	\$ 9,116	\$ -	\$ 9,116
Bond proceeds - Series 2022A	12,901,934	12,901,934	0
Bond proceeds - Series 2022B	5,543,000	5,543,000	-
Total Revenue	<u>18,454,050</u>	<u>18,444,934</u>	<u>9,116</u>
Expenditures			
Intergovernmental expenditures	18,098,935	18,098,935	0
Bond issue costs	306,949	306,949	0
Contingency	9,116	-	9,116
Total Expenditures	<u>18,415,000</u>	<u>18,405,884</u>	<u>9,116</u>
Net Change in Fund Balances	39,050	39,050	-
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ 39,050</u>	<u>\$ 39,050</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METRO DISTRICT NO. 1**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

**Timnath Lakes Metro District No. 1**  
**Balance Sheet - Governmental Funds**  
 March 31, 2023

	Debt Service	Total
<b>Assets</b>		
CSAFE	6,943	6,943
UMB Bond Fund	8,000	8,000
Receivable from County Treasurer	1,160	1,160
<b>Total Assets</b>	<b>\$ 16,103</b>	<b>\$ 16,103</b>
 <b>Liabilities</b>		
Due to other districts	600	600
<b>Total Liabilities</b>	<b>600</b>	<b>600</b>
 <b>Fund Balances</b>	 <b>15,503</b>	 <b>15,503</b>
<b>Liabilities and Fund Balances</b>	<b>\$ 16,103</b>	<b>\$ 16,103</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

## **SUPPLEMENTARY INFORMATION**

**Timnath Lakes Metro District No. 1**  
**Debt Service Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending March 31, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 3,991	\$ 806	\$ 3,185
URA District property taxes	136,855	49,400	87,455
Specific ownership taxes	9,859	2,499	7,360
Interest income	1,640	44	1,596
Total Revenue	<u>152,345</u>	<u>52,749</u>	<u>99,596</u>
Expenditures			
County Treasurer's fee	80	16	64
Intergovernmental expenditures	50,000	50,000	-
Paying agent fees	7,000	9,000	(2,000)
Bond interest	147,700	-	147,700
Bond issue costs	-	22,050	(22,050)
Contingency	5,220	-	5,220
Total Expenditures	<u>210,000</u>	<u>81,066</u>	<u>128,934</u>
Net Change in Fund Balances	(57,655)	(28,317)	(29,338)
Fund Balance - Beginning	138,176	43,820	94,356
Fund Balance - Ending	<u>\$ 80,521</u>	<u>\$ 15,503</u>	<u>\$ 65,018</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was formed on June 23, 2006, to provide for the design, acquisition, construction, installation and financing of certain street, park and recreation, water, sanitation, mosquito control and safety protection improvements and services. The District was organized in conjunction with Timnath Lakes Metropolitan District Nos. 2 and 3. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirement of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**URA Property Taxes**

The URA will receive property tax revenue ("Pledged Property Tax Increment Revenue") from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF District. The revenue received by the URA, net of all costs, will be remitted to the District's Bond Trustee and pledged to the payment of the Bonds.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**2023 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Interest Income**

Interest earned on the District's available funds has been estimated based on historical interest earnings.

**Expenditures**

**County Treasurer's Fees**

County Treasurer's fees have been computed at 2.0% of property tax collections.

**Debt and Leases**

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$5,313,965.20 (\$5,860,000 in Accreted Value upon conversion to current interest bonds) ("Senior Bonds") and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$2,586,000 ("Subordinate Bonds"). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; (ii) pay the costs of issuance of the Bonds and (iii) refund the Series 2020A bonds.

The District has no operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since all funds received by the District are in the Debt Service fund, an Emergency Reserve is not reflected in the District's Budget.



\$5,313,965 Limited Tax General  
Obligation Bonds  
Series 2022A  
Interest 3.375%  
Dated December 29, 2022  
Interest Payable June 1 and December 1  
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 5,313,965	\$ -	\$ -	\$ -	\$ -
2023	5,480,565	166,600	-	-	-
2024	5,667,089	186,524	-	-	-
2025	5,860,000	192,911	-	-	-
2026	-	-	100,000	197,775	297,775
2027	-	-	105,000	194,400	299,400
2028	-	-	115,000	190,856	305,856
2029	-	-	120,000	186,975	306,975
2030	-	-	130,000	182,925	312,925
2031	-	-	135,000	178,538	313,538
2032	-	-	145,000	173,981	318,981
2033	-	-	150,000	169,088	319,088
2034	-	-	160,000	164,025	324,025
2035	-	-	165,000	158,625	323,625
2036	-	-	180,000	153,056	333,056
2037	-	-	185,000	146,981	331,981
2038	-	-	195,000	140,738	335,738
2039	-	-	205,000	134,156	339,156
2040	-	-	220,000	127,238	347,238
2041	-	-	225,000	119,813	344,813
2042	-	-	240,000	12,219	252,219
2043	-	-	245,000	104,119	349,119
2044	-	-	265,000	95,850	360,850
2045	-	-	270,000	86,906	356,906
2046	-	-	290,000	77,794	367,794
2047	-	-	300,000	68,006	368,006
2048	-	-	315,000	57,881	372,881
2049	-	-	325,000	47,250	372,250
2050	-	-	345,000	36,281	381,281
2051	-	-	355,000	24,638	379,638
2052	-	-	375,000	12,656	387,656
Total	<u>\$ 5,860,000</u>	<u>\$ 546,035</u>	<u>\$ 5,860,000</u>	<u>\$ 3,242,770</u>	<u>\$ 9,102,770</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**TIMNATH LAKES METRO DISTRICT NO. 1**

**Schedule of Cash Position**

**March 31, 2023**

**Updated as of April 12, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>CSAFE</u></b>			
Balance as of 3/31/23	\$ -	\$ 6,942.70	\$ 6,942.70
Subsequent activities:			
04/10/23 Ptax Receipt	-	1,160.21	1,160.21
<i>Anticipated Transfer to District 6</i>	-	<i>(600.21)</i>	<i>(600.21)</i>
<i>Anticipated Balance</i>	<u>-</u>	<u>7,502.70</u>	<u>7,502.70</u>
<b><u>UMB Bond Fund</u></b>			
Balance as of 3/31/23		\$ 8,000.00	\$ 8,000.00
Subsequent activities:			
<i>Anticipated Balance</i>	<u>-</u>	<u>8,000.00</u>	<u>8,000.00</u>
<b>Total Funds Available</b>	<u>\$ -</u>	<u>\$ 15,502.70</u>	<u>\$ 15,502.70</u>

**Yield information 3/31/2023:**

CSAFE - 4.77%

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**Property Taxes Reconciliation**  
**2023**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 12.25	\$ -	\$ 792.71	\$ -	\$ (0.25)	\$ -	\$ 804.71	0.31%	0.31%	\$ 980.52	8.67%	8.67%
February	540.69	-	794.76	-	(10.81)	-	1,324.64	13.55%	13.85%	956.80	10.98%	19.65%
March	253.02	-	912.25	-	(5.06)	-	1,160.21	6.34%	20.19%	1,079.70	11.24%	30.90%
April	-	-	-	-	-	-	-	0.00%	20.19%	745.74	3.13%	34.03%
May	-	-	-	-	-	-	-	0.00%	20.19%	2,039.46	57.32%	91.35%
June	-	-	-	-	-	-	-	0.00%	20.19%	814.89	8.41%	99.75%
July	-	-	-	-	-	-	-	0.00%	20.19%	758.82	0.00%	99.75%
August	-	-	-	-	-	-	-	0.00%	20.19%	994.01	0.22%	99.97%
September	-	-	-	-	-	-	-	0.00%	20.19%	846.20	0.00%	99.97%
October	-	-	-	-	-	-	-	0.00%	20.19%	805.25	0.00%	99.97%
November	-	-	-	-	-	-	-	0.00%	20.19%	681.54	0.00%	99.97%
December	-	-	-	-	-	-	-	0.00%	20.19%	661.14	0.00%	99.97%
<b>Total</b>	<b>\$ 805.96</b>	<b>\$ -</b>	<b>\$ 2,499.72</b>	<b>\$ -</b>	<b>\$ (16.12)</b>	<b>\$ -</b>	<b>\$ 3,289.56</b>	<b>20.19%</b>	<b>20.19%</b>	<b>\$ 11,364.07</b>	<b>99.97%</b>	<b>99.97%</b>

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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**Property Tax**

Debt Service Fund	50.980	\$ 78,294	\$ 3,991.00	100.00%	\$ 805.96	20.19%
			\$ 3,991.00	100.00%	\$ 805.96	20.19%

**Specific Ownership Tax**

Debt Service Fund			\$ 9,859.00	100.00%	\$ 2,499.72	25.35%
			\$ 9,859.00	100.00%	\$ 2,499.72	25.35%

**Treasurer's Fees**

Debt Service Fund			\$ 80.00	100.00%	\$ 16.12	20.15%
			\$ 80.00	100.00%	\$ 16.12	20.15%

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METRO DISTRICT NO. 3**

**FINANCIAL STATEMENTS**

**MARCH 31, 2023**

**Timnath Lakes Metro District No. 3**  
**Balance Sheet - Governmental Funds**  
 March 31, 2023

	General	Debt Service	Total
<b>Assets</b>			
CSAFE	5	-	5
UMB Bond Fund	-	8,000	8,000
Receivable from County Treasurer	7	-	7
<b>Total Assets</b>	<b>\$ 12</b>	<b>\$ 8,000</b>	<b>\$ 8,012</b>
<b>Liabilities</b>			
Due to other districts	12	-	12
<b>Total Liabilities</b>	<b>12</b>	<b>-</b>	<b>12</b>
<b>Fund Balances</b>	<b>-</b>	<b>8,000</b>	<b>8,000</b>
<b>Liabilities and Fund Balances</b>	<b>\$ 12</b>	<b>\$ 8,000</b>	<b>\$ 8,012</b>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**Timnath Lakes Metro District No. 3**  
**General Fund Statement of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending March 31, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 319	\$ 2	\$ 317
URA District property taxes	509	184	325
Specific ownership taxes	22	14	8
Other revenue	4,150	-	4,150
Total Revenue	<u>5,000</u>	<u>200</u>	<u>4,800</u>
Expenditures			
County Treasurer's fee	6	-	6
Intergovernmental expenditures	844	200	644
Contingency	4,150	-	4,150
Total Expenditures	<u>5,000</u>	<u>200</u>	<u>4,800</u>
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

## **SUPPLEMENTARY INFORMATION**

**Timnath Lakes Metro District No. 3**  
**Debt Service Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending March 31, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	8,000	(8,000)
Total Other Financing Sources (Uses)	-	8,000	(8,000)
Net Change in Fund Balances	-	8,000	(8,000)
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	\$ -	\$ 8,000	\$ (8,000)

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.



**Timnath Lakes Metro District No. 3**  
**Capital Projects Fund Schedule of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget and Actual**  
**For the Period Ending March 31, 2023**

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Paying agent fees	-	9,000	(9,000)
Bond issue costs	-	22,050	(22,050)
Total Expenditures	<u>-</u>	<u>31,050</u>	<u>(31,050)</u>
Other Financing Sources (Uses)			
Transfers to other fund	-	(8,000)	8,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,000)</u>	<u>8,000</u>
Net Change in Fund Balances	-	(39,050)	39,050
Fund Balance - Beginning	-	39,050	(39,050)
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The District was formed on June 23, 2006, to provide for the design, acquisition, construction, installation and financing of certain street, park and recreation, water, sanitation, mosquito control and safety protection improvements and services. The District was organized in conjunction with Timnath Lakes Metropolitan District Nos. 1 and 2. On September 10, 2019, the District amended and restated its service plan to include Timnath Lakes Metropolitan District Nos. 4 through 6.

The District has no employees and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Property Taxes**

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District. The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**URA Property Taxes**

The URA will receive property tax revenue ("Pledged Property Tax Increment Revenue") from the Larimer County Treasurer in excess of the amount produced by the levy of those bodies that levy property taxes against the Property Tax Base Amount in the TIF District.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3  
2023 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Revenues (Continued)**

**Specific Ownership Taxes**

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 7% of the property taxes collected.

**Expenditures**

**Intergovernmental Expenditures**

The District collected property and specific ownership taxes. The District transfers these net property taxes to District No. 6 to help fund administrative expenditures.

**County Treasurer's Fees**

County Treasurer's fees have been computed at 2.0% of property tax collections.

**Debt and Leases**

On December 29, 2022 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A, in the initial principal amount of \$12,901,934.35 (\$14,485,000 in Accreted Value upon conversion to current interest bonds) ("Senior Bonds") and Subordinate Limited Tax General Obligation Bonds, Series 2022B in the principal amount of \$5,543,000 ("Subordinate Bonds"). Proceeds from the sale of the Bonds were used to: (i) finance or reimburse the costs of public improvements related to the Development; and (ii) pay the costs of issuance of the Bonds.

The District has no outstanding indebtedness, nor any operating or capital leases.

**Reserves**

**Emergency Reserve**

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of fiscal year spending. Since substantially all TABOR funds received by the District are transferred to District No. 6, which pays for the District's operations and maintenance costs, an Emergency Reserve is not reflected in the District's Budget.

\$12,901,934.35 Limited Tax General  
Obligation Bonds  
Series 2022A  
Interest 4.000%  
Dated December 29, 2022  
Interest Payable June 1 and December 1  
Principal Payable December 1

Bonds and Interest Maturing in the Year Ending December 31,	Account Bond Balance	Accreted	Principal	Interest	Total
2022	\$ 12,901,934	\$ -	\$ -	\$ -	\$ -
2023	13,381,822	479,888	-	-	-
2024	13,922,402	540,580	-	-	-
2025	14,485,000	562,598	-	-	-
2026	-	-	10,000	579,400	589,400
2027	-	-	165,000	579,000	744,000
2028	-	-	260,000	572,400	832,400
2029	-	-	270,000	562,000	832,000
2030	-	-	295,000	551,200	846,200
2031	-	-	310,000	539,400	849,400
2032	-	-	340,000	527,000	867,000
2033	-	-	350,000	513,400	863,400
2034	-	-	385,000	499,400	884,400
2035	-	-	395,000	484,000	879,000
2036	-	-	430,000	468,200	898,200
2037	-	-	450,000	451,000	901,000
2038	-	-	485,000	433,000	918,000
2039	-	-	505,000	413,600	918,600
2040	-	-	545,000	393,400	938,400
2041	-	-	565,000	371,600	936,600
2042	-	-	605,000	349,000	954,000
2043	-	-	630,000	324,800	954,800
2044	-	-	675,000	299,600	974,600
2045	-	-	700,000	272,600	972,600
2046	-	-	750,000	244,600	994,600
2047	-	-	780,000	214,600	994,600
2048	-	-	830,000	183,400	1,013,400
2049	-	-	865,000	150,200	1,015,200
2050	-	-	920,000	115,600	1,035,600
2051	-	-	955,000	78,800	1,033,800
2052	-	-	1,015,000	40,600	1,055,600
Total	<u>\$ 14,485,000</u>	<u>\$ 1,583,066</u>	<u>\$ 14,485,000</u>	<u>\$ 10,211,800</u>	<u>\$ 24,696,800</u>

The annual debt service requirements on the Subordinate Bonds are not currently determinable since they are payable only from available Subordinate Pledged Revenue.

**TIMNATH LAKES METRO DISTRICT NO. 3**

**Schedule of Cash Position**

**March 31, 2023**

**Updated as of April 13, 2023**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b><u>CSAFE</u></b>				
Balance as of 3/31/23	\$ 4.69	\$ -	\$ -	\$ 4.69
Subsequent activities:				
04/10/23 Ptax Receipt	7.11	-	-	7.11
<i>Anticipated Transfer to Dist 6</i>	<u>(11.80)</u>	<u>-</u>	<u>-</u>	<u>(11.80)</u>
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>UMB COI Fund</u></b>				
Balance as of 3/31/23	\$ -	\$ -	\$ 8,000.00	\$ 8,000.00
Subsequent activities:				
03/21/23 Transfer to Bond Fun	<u>-</u>	<u>-</u>	<u>(8,000.00)</u>	<u>(8,000.00)</u>
<i>Anticipated Balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>UMB Bond Fund</u></b>				
Balance as of 3/31/23	\$ -	\$ -	\$ -	\$ -
Subsequent activities:				
03/21/23 Transfer from COI Fund	<u>-</u>	<u>8,000.00</u>	<u>-</u>	<u>8,000.00</u>
<i>Anticipated Balance</i>	<u>-</u>	<u>8,000.00</u>	<u>-</u>	<u>8,000.00</u>
<b>Total Funds Available</b>	<b><u>\$ -</u></b>	<b><u>\$ 8,000.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,000.00</u></b>

**Yield information 3/31/2023:**

CSAFE - 4.77%

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**Property Taxes Reconciliation**  
**2023**

	Current Year								Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Due to County Treasurer	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
								Monthly	Y-T-D		Monthly	Y-T-D
January	\$ -	\$ -	\$ 4.70	\$ -	\$ -	\$ -	\$ 4.70	0.00%	0.00%	\$ 0.08	0.00%	0.00%
February	-	-	4.69	-	-	-	4.69	0.00%	0.00%	0.08	0.00%	0.00%
March	1.78	-	5.37	-	(0.04)	-	7.11	0.00%	0.00%	0.10	0.00%	0.00%
April	-	-	-	-	-	-	-	0.00%	0.00%	(0.04)	0.00%	0.00%
May	-	-	-	-	-	-	-	0.00%	0.00%	0.08	0.00%	0.00%
June	-	-	-	-	-	-	-	0.00%	0.00%	0.07	0.00%	0.00%
July	-	-	-	-	-	-	-	0.00%	0.00%	0.08	0.00%	0.00%
August	-	-	-	-	-	-	-	0.00%	0.00%	0.10	0.00%	0.00%
September	-	-	-	-	-	-	-	0.00%	0.00%	0.10	0.00%	0.00%
October	-	-	-	-	-	-	-	0.00%	0.00%	0.09	0.00%	0.00%
November	-	-	-	-	-	-	-	0.00%	0.00%	0.06	0.00%	0.00%
December	-	-	-	-	-	-	-	0.00%	0.00%	0.06	0.00%	0.00%
<b>\$ 1.78</b>	<b>\$ -</b>	<b>\$ 14.76</b>	<b>\$ -</b>	<b>\$ (0.04)</b>	<b>\$ -</b>	<b>\$ 16.50</b>	<b>0.00%</b>	<b>0.00%</b>	<b>\$ 0.86</b>	<b>0.00%</b>	<b>0.00%</b>	

Mill Levy	Larimer County Assess Value	Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
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**Property Tax**

General Fund	54.924	\$ 5,801	\$ 319	0.00%	\$ 1.78	0.00%
			\$ 319	0.00%	\$ 1.78	0.00%

**Specific Ownership Tax**

General Fund			\$ 22	0.00%	\$ 14.76	0.00%
			\$ 22	0.00%	\$ 14.76	0.00%

**Treasurer's Fees**

General Fund			\$ 6	0.00%	\$ (0.04)	0.00%
			\$ 6	0.00%	\$ (0.04)	0.00%

<b><u>Assessed Valuation</u></b>	
Residential	\$ -
Agricultural	15,071
Vacant Land	-
State Assessed	-
Adjustment	(9,270)
Certified Assessed Value	\$ 5,801

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statements of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

January 18, 2023

Timnath Lakes Metropolitan District No. 3  
c/o CliftonLarsonAllen LP  
8390 E. Crescent Pkwy, Suite 300  
Greenwood Village, CO 80111

We are pleased to serve as the independent auditors for Timnath Lakes Metropolitan District No. 3 (“Client”) for the year ended December 31, 2022. This letter, together with the attached Professional Services Terms and Conditions – Attest Engagements, confirms the terms of our engagement, and are collectively referred to herein as the “Letter” or the “Engagement Letter”.

### Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$6,200. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement.

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

### Audit Scope and Objectives

We will audit Client’s financial statements, as of and for the year ended December 31, 2022, and the disclosures (collectively, the “financial statements”), and if applicable, supplementary information.

The objectives of our audit are to obtain reasonable assurance about whether Client's financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole.

The other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to Client or to acts by management or employees acting on behalf of Client.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.



In the conduct of our audit, we will obtain an understanding of Client and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about Client's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making available to us drafts of financial statements, all financial records, and related information, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within Client from whom we determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting Client involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting Client received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that Client complies with applicable laws and regulations.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters. Because of the importance of management's representations to an effective audit, Client agrees to release and indemnify Wipfli LLP ("Wipfli"), its partners, employees, agents, and assigns from any claim, liability, cost, or expense relating to our services under this Engagement Letter attributable in any respect to any knowing misrepresentation by management. The preceding sentence shall not apply and shall be of no effect in the event its application, in the judgment of any government body or regulatory agency, would impair our independence as your auditor.

### Reporting

We will issue a written report upon completion of our audit of Client's financial statements. Our report will be addressed to the board of directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

**Management Assistance**

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, has been discussed with appropriate personnel. Timely completion of this work will facilitate the completion of our engagement.

**Engagement Partner**

Greg Livin will be your audit engagement partner.

**Other Services**

We may prepare (or assist in preparing) Client financial statements in conformity with GAAP based on information provided by management, but the responsibility for the financial statements remains with management.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

**Conclusion and Approval to Proceed**

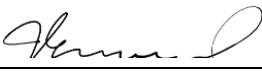
If the terms of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

*Wipfli LLP*

Wipfli LLP

ACCEPTED: TIMNATH LAKES METROPOLITAN DISTRICT NO. 3

By: 

Janis L. Emanuel,  
President

(Print Name and Title)

Date: 04 / 03 / 2023

GL/tlp

Enc.

Cc: Janis Emanuel, Board of Directors

**1. Entire Agreement**

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli’s independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as “we” or “us” or in a similar manner, and Client may be referred to as “you” or in a similar manner, and such references shall be read in context.

**2. Commencement and Term**

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

**3. Termination of Agreement**

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party’s obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

**4. Fee Estimates and Change Orders**

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli’s invoice for such services. A “Change Order” means a mutually agreed-upon change in the schedule or the time for Wipfli’s performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

**5. Payment of Fees**

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney’s fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

**6. Privacy and Engagement Staffing**

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at [www.wipfli.com/privacy-statement](http://www.wipfli.com/privacy-statement) for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

**7. Intellectual Property Rights**

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client, provided that any use or modification of such deliverable, other

than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

**8. Mutual Confidentiality**

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

**9. Independent Contractor**

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

**10. Non-Exclusivity**

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

**11. Dispute Resolution**

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an action by us to collect payment of our invoices, Wipfli and Client



agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

**12. Governing Law**

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

**13. Severability**

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

**14. Notices**

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at [wipfli-legal@wipfli.com](mailto:wipfli-legal@wipfli.com).

**15. Electronic Signature**

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

**16. Record Retention**

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

**17. Assignment**

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control

of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.





**18. Force Majeure**

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.

<b>Title</b>	Timnath Lakes Engagement Letter for 2022 Audit
<b>File name</b>	Timnath Lakes Met...gement Letter.pdf
<b>Document ID</b>	68b6b956fd8bb9d06cbb3b1c20163314b77dfb54
<b>Audit trail date format</b>	MM / DD / YYYY
<b>Status</b>	● Signed

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## Document History

 SENT	<b>04 / 03 / 2023</b> 18:16:41 UTC	Sent for signature to Janis L. Emanuel (jmanuel@catellus.com) from lloften@sdmsi.com IP: 50.78.200.153
 VIEWED	<b>04 / 03 / 2023</b> 19:04:04 UTC	Viewed by Janis L. Emanuel (jmanuel@catellus.com) IP: 173.8.249.62
 SIGNED	<b>04 / 03 / 2023</b> 19:05:02 UTC	Signed by Janis L. Emanuel (jmanuel@catellus.com) IP: 173.8.249.62
 COMPLETED	<b>04 / 03 / 2023</b> 19:05:02 UTC	The document has been completed.

**NOTICE TO TITLE COMPANIES: THE FOLLOWING RESOLUTION IMPOSES FEES WHICH, UNTIL PAID, CONSTITUTE A STATUTORY AND PERPETUAL LIEN ON AND AGAINST THE PROPERTY SERVED. CONTACT THE MANAGER OF THE DISTRICT, SPECIAL DISTRICT MANAGEMENT SERVICES, AT (303) 987-0835 TO VERIFY PAYMENT.**

**RESOLUTION NO. 2023-\_\_-\_\_**

**JOINT RESOLUTION OF THE BOARD OF DIRECTORS  
OF TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 AND TIMNATH LAKES  
METROPOLITAN DISTRICT NO. 3  
REGARDING THE IMPOSITION OF DISTRICT RESIDENTIAL FEES**

A. Timnath Lakes Metropolitan District No. 1 (“**District No. 1**”) and Timnath Lakes Metropolitan District No. 3 (“**District No. 3**” and together with District No. 1, the “**Districts**”) are quasi-municipal corporations and political subdivisions of the State of Colorado located in the Town of Timnath (the “**Town**”), Colorado.

B. The Districts operate pursuant to their Consolidated Amended and Restated Service Plan, approved by the Town of Timnath (“**Town**”) on September 10, 2019 (“**Service Plan**”).

C. District No. 1’s boundaries are described in the legal description attached hereto as **Exhibit A**, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from District No. 1 (the “**District No. 1 Property**”).

D. District No. 3’s boundaries are described in the legal description attached hereto as Exhibit B, which legal description may be amended from time to time, pursuant to the inclusion and/or exclusion of property into or from District No. 3 (the “**District No. 3 Property**” and together with the District No. 1 Property, the “**Property**”).

E. The Districts, pursuant to their Service Plan is authorized to plan for, design, acquire, construct, install, relocate, redevelop, finance and provide for the operation and maintenance of certain street improvements, safety protection improvements, park and recreation improvements and related irrigation systems, television relay and translator facilities, and mosquito and pest control systems (the “**District Improvements**”).

F. The Property will benefit from the District Improvements and the Districts’ operation and maintenance of the same.

G. The Districts are authorized pursuant to Section 32-1-1001(1)(j)(I), C.R.S., and their Service Plan to fix fees and charges for capital costs and operation and maintenance costs.



H. The Districts have determined that, to meet the costs associated with the District Improvements and the cost of operating and maintaining the District Improvements, it is necessary to impose an Operations Fee and a Working Capital Fee on the Property.

I. Certain portions of the Property will receive additional services from the Districts, and accordingly, such portions will be subject to Supplemental Fees to pay for such additional services as more fully set forth below.

J. District No. 1 previously adopted Resolution No. 2020-11-06, Resolution of the Board of Directors of Timnath Lakes Metropolitan District No. 1 Regarding the Imposition of District Fees, which was recorded in the real property records of Larimer County, Colorado, at Reception No. 20210001579 (the “**Previous Resolution**”).

K. Since District No. 1’s adoption of the Previous Resolution, the costs to operate and maintain the District Improvements has increased and additional District Improvements have been constructed, with more presently under construction, for which the Districts have responsibility to own, operate, repair, replace and maintain, and, therefore, a related increase in the amount of fees imposed on the District No. 1 Property and an imposition of the fees on the District No. 3 Property is necessary.

L. District No. 1 hereby amends and restates the Previous Resolution in its entirety through the adoption of this Resolution in order to increase the amount of fees imposed on the District No. 1 Property.

M. District No. 3 hereby adopts this Resolution to impose the fees on the District No. 3 Property.

N. As required by the Service Plan, the fees have been reviewed and approved by the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 AND THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 3, LARIMER COUNTY, COLORADO, AS FOLLOWS:

1. The Board of Directors of District No. 1 hereby amends and restates the Previous Resolution in its entirety.

2. The Boards of Directors of the Districts hereby find, determine, and declare that it is in the best interests of the Districts, their inhabitants, and taxpayers to exercise their power by imposing the following fees:

(a) Operations Fee.

(i) The Boards hereby impose an Operations Fee (the “**Operations Fee**”) in the amount of \$160.00 per month on each residential dwelling unit, whether attached to, or detached from, other dwelling units (each, a “**Dwelling Unit**”) within the Districts. The Districts reserve the right to amend this resolution in the future to increase or decrease the

amount of the Operations Fee. The effective date of the increased Operations Fee shall be July 1, 2023 for any existing Dwelling Unit. The Operations Fee shall commence with respect to any other Dwelling Unit on the date that the Dwelling Unit is conveyed from a home builder to an “End User.” As used herein, an “**End User**” is an owner, or tenant of any owner, of any taxable improvement within the District who is intended to become burdened by the imposition of ad valorem property taxes. By way of illustration, a resident, homeowner, renter, commercial property owner or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User. Any Operations Fee shall be prorated for the calendar quarter in which the sale occurs.

(ii) The Operations Fee shall be paid in quarterly amounts of \$\_\_\_\_\_ per calendar quarter invoiced on each January 1<sup>st</sup>, April 1<sup>st</sup>, July 1<sup>st</sup> and October 1<sup>st</sup> and due on each January 25<sup>th</sup>, April 25<sup>th</sup>, July 25<sup>th</sup> and October 25<sup>th</sup>. An invoice for the Operations Fee payable for each calendar quarter will be mailed to each property owner (“**Owner**”) thirty (30) days prior to the final due date (the “**Bill Date**”). If payment in full is not received by the 30<sup>th</sup> day following the Bill Date (the “**Past Due Date**”), the fee is deemed past due and otherwise outstanding. A “Reminder Notice” may be, but is not required to be, sent at such time.

(b) Timnath Lakes Filings 6 and 8 Supplemental Fees.

(i) In addition to the Operations Fee, Dwelling Units located in Timnath Lakes Filings 6 and 8 are subject to supplemental fees for special services as set forth on **Exhibit C** attached hereto and incorporated herein by reference (the “**Supplemental Fees**”). The Supplemental Fee shall be due and payable at the same time and in the same manner as the Operations Fee as set forth above.

(c) Working Capital Fee.

(i) The Boards hereby determine that in order to offset administrative costs associated with a transfer of ownership of any Dwelling Unit located within the Property, the Districts shall impose a one-time working capital fee (the “**Working Capital Fee**” and, collectively with the Operations Fee and Supplemental Fees (if applicable), the “**Fees**”) in the amount of \$300.00 per Dwelling Unit and shall be due and payable by the home builder at the time of the first sale or transfer of any Dwelling Unit which has a certificate of occupancy from the home builder to the first homeowner.

4. Failure to make payment of any Fees due hereunder shall constitute a default in the payment of such Fees. Upon default, Owner shall be responsible for a late payment fee (“**Late Payment Fee**”) in an amount not to exceed that allowed by Section 29-1-1102, C.R.S., which is currently the greater of \$15.00 per late payment or five percent (5%) per month or fraction thereof not to exceed a total of twenty-five percent (25%) of the amount due.

5. If the Owner does not make payment of all past due amounts, including the Late Payment Fee (the “**Delinquent Balance**”), within 60 days from the Past Due Date, the District may deliver to the Owner a Notice of Intent to File a Lien Statement (a “**Lien Notice**”). The Lien Notice shall give notice to the Owner that the applicable District intends to perfect its lien

against the Property by recording a Lien Statement in the office of the Larimer County Clerk and Recorder if the Delinquent Balance is not paid in full within thirty (30) days after said Lien Notice is served upon Owner by certified mail, return receipt requested, pursuant to Section 38-22-109(3), C.R.S.

6. The Fees shall not be imposed on real property actually conveyed or dedicated to non-profit owners' associations, governmental entities or utility providers.

7. The Fees shall constitute a statutory and perpetual charge and lien upon the Property pursuant to Section 32-1-1001(1)(j), C.R.S., from the date the same becomes due and payable until paid. The lien shall be perpetual in nature as defined by the laws of the State of Colorado on the Property and shall run with the land and such lien may be foreclosed by the applicable District in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens. This Resolution shall be recorded in the real property records of the Clerk and Recorder of Larimer County, Colorado.

8. The Districts shall be entitled to institute such remedies and collection proceedings as may be authorized under Colorado law, including, but not limited to, foreclosure of their perpetual lien. The defaulting Owner shall pay all costs, including attorney fees, incurred by the applicable District in connection with the foregoing. In foreclosing such lien, the applicable District will enforce the lien only to the extent necessary to collect the Delinquent Balance and costs of collection (including, but not limited to, reasonable attorney fees).

9. Judicial invalidation of any of the provisions of the Resolution or of any paragraph, sentence, clause, phrase or word herein, or the application thereof in any given circumstances shall not affect the validity of the remainder of the Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

10. Any inquiries pertaining to the Fees may be directed to the Districts' Manager at: Ann Finn, Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228, phone number: 303-987-0835.

11. This Resolution shall take effect immediately upon its adoption and approval.

**[SIGNATURE PAGE FOLLOWS]**

[SIGNATURE PAGE TO RESOLUTION NO. 2023-\_\_\_\_ - \_\_\_\_]

APPROVED AND ADOPTED THIS \_\_\_\_ day of \_\_\_\_\_, 2023.

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

By: \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_  
President

Attest:

By: \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Legal Description of the District No. 1 Property**

**EXHIBIT B**

**Legal Description of the District No. 3 Property**

**EXHIBIT C**

**SUPPLEMENTAL FEES**

<p><b>Filing 6 Supplemental Fee</b></p> <p><b>Timnath Landing Filing No. 6</b> Lots 1 through 13, inclusive, Block 1; Lots 1 through 64, inclusive, Block 2; Lots 1 through 23, inclusive, Block 3; and Lots 1 through 18, inclusive, Block 4; Timnath Landing Filing No. 6, as recorded September 9, 2021 at Reception No. 20210084828, County of Larimer, State of Colorado.</p> <p><b>Timnath Landing Filing No. 6 - Amendment No. 1</b> Lots 65 through 71, inclusive, Block 2; Timnath Landing Filing No. 6 – Amendment No. 1, as recorded July 15, 2022 at Reception No. 20220044440, County of Larimer, State of Colorado.</p>	<p><b>Snow removal on non-Town owned roads and sidewalks, maintenance and repair of non-Town owned roads and sidewalks, front yard landscaping and irrigation maintenance, including cost of irrigation water</b></p>	<p><b>\$_____ per month</b></p>
<p><b>Filing 8 Supplemental Fee</b></p> <p><b>Timnath Landing Filing No. 8</b> Lots 1 through 12, inclusive, Block 1; Lots 1 through 18, inclusive, Block 2; Lots 1 through 11, inclusive, Block 3; and Lots 1 through 16, inclusive, Block 4; Timnath Landing Filing No. 8, as recorded March 10, 2022 at Reception No. 20220016091, County of Larimer, State of Colorado.</p>	<p><b>Non-Town owned alley snow removal, maintenance and repair</b></p>	<p><b>\$_____ per month</b></p>

\_\_\_\_\_, 2023

**VIA EMAIL**

Town of Timnath  
Attn: Aaron Adams, Town Manager  
4750 Signal Tree Drive  
Timnath, CO 80547  
aadams@timnathgov.com

Town of Timnath  
Attn: Milissa Peters-Garcia, Town Clerk  
4750 Signal Tree Drive  
Timnath, CO 80547  
mpeters@timnathgov.com

Re: Timnath Lakes Metropolitan District Nos. 1-6

Dear Mr. Adams and Ms. Peters-Garcia:

McGeady Becher P.C. is District Counsel to the Timnath Lakes Metropolitan District Nos. 1-6 (the “**Districts**”), formerly known as Timnath Farms North Metropolitan Districts Nos. 1-6, that operate pursuant to that certain Consolidated Amended and Restated Service Plan for the Districts approved by the Town of Timnath (“**Town**”) on September 10, 2019 (“**Service Plan**”). Pursuant to the Service Plan, fees, fee increases, and intergovernmental agreements are subject to the Town’s review and approval. In addition, the inclusion of property into the boundaries of a District is also subject to prior notice to the Town. As more fully described below, the following are submitted to the Town: (a) a Petition for Inclusion of Property into District No. 1; (b) District No. 1 and District No. 3 hereby submit a draft resolution regarding the imposition of residential district fees; (c) District No. 2 hereby submits a draft resolution to impose a commercial district fee; (d) the Districts hereby submit a draft intergovernmental agreement to create the Timnath Lakes Community Authority (defined herein); and (e) the Districts propose to amend the Service Plan to expressly allow for the construction, relocation, operation, maintenance and repair of ditches and dams, including, but not limited to, the Akin Lateral Irrigation Ditch (defined herein). All capitalized words not defined herein shall have the meaning set forth in the Service Plan.

**I. PETITION FOR INCLUSION**

Per Section V.A.6. of the Service Plan, the Districts are required to provide the Town advance notice prior to including any property inside the “Inclusion Area Boundaries” which the Service Plan defines as, “the boundaries of the area described in the Inclusion Area Boundary Map which depicts only property contained within the Project as outlined in the Approved Development Plan.” District No. 1 has received a Petition for Inclusion from CAC Timnath, LLC to include two tracts into the boundaries of District No. 1. The property proposed to be included into District No. 1 is within the Inclusion Area Boundaries and is intended to correct



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Attn: Aaron Adams, Town Manager  
Attn: Milissa Peters-Garcia, Town Clerk  
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certain boundary inconsistencies (the current District No. 1 boundary only includes a portion of the Tracts NOT the entire Tracts).

District No. 1 will hold a public hearing on \_\_\_\_\_, 2023 to consider this Petition. If approved by the Board of Directors for District No. 1, please consider this satisfaction of our advance notice to the Town of the proposed inclusion as required by the Service Plan.

## **II. FEES**

As required by Article V.A.11 of the Service Plan, we have included for your review, as **Attachment A-1**, two proposed Resolutions regarding fees. Per the Service Plan, any fees and proposed increase in fees shall be subject to review and written approval by the Town, either administratively or by formal action of the Town Council, at the direction of the Town Manager. If the Town does not respond to a request for the imposition of a fee or increase in fee within thirty (30) days of receipt of a written request, the Town shall be deemed to have waived its approval authority with respect to the request fee or an increase in fee.

**A. Residential Fees.** District No. 1 and District No. 3, which are residential districts, serves in lieu of an HOA for a portion of the Timnath Lakes Development. District No. 1 is currently imposing operations fees in the amount of \$70 per month (the “**Current Fee**”). District No. 1 submitted the Current Fee to the Town prior to its imposition and the Current Fee was deemed approved in that the Town did not object to it within thirty (30) days. District No. 3 has not yet adopted a Resolution imposing fees. At the time the Current Fee was established, it only took into consideration operations and maintenance costs for improvements that were constructed at the time. As development of the Community has continued and increased, **additional** public improvements to be owned and maintained by the Districts have been completed and more are presently under construction. After performing an analysis of the amount of operations revenue that is required as a result of the new amenities and improvements within the Timnath Lakes Development, it was determined that the Current Fee needs to increase and also be imposed on the homeowners and residents within **all** residential districts at such time as those residential districts develop, including, District No. 3. The proposed increase is to \$160 per month (the “**Residential Fee**”). The Residential Fee pays for operational costs associated with the community improvements, that benefit all homeowners within District No. 1 and District No. 3, including, but not limited to, the lakes, drainage and detention facilities, open space, trails, park and recreation as well as covenant enforcement and administrative costs, as more fully described on **Exhibit A** attached hereto and incorporated herein by reference. The increase from the Current Fee to the Residential Fee is being made to ensure that there will be sufficient revenue to cover operating costs of the substantial amenities being provided and to minimize recurring substantial annual increases to the fee structure. We believe this provides transparency to current and future homeowners of the costs associated with the operations and maintenance of community improvements. There are also supplemental fees in the amounts of

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Attn: Aaron Adams, Town Manager  
Attn: Milissa Peters-Garcia, Town Clerk  
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\$\_\_\_\_\_ paid by the residents within Filing 6, and \$\_\_\_\_\_ paid by residents within Filing 8 to pay for additional services that provide specific and exclusive benefits to those residents (the “**Supplemental Fees**”). Lastly, there is also a one-time fee payable at each house closing in the amount of \$300 that will help build up reserves and serve as a working capital fee. The foregoing one-time fee is imposed upon builders and accordingly not payable by the residents. The \$300 fee is applicable to all lots within District No. 1 and District No. 3.

We respectfully request that the Town Manager consent to the Resolution adopting the amendment of the Residential Fees provided therein. Included, as **Attachment A-2**, is a signature page for acknowledgment and consent of the Residential Fees. If we do not receive consent or denial within thirty (30) days from the date hereof, pursuant to the Service Plan consent will be deemed granted.

**B. Imposition of Commercial Fee.** District No. 2 is a commercial district. The proposed imposition of a commercial fees in the amount of \$\_\_\_\_\_ per acre paid quarterly to pay for operations, maintenance, and design review with respect to properties and public improvements located within the commercial district as well as a commercial fee of \$\_\_\_\_\_ per acre also paid quarterly to contribute toward the cost to maintain community wide improvements, that benefit all taxpayers and residents within the Timnath Lakes Development, such as the lakes, trails and park and recreational improvements.

We respectfully request that the Town Manager consent to the Resolution adopting the imposition of Commercial Fees provided therein. Included, as **Attachment A-2**, is a signature page for acknowledgment and consent of the Commercial Fees. If we do not receive consent or denial within thirty (30) days from the date hereof, pursuant to the Service Plan consent will be deemed granted.

### **III. INTERGOVERNMENTAL AGREEMENT**

We have included for your review, as **Attachment B-1**, the proposed Timnath Lakes Community Authority Establishment Agreement (“**IGA**”) by and between the Districts. Per Article X of the Service Plan, all intergovernmental agreements must be submitted to the Town for review and approval by the Town before execution by the Districts.

Pursuant to Section 29-1-203.5, C.R.S., metropolitan districts may contract with one another under Section 29-1-203, C.R.S. to establish a separate legal entity to provide public improvements as a political subdivision and public corporation of the State of Colorado. The purpose of the IGA is to create a Community Authority (the “**Authority**”) which shall be responsible for the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing the Public Improvements (except to the extent any particular components of the planning, designing, acquiring, constructing, installing, relocating, or redeveloping of the Public Improvements are completed by the Developer prior to the Authority taking ownership and

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Attn: Milissa Peters-Garcia, Town Clerk  
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control of such Public Improvements) and which will provide services authorized by the Service Plan, and to which each District shall transfer certain revenues received by such respective District in order to fund the Actual Capital Costs (if applicable) and the Actual Operations and Maintenance Costs.

As you are aware, the Timnath Lakes Development is a large master-planned community with a variety of uses including both residential and commercial. Since there are amenities and improvements that benefit both the residential and commercial portions of the Timnath Lakes Development, the formation of the Authority will allow for a more representative government. It is intended that each of the six Districts will be entitled to appoint a board member to the Authority Board. This will allow for the Authority to have representatives from both the residential and commercial portions of the Timnath Lakes Development to be able to have a voice concerning the amenities, programming and operational matters. Further, formation of the Authority to own and operate all such improvements and amenities will provide for a consistent level of services in terms of timing, construction, use and maintenance of public improvements across all Districts. Such coordinated services will create a centralized cost center with a more efficient method to contract for services taking advantage of economies of scale. Finally, the Authority will provide an easier transition to the residents and taxpayers at buildout with a path to a potential reduction in the number of Districts at such time as debt is retired by allowing the Districts to consolidate or dissolve. As required by the Service Plan we respectfully request that the Town Manager consent to the IGA. Included, as **Attachment B-2**, is a signature page for acknowledgment and consent of the IGA.

#### **IV. FIRST AMENDMENT TO SERVICE PLAN**

We are submitting, as **Attachment C**, the proposed First Amendment to the Service Plan (“**First Amendment**”) which expressly provides that the Districts have the power and authority to plan, design, acquire, construct, install, relocate, redevelop, and finance the ditches, dams, ditch laterals, including, the Akin Lateral Ditch (“**Akin Lateral**”) as a Public Improvement.

In anticipation of submitting this proposed First Amendment to the Town, each District held an election on May 3, 2022 for the limited purpose of approving debt associated with a multiple fiscal year obligation pertaining to operations and maintenance of the Akin Lateral. The Debt Election Questions (defined below) passed in every District except District No. 1.

Pursuant to Section VI.B. of the Service Plan, prior to any election to authorize the issuance of debt, each district is required to provide an opinion to the Town opining that the requirements in the Service Plan have been satisfied. On March 5, 2022 we submitted an opinion letter providing the Town with the two election questions (“**Debt Election Questions**”) for the limited purpose of approving debt associated with a multiple fiscal year obligation pertaining to operations and maintenance of the Akin Lateral and opining that the Debt Election Questions met the requirements of the Service Plan.

Town of Timnath

Attn: Aaron Adams, Town Manager

Attn: Milissa Peters-Garcia, Town Clerk

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Please let us know the steps to proceed to a public hearing on the First Amendment and we will work with the Town to ensure that all publications and mailings are timely made. I will be in touch regarding setting up a conference call to discuss the First Amendment and the other submissions addressed in this letter.

Thank you for all your help and assistance. We appreciate it.

Very truly yours,

Paula Williams

Enclosure(s)

c: Carolyn R. Steffl, Esq., Town Attorney  
csteffl@dietzedavis.com

**FIRST AMENDMENT TO THE CONSOLIDATED AMENDED AND RESTATED  
SERVICE PLAN**

**FOR**

**TIMNATH LAKES METROPOLITAN DISTRICT NOS. 1-3**

**AND**

**FIRST AMENDMENT TO THE SERVICE PLAN**

**FOR**

**TIMNATH LAKES METROPOLITAN DISTRICT NOS. 4-6**

**TOWN OF TIMNATH, COLORADO**

Prepared

By

McGeady Becher P.C.  
450 E. 17th Avenue, Suite 400  
Denver, Colorado 80203

Approved: \_\_\_\_\_

## **Article I.     PURPOSE AND INTENT**

Timnath Lakes Metropolitan District Nos. 1-3 (“**District Nos. 1-3**”), *formerly known as Timnath Farms North Metropolitan Districts Nos. 1, 2, and 3*, were organized pursuant to individual Service Plans, as approved by the Town of Timnath (“**Town**”) on March 1, 2006 and amended by a Consolidated Amended and Restated Service Plan, approved by the Town on September 10, 2019 by Resolution No. 51, Series 2019, as it may be amended from time to time (“**Service Plan**”). This Service Plan also authorized the organization of Timnath Lakes Metropolitan District Nos. 4-6, *formerly known as Timnath Farms North Metropolitan Districts Nos. 4, 5, and 6* (“**District Nos. 4-6**” and together with District Nos. 1-3, the “**Districts**”).

The First Amendment includes ditch laterals, dams and improvements, including, but not limited to, the Akin Lateral Irrigation Ditch (“**Akin Lateral**”) as a Public Improvement. As a result of including ditch laterals, dams and improvements, including the Akin Lateral as a Public Improvement in the Service Plan, the Districts are authorized to plan, design, acquire, construct, install, relocate, redevelop, and finance ditch laterals, dams and improvements, including, but not limited to, the Akin Lateral.

The Service Plan requires the Districts to dedicate Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. For those Public Improvements not otherwise required to be dedicated to the Town or other public entity, the Districts shall be authorized, but not obligated, to own, operate and maintain those Public Improvements. This First Amendment to the Service Plan specifically authorizes the Districts to provide long term operations and maintenance of any ditch laterals, dams and improvements, including, but not limited to, the Akin Lateral, resulting in a modification to the Service Plan.

This First Amendment modifies Article II.

A.     Article II. The definition of Public Improvements in Article II of the Service Plan is hereby deleted and replaced in its entirety with the following:

“Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, including, but not limited to those listed on **Exhibit E** attached hereto and incorporated herein by reference, except as specifically limited in Section V below, to serve the future taxpayers and inhabitants of the Service Area as determined by the Boards of the Districts. Public Improvements expressly includes installation or relocation of any portion of ditches, dams and ditch improvements, including, but not limited to, the Akin Lateral, including design, planning and financing of underground piping of the Akin Lateral. For purposes hereof, the Akin Lateral is that certain ditch that extends from the headgate on the Lake Canal through a Parshall flume located in the SW ¼ Section 25, T7N, R68W, 6<sup>th</sup> P.M. From there, the Lateral extends in a southwesterly direction across the SW ¼ of Section 25, then across the

NW ¼ of Section 36, and then across the Property in the NE ¼, the NW ¼ and the SW ¼ of Section 35, T7N, R68W, 6<sup>th</sup> P.M., and then continues on to properties in Sections 2 and 11, T6N, R68W, 6<sup>th</sup> P.M.”

B. Article V, A.1. Article V, Section A.1. of the Service Plan is hereby deleted and replaced in its entirety with the following:

“1. Operations and Maintenance Limitation.

The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the Town and applicable provisions of the Town Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements, not otherwise required to be dedicated to the Town or other public entity. **The Districts are authorized to provide long term maintenance, repair and replacement obligations of ditches, dams and ditch improvements, including, but not limited to, the Akin Lateral, and such obligations shall remain with the Districts and shall not be dedicated to the Town.** All parks and trails shall be open to the general public, including Town residents who do not reside in the Districts, free of charge.”

C. All provisions of the Service Plan, not expressly modified by this First Amendment, remain unchanged and in full force and effect.

In the event of any express conflict of inconsistency between the terms of the Service Plan and this First Amendment, this First Amendment shall control and govern.

**TIMNATH LAKES COMMUNITY AUTHORITY ESTABLISHMENT AGREEMENT**

**BY AND BETWEEN**

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 3  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 4  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 5  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 6**

**DATED AND EFFECTIVE: \_\_\_\_\_, 2023**



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## TIMNATH LAKES COMMUNITY AUTHORITY ESTABLISHMENT AGREEMENT

**THIS TIMNATH LAKES COMMUNITY AUTHORITY ESTABLISHMENT AGREEMENT** (“**Establishment Agreement**”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023, by and between **TIMNATH LAKES METROPOLITAN DISTRICT NO. 1** (“**District No. 1**”), **TIMNATH LAKES METROPOLITAN DISTRICT NO. 2** (“**District No. 2**”), **TIMNATH LAKES METROPOLITAN DISTRICT NO. 3** (“**District No. 3**”), **TIMNATH LAKES METROPOLITAN DISTRICT NO. 4** (“**District No. 4**”), **TIMNATH LAKES METROPOLITAN DISTRICT NO. 5** (“**District No. 5**”), and **TIMNATH LAKES METROPOLITAN DISTRICT NO. 6** (“**District No. 6**”) (each a “**District**” and collectively, the “**Districts**”), all being quasi-municipal corporations and political subdivisions of the State of Colorado. Capitalized terms used but not otherwise defined shall have the meanings set forth for them in Section 2.1 below.

### RECITALS

A. The Districts were organized pursuant to the Service Plan approved by the Town Council of the Town of Timnath, State of Colorado.

B. Pursuant to the Colorado Constitution, Article XIV, Sections 18(2)(a) and (b), and Section 29-1-203, C.R.S., metropolitan districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt.

C. Pursuant to Section 29-1-203.5, C.R.S., metropolitan districts may contract with one another under Section 29-1-203, C.R.S. to establish a separate legal entity to provide public improvements as a political subdivision and public corporation of the State of Colorado.

D. The Districts exist for the purpose of planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing the Public Improvements to the fullest extent authorized in the Service Plan.

E. The Service Plan contemplates that the Districts, with the approval of their electors, would enter into one or more intergovernmental agreements between and/or among the Districts to specify the rights and responsibilities concerning the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements and the provision of services in the development to be served by the Districts.

F. In accordance therewith, District No. 1, District No. 2 and District No. 3 entered into that certain Memorandum of Understanding, dated October 27, 2015 (the “MOU”), which MOU was intended to initially establish the cooperative relationship between District No. 1, District No. 2 and District No. 3 with respect to the funding of the Public Improvements prior to the time the FFCOA (defined below) could be finalized and prior to the consolidation amendment, and restatement of the Service Plan.

G. On November 9, 2020, the districts entered into that certain Facilities Funding, Construction and Operations Agreement (the “FFCOA”), whereby the Districts agreed that District No. 6 would serve as the “Maintenance District” for purposes of maintaining, repairing, replacing, and operating those Public Improvements not dedicated to the Town, as well as provide the overall administration for the Districts. The Districts desire for the FFCOA to be superseded by this Establishment Agreement and any services provided by the Maintenance District to now be provided by the Authority (defined below).

H. At elections of the qualified electors of each of the Districts, in accordance with law and pursuant to due notice, a majority of those qualified to vote and voting at such elections, voted in favor of the Districts entering into intergovernmental agreements. To the extent that this Establishment Agreement, as an intergovernmental agreement, constitutes a Multiple-Fiscal Year Financial Obligation of one or more of the Districts, the same has received voter approval in such elections.

I. The Service Plan describes certain Public Improvements to be financed in accordance with general plans of finance described or permitted in the Service Plan, from either: (1) revenues received from Fees collected by the Districts; (2) the imposition of mill levies by the Districts; or (3) the proceeds of Debt and other available revenues (including Developer Advances).

J. The Districts agree that the Public Improvements are needed by the Districts and that such Public Improvements will benefit the residents and property owners in the Districts in terms of cost, quality, and level of service.

K. The Districts desire to establish the Timnath Lakes Community Authority (the “**Authority**”), which shall be responsible for the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing the Public Improvements (except to the extent any particular components of the planning, designing, acquiring, constructing, installing, relocating, or redeveloping of the Public Improvements are completed by the Developer prior to the Authority taking ownership and control of such Public Improvements) and which will provide services authorized by the Service Plan, and to which each District shall transfer certain revenues received by such respective District in order to fund the Actual Capital Costs (if applicable) and the Actual Operations and Maintenance Costs.

L. The Districts acknowledge there are some Public Improvements and services that benefit the entirety of the Development (such as, without limitation, the lakes, augmentation pond, spine infrastructure and recreational elements available to all residents and taxpayers within the Development) and some Public Improvements and services that benefit only a portion of the Development (such as, without limitation, alley maintenance and shared driveway maintenance) and, as such, the Authority Board will direct the applicable District to impose and collect Fees from property owners in such amounts as determined by the Authority Board to reasonably reflect such benefits and, the applicable District(s) shall remit such Fees to the Authority to cover those specific services, or alternatively, the Authority and the applicable District will adopt a Joint Resolution that imposes such Fees and provides for the same to be remitted directly to the Authority.

M. Each District has agreed that the Authority will be responsible for the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements throughout the Districts' Service Area pursuant to the Long-Term Capital Improvements Plan benefiting the Districts, and that each of the Districts will contribute to the costs of planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing the Public Improvements, all as set forth and subject to the limitations set forth below.

N. It is the purpose of this Establishment Agreement to bind the Districts concerning capital expenditures and operation and maintenance expenses so that the cost of providing facilities and services to the entire Development (as defined herein) will be shared by the taxpayers in the Districts' Service Area under the numerous circumstances which could occur in the future.

O. It is the intent of the Districts that the Authority shall have the authorization, but not the obligation, to issue Debt, from time to time, for the financing of the Public Improvements as set forth herein.

P. It is the intent of the Districts that the Authority shall enter into contracts to plan, design, construct, and acquire the Public Improvements or to cause such things to occur.

Q. It is the intent of the Districts that the amount of any bonds issued by the Authority, or any District, will be based upon estimates of the capital costs of the Public Improvements as they are and will be needed to support the development within the Service Area, including the Development, plus reserve funds, capitalized interest, legal fees, and any other costs associated with the financing or refinancing of the bonds.

R. The Districts agree that the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, and reimbursing for the Public Improvements will be financed by taxes imposed by each of the Districts for such purposes, as well as by the imposition of Fees by the Districts and/or the Authority pursuant to Fee Resolutions.

S. The Districts desire to set forth their agreement regarding the implementation of guidelines and objectives set forth in the Service Plan for the financing, construction, and operation and maintenance of the Public Improvements and services described in the Service Plan. The Developer recorded a certain Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Residential) on October 29, 2020, at Reception No. 20200089595 in the real property records of the County relating to some of the residential portions of the Development within the Service Area (as amended from time to time, the "**Residential Declaration**").

T. The Developer recorded a certain Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Commercial) on March 3, 2022, at Reception No. 20220014343 in the real property records of the County relating to some of the commercial portions of the Development within the Service Area (as amended from time to time, the

**“Commercial Declaration”** and collectively with the Residential Declaration, the **“Declarations”**).

U. Each of the Declarations established an “Architectural Control Committee,” or “ACC,” for the purpose of regulating the design and uses of development within portions of the Development. The Declarations expressly acknowledge one another and contemplate that the ACC created under each of the Declarations may work together as one and the same ACC for all purposes.

V. The Developer is the “Appointing Authority” under the Declarations and therefore has the power to appoint all members of each ACC. The Declarations contemplate that the Developer may delegate all of its powers and functions as the Appointing Authority to District No. 2 (as to the Commercial Declaration) and District No. 6 (as to the Residential Declaration) or directly to any of the other Districts, to another special district, or to an authority organized and authorized pursuant to Title 29, C.R.S. The Districts anticipate that the Developer will make such delegation to the Authority at a future date.

W. Under the Declarations, District No. 2 (as the “District” under the Commercial Declaration) and District No. 6 (as the “District” under the Residential Declaration) have certain rights, powers and reservations relating to enforcement of design control and use requirements and restrictions within the Development.

X. The Declarations grant District No. 2 (as to the Commercial Declaration) and District No. 6 (as to the Residential Declaration) the right to assign all of their respective rights, powers and reservations contained in the Declarations to any of the other Districts, to another special district, or to an authority organized and authorized pursuant to Title 29, C.R.S. In accordance therewith, and to promote efficient administration and enforcement of the Declarations, District No. 2 (as to the Commercial Declaration) and District No. 6 (as to the Residential Declaration) intend to assign all of their respective rights, powers and reservations contained in the Declarations to the Authority and, if the Developer delegates its powers and functions as the Appointing Authority to such Districts, they intend to further delegate or assign the same to the Authority, it being intended that the Authority will eventually be the sole Appointing Authority.

Y. It is the intention of the Districts that, from and after the date of this Establishment Agreement, the Authority shall coordinate the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements (except to the extent any particular components of the planning, designing, acquiring, constructing, installing, relocating, or redeveloping of the Public Improvements are completed by the Developer prior to the Authority taking ownership and control of such Public Improvements). Accordingly, the Districts agree that the Authority shall enter into one or more agreements with District No. 6 pursuant to which District No. 6 will assign certain contractual rights to the Authority to allow the Authority to coordinate the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements and that nothing in this Establishment



Agreement is intended to limit the authority of District No. 6, or the Authority to enter into such agreements.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants in this Establishment Agreement, the Districts agree as follows:

## **ARTICLE I GENERAL PROVISIONS**

1.1 Interpretation. This Establishment Agreement shall be subject to the following rules of interpretation:

(a) The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms, refer to this Establishment Agreement as a whole, including all exhibits, addendums, and amendments, and not to any particular article, section, or subdivision of this Establishment Agreement unless otherwise specifically stated to the contrary.

(b) All definitions and terms shall include both the singular and the plural, and all capitalized words or terms shall have the definitions set forth in the Recitals and Section 2.1.

(c) The captions or headings of this Establishment Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provision, article, or section of this Establishment Agreement.

(d) The term “and” can mean “or” and the term “or” can mean “and” in any provision, article, or section of this Establishment Agreement.

1.2 Effective Date and Term. This Establishment Agreement shall be effective as of the Effective Date and shall continue to be in full force and effect unless all Districts agree to terminate this Establishment Agreement. Provided, however, that this Establishment Agreement shall not be terminated if the Authority has outstanding Debt. Prior to termination of this Establishment Agreement, another governmental entity must assume the Public Improvements owned, and the services performed, by the Authority.

1.3 Purpose and Scope of Establishment Agreement. This Establishment Agreement shall be governed, in general, by the following provisions in this Section 1.3. The Districts agree that the statements of intention set forth in this Section 1.3 are essential to the proper interpretation of this Establishment Agreement and are intended to clarify the general intent of specific provisions contained in this Establishment Agreement. The following statements are illustrative of the Districts’ intentions and while they are to be used to construe and govern this Establishment Agreement, the statements are not intended to constitute an inclusive statement of the intentions of the Districts. Reference shall also be made to the Service Plan for the purpose of construing this Establishment Agreement.

(a) The Service Plan describes the individual Districts and contemplates that the Districts will provide services and Public Improvements to serve the Development. The ability of the Districts to effectively coordinate the provision of and financing of the Public Improvements and services set forth in the Service Plan will serve to effectuate the development

of the Service Area, including the Development, in accordance with the land use regulations and development standards of the County and Town, as applicable. Nothing in this Establishment shall serve to narrow the scope of the Authority's ability to act under the Service Plan, it being intended that all powers vested in the Districts under the Service Plan are assigned to the Authority pursuant to this Establishment Agreement.

(b) The Districts intend to cooperate with one another, with the Authority, and with the Developer to effectuate the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements and services in a manner that is allocated among the Districts and the residents and taxpayers of the Districts.

(c) The Districts shall be responsible for the Multiple-Fiscal Year Financial Obligation as set forth in this Establishment Agreement to fund the Actual Operations and Maintenance Costs and Actual Capital Costs.

(d) The Districts acknowledge and agree that only the Districts, the Authority, and to the extent provided herein, the Developer, have the right to enforce this Establishment Agreement. It is expressly declared by the Districts that no other person or entity shall be construed as a third-party beneficiary of this Establishment Agreement.

1.4 Addition of Members. Any metropolitan district organized pursuant to the Act to serve a part of the Service Area may become a party to this Establishment Agreement upon its request therefor, the agreement of the majority votes of the Authority Board and the requesting district's board of directors, and the requesting district's execution of an amendment to this Establishment Agreement.

1.5 Inactive Status and Return to Active Status. The Districts acknowledge that one or more of the Districts may elect to become inactive pursuant to the Act, and may determine to remain inactive, in any one or more of the years this Establishment Agreement is in effect; provided, however, prior to electing inactive status, the majority of votes of the Authority Board must consent to such District electing inactive status.

1.6 Incorporation of Recitals. The Recitals set forth above are incorporated into the body of this Agreement by this reference.

## **ARTICLE II DEFINITIONS**

2.1 Definitions. As used in this Establishment Agreement, unless the context indicates otherwise, the words and terms defined below and capitalized throughout the text of this Establishment Agreement shall have the meanings set forth below.

(a) “**Act**” shall mean Title 32, Article 1, C.R.S., as the same may be amended from time to time.

(b) “**Actual Capital Costs**” shall mean those costs which are to be incurred by the Authority for the purpose of organizing the Authority and for planning, designing,

constructing, installing, reimbursing for, financing, and acquiring the Public Improvements, including, but not limited to, the following:

(i) All costs of labor and materials attributable to the actual construction or acquisition of the Public Improvements from Third-Persons and all related components and materials used therein, and all other costs or fees due or paid under cost recovery or other agreements with Third-Persons, together with all costs incurred to obtain financing for the Public Improvements;

(ii) All costs attributable to the construction or acquisition of the Public Improvements or any part or component thereof incurred as a result of change orders approved in accordance with any construction contract;

(iii) All costs incurred for planning, design, engineering, construction, management, landscape architecture and engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Public Improvements, including legal fees;

(iv) Site, permit, and right-of-way or easement acquisition costs, including legal fees;

(v) All bond costs, including the principal and redemption price of, and interest and premium on, any Bonds, including any scheduled mandatory or cumulative sinking fund payments and any mandatory redemption or principal prepayment amounts as provided in the bond documents and accumulation or replenishment of any reserves or surplus funds relating to the Debt, customary fees related to the issuance of the Debt (including, but not limited to, fees of a trustee, paying agent, rebate agent, and provider of liquidity or credit facility), remarketing the debt, and any reimbursement due to a provider of liquidity or credit facility securing any Debt;

(vi) All legal, bond issuance, credit enhancement, accounting, interest costs, and reserve funds incurred in connection with the financing, construction, or acquisition of the Public Improvements;

(vii) All legal, credit enhancement, accounting, interest costs, and reserve funds incurred in connection with the financing, construction, or acquisition of the Public Improvements;

(viii) All costs for Bonds, insurance, construction administration, financial, inspections, appraisals, and other professional fees;

(ix) Any other capital costs, expenses, or expenditures associated with the financing, construction, or acquisition of the Public Improvements;

(x) All costs incurred in organizing the Authority; and

(xi) Reimbursement to the Developer for Developer Capital Advances to fund items in Section 2.1(b) (i)-(x) above, it being contemplated and acknowledged

that the Developer may perform the initial planning, designing, constructing, installing, financing, and acquiring of the Public Improvements.

(c) “**Actual Operations and Maintenance Costs**” shall mean the costs incurred by the Authority for the purpose of providing Operations and Maintenance Services to the Public Improvements and shall include District Administrative Costs and the reimbursement to the Developer of the Developer Operating Advances. Actual Operations and Maintenance Costs shall include all costs incurred by the Authority other than Actual Capital Costs.

(d) “**Alternate Authority Board Member**” shall mean an alternate Authority Board Member, appointed from time to time in accordance with Section 3.4(a)(iii) below.

(e) “**Authority**” shall mean the Timnath Lakes Community Authority established pursuant to this Establishment Agreement.

(f) “**Authority Board**” shall mean the Board of Directors of the Authority.

(g) “**Authority Manager**” shall mean a professional manager or management company hired by the Authority Board who is experienced and knowledgeable in the management of special districts, authorities or local governments.

(h) “**Authority Board Meeting**” shall mean a regular or special meeting of the Authority Board Members convened pursuant to Section 3.4(d) herein.

(i) “**Authority Board Member**” shall mean a director of the Authority Board.

(j) “**Bonds**” shall mean bonds or other obligations issued by the Authority and to be repaid from the imposition of an *ad valorem* property tax mill levy or from other legally acceptable revenue of the Authority.

(k) “**Budget Year**” shall mean the calendar year (immediately following the applicable Planning Year) during which the Actual Operations and Maintenance Costs and Actual Capital Costs are to be incurred.

(l) “**Bylaws**” shall mean any bylaws adopted by the Authority Board, as the same may be amended from time to time. In the absence of any bylaw(s) adopted by the Authority Board or addressing a particular circumstance or interpretation of bylaws adopted by the Authority Board, the Authority Board and any committees established by the Authority Board shall refer to *Robert’s Rules of Order*.

(m) “**Capital Repair and Replacement Costs**” shall mean those costs related to the non-routine repair and replacement of the Public Improvements, as a part of the Actual Operations and Maintenance Costs, which shall be set forth in the Final Budget.

(n) “**Construction**” shall include, but not be limited to, construction, expansion, acquisition, capital maintenance, repair, and replacement of the Public Improvements.

(o) “**Construction Schedule**” shall mean the schedule showing the Public Improvements planned for Construction to commence during the Budget Year.

(p) “**County**” shall mean Larimer County, State of Colorado.

(q) “**C.R.S.**” shall mean the Colorado Revised Statutes as such statutes are amended from time to time. In the event of a repeal of a statute cited herein, the procedure contained in the statute immediately prior to repeal shall apply; provided, however, that if such repealed statute is replaced by another statute, then the new statute shall apply.

(r) “**Debt**” shall mean any Bonds, notes, agreements, instruments, or other obligations issued or incurred by the Authority, and payable from *ad valorem* property taxes of one or more of the Districts, and other District revenues, or from other legally acceptable revenue of the Authority.

(s) “**Developer**” shall mean CAC Timnath, LLC, a Delaware limited liability company, or its designated successors and permitted assigns.

(t) “**Developer Advances**” shall mean, collectively, the Developer Capital Advances and the Developer Operating Advances.

(u) “**Developer Capital Advances**” shall mean funds advanced by the Developer for payment of Actual Capital Costs, including the amounts previously advanced by the Developer for this purpose.

(v) “**Developer Operating Advances**” shall mean funds advanced by the Developer for payment of Actual Operations and Maintenance Costs including the amounts previously advanced by the Developer for this purpose.

(w) “**Development**” or “**Property**” shall mean the approximately 490-acre development known as Timnath Lakes, located in the Town of Timnath, State of Colorado, which Development is anticipated to be developed with single family and multi-family homes, commercial, retail, and other amenities.

(x) “**Development Fees**” shall mean fees (and any proposed increase in fees), if any, subject to review and approval by the Town and imposed by vote of the Authority Board with notice of the imposition of such fees and any increase in fees recorded in the real property records of the County, for financing Actual Capital Costs prior to the issuance of a building permit.

(y) “**District**” or “**Districts**” shall mean and include: (i) District No. 1, (ii) District No. 2, (iii) District No. 3, (iv) District No. 4, (v) District No. 5, (vi) District No. 6, and (vii) all other metropolitan districts formed and operating pursuant to Title 32, C.R.S., which are added as parties to this Establishment Agreement in accordance with Section 1.4 from time to time.

(z) “**District Administrative Costs**” shall mean the costs incurred by the Districts directly related to administrative functions of each applicable District, including, but not limited to, costs related to accounting, audit, insurance, management, and legal counsel.

(aa) “**District Board**” or “**District Boards**” shall mean the lawfully organized Board or Boards of Directors of the District(s), as applicable.

(bb) “**Establishment Agreement**” shall mean this Timnath Lakes Community Authority Establishment Agreement and any exhibits, addendums, and amendments hereto made in accordance herewith.

(cc) “**Event of Default**” shall mean any one or more of the events or the existence of one or more of the conditions set forth in Article XI hereof.

(dd) “**Expanded Notice**” shall mean, in addition to notice being posted as required by the Act, notification being provided by one of the following methods: (a) publication in a newspaper circulated within the County; (b) an insert with a monthly utility billing statement; or (c) email or comparable then-current technology to all property owners. To constitute an Expanded Notice, publication must be made by one of the foregoing methods no less than thirty (30) days prior to the date of the meeting at which consideration of a final decision on the matter will be considered and not more than sixty (60) days before the date of such meeting. Such Expanded Notice shall include the address of the Authority’s office where the names and addresses of the Authority Members and its officers and the address, telephone number, and email address of the Authority may be obtained.

(ee) “**Fee**” shall mean, collectively, any type of charge to any portion of the Service Area within the Authority for any services or facilities provided through the Authority in accordance with this Establishment Agreement. Pursuant to the Service Plan, such Fee shall be subject to review and written approval by the Town.

(ff) “**Fee Resolution**” shall mean the resolutions recorded in the real property records of the County, as may be amended from time to time, which sets forth the Fees to be paid to the Authority by the Districts, and/or to be paid directly to the Authority by owners of real property within the Service Area. To the extent that any Fee Resolution exists as of the Effective Date hereof, the applicable District that has adopted the same hereby transfers and assigns any revenue received therefrom to the Authority and such District agrees, if requested by the Authority, to re-adopt such Fee Resolution as a Joint Resolution of such applicable District and the Authority providing for a direct payment of the Fees imposed thereby to the Authority. Except for those Fee Resolutions that exist prior to the Effective Date hereof, no District shall be entitled to impose separate Fees that are outside of those directed to be imposed by the Authority without the prior approval of the majority of the votes of the Authority Board.

(gg) “**Final Budget**” shall mean the final budget in any year, and as may be amended within the fiscal year, as established and approved by the Authority following public hearings for the payment of projected Actual Operations and Maintenance Costs and Actual Capital Costs.

(hh) “**Funding Account**” shall mean the account owned, established, and managed by the Authority as a depository for all funds received by the Authority.

(ii) “**Long-Term Capital Improvement Plan**” shall mean that certain Long-Term Capital Improvement Plan adopted by the Authority Board, and amended from time to time, for design and construction of the Public Improvements to serve the Service Area.

(jj) “**Multiple-Fiscal Year Financial Obligation**” shall mean the obligation of the Districts evidenced hereunder, whereby the Districts covenant to pay their respective shares of the Actual Operations and Maintenance Costs and their respective share of the Actual Capital Costs.

(kk) “**Operations and Maintenance Services**” shall mean those tasks, services, and functions performed by the Authority for itself and/or on behalf of the Districts which are necessary and appropriate in order to own, operate, control, maintain, repair, relocate, redevelop, and replace the Public Improvements in accordance with the Service Plan and this Establishment Agreement, including, but not limited to, managing the Authority, assuring compliance with this Establishment Agreement and all applicable statutory and regulatory provisions, administering the Funding Account, provisioning labor and materials, management, legal, accounting, construction and other professional services, water and water rights, irrigation ditch maintenance and infrastructure, insurance, bonds, permits, licenses, and other governmental approvals. Notwithstanding the specificity of the foregoing, the Authority shall have the full authority to perform any and all services and functions authorized to the Districts under the Service Plan and applicable law.

(ll) “**Planning Year**” shall mean the calendar year immediately preceding the corresponding Budget Year.

(mm) “**Plans**” shall mean the plans, documents, drawings, and other specifications prepared by or for the Authority for the Construction of any Public Improvements.

(nn) “**Present**” or “**Present at the Meeting**” shall mean either being physically present at an Authority Board Meeting or attending an Authority Board Meeting via phone or some other electronic device.

(oo) “**Public Improvements**” shall mean, collectively, all those improvements and facilities to be financed, constructed, acquired, operated, and/or maintained, as authorized under the Service Plan and necessary or desired for the completion of the development within the Service Area, including, but not limited to, the Development.

(pp) “**Rules and Regulations**” shall mean those rules and regulations established by the Authority Board governing the operation and use of the Public Improvements, as the same may be amended from time to time.

(qq) “**Service Area**” shall mean Service Area as defined in the Service Plan.

(rr) “**Service Plan**” shall mean the Consolidated Amended and Restated Service Plan for the Districts, as amended or restated from time to time, which was approved by

the Town on September 10, 2019. The Service Plan amends and supersedes in their entirety the service plans for District No. 1, District No. 2, and District No. 3, which were approved by the Town on March 1, 2006. The Service Plan also authorized the organization of District No. 4, District No. 5, and District No. 6.

(ss) “**Specific Ownership Tax Revenues**” shall mean the specific ownership taxes remitted to the Districts pursuant to Section 42-3-107, C.R.S., or any successor statute, as a result of the imposition of their respective mill levies.

(tt) “**Third-Persons**” shall mean any individual, corporation, joint venture, estate, limited liability company, trust, partnership, association, or other legal entity, including governmental entities other than the Districts, the Developer, or the Authority.

(uu) “**Town**” shall mean the Town of Timnath, State of Colorado.

### **ARTICLE III ESTABLISHMENT OF AUTHORITY**

3.1 Establishment of Authority. The Timnath Lakes Community Authority is hereby organized as a separate legal entity to be a political subdivision and public corporation of the State of Colorado pursuant to the power of Article XIV of the Colorado Constitution and in conformity with the provisions of Sections 29-1-203 and 203.5, C.R.S.

3.2 Boundaries. The Boundaries of the Authority shall consist of the taxable real property contained within the Districts at the time of this Establishment Agreement, as the same may be modified from time to time (the “**Boundaries**”). The Boundaries shall not exceed the Service Area.

3.3 Purpose. The purpose of the Authority is to effectuate the development, operations and maintenance of the Public Improvements for the benefit of the Districts, the residents, and property owners, including the Developer. By the establishment of the Authority, the Districts will be able to achieve efficiencies in coordinating the design, planning, construction, acquisition, financing, operation, and maintenance of the Public Improvements. It is the intent that the Authority will provide for residents and property owners the opportunity to participate in the Development through representation on the Authority Board, ultimately transitioning from construction and development needs to operations and maintenance of all the Public Improvements as the Development is completed. Nothing in this Establishment Agreement is intended to limit the authority of the Authority, it being intended that the Authority shall have all powers given to the Districts under the Service Plan and Colorado law even if not expressly set forth in this Establishment Agreement.

3.4 Governing. The Authority shall be governed and directed by the Authority Board, according to the following:

(a) Appointment of Authority Board Members by Districts/Voting.

(i) Each of the Districts may appoint one (1) Authority Board Member to the Authority Board. Each Authority Board Member shall have one (1) vote, except



the Authority Board Member appointed by District No. 6 shall have six (6) votes; provided, however, at such time as a majority of the District No. 6 Board Members are End Users within District No. 6 (as such term is defined by the Service Plan), then, following such date, the Authority Board Member appointed by District No. 6 shall be entitled to one (1) vote.

(ii) Eligibility to Serve as an Authority Board Member. To be eligible to be appointed as an Authority Board Member the candidate must be currently serving on the District Board that it is being appointed to represent.

(iii) Alternate Authority Board Members. Each District may appoint from among its District Board Members one or more Alternate Authority Board Members to serve as an Alternate Authority Board Member in the event such District's appointed Authority Board Member does not attend an Authority Board meeting or is no longer qualified to serve.

(1) Each District shall provide the Authority Board with written documentation evidencing the appointment of its appointed Authority Board Member(s) and any designated Alternate Authority Board Member(s), and the order in which each Alternate Authority Board Member is authorized to serve as Alternate Authority Board Member in the event of absence of the appointed Authority Board Member.

(iv) Vacancies. In the event of a vacancy on the Authority Board, whether by expiration of term, resignation, by virtue of the fact that the Authority Board Member is no longer qualified to serve on the applicable District's Board, or for any other reason, the applicable District shall appoint a successor Authority Board Member within thirty (30) days of such vacancy.

(v) Contact Notice. Each District shall provide the Authority with written notice of the appointment and the name and contact information for each Authority Board Member and Alternate Authority Board Member appointed.

(b) Term. Each Authority Board Member's term on the Authority Board shall be coincident with their term on the District Board from which they have been appointed. There shall be no limit on the number of terms an Authority Board Member may serve on the Authority Board.

(c) Compensation. Authority Board Members may receive compensation from the Authority for their service as an Authority Board Member in a manner similar to directors of special districts under the Act. The Authority Board shall adopt a resolution implementing this provision before any compensation is paid to any Authority Board Member.

(d) Meetings.

(i) Regular meetings of the Authority Board shall be held at such place, on such date, and at such time as the Authority Board shall, by resolution or motion, establish from time to time, and in accordance with the requirements for special districts under the Act.

(ii) At least two (2) meetings of the Authority Board shall be held annually.

(iii) Special meetings of the Authority Board may be held at such place, on such day, and at such hour as the Authority Board may determine.

(iv) Notices of all meetings shall be the same as meetings for special districts under the Act, except for those matters requiring Expanded Notice as more fully set forth in this Establishment Agreement.

(v) Action of the Authority Board shall be taken at a duly noticed regular or special meeting; provided, however, that after the closing on the first sale of a residential unit by a homebuilder to an end user in the Development, the following items shall require approval of the Authority after provision of Expanded Notice and discussion at a minimum of two (2) public meetings prior to approval (approval may be at the second meeting, except for any bona-fide emergency action):

(1) Adoption of the Final Budget; and

(2) Issuance of Debt.

3.5 Quorum. A Quorum is established by a majority of the Authority Board Members that represent a majority of the total votes being Present at a Meeting. If less than a majority of the Authority Board Members that hold a majority of the total votes is Present at a Meeting, the Secretary or other officer may continue the Authority Board Meeting to a different time and place, and in such case the Secretary shall notify Absent Authority Board Members of the time and place of such continued Authority Board Meeting.

(a) Conflict Disclosures. All Authority Board Members shall disclose conflicts of interest as required of officers or board members of special districts in accordance with Colorado law, as the same may be amended from time to time.

(b) Oath. Each Authority Board Member shall take an oath of office substantially as required of directors of special districts under the Act.

(c) Officers. The officers of the Authority shall be a President, Vice-President, Secretary, Treasurer, and Assistant Secretary (individually, an “**Officer**”, and collectively, the “**Officers**”). In addition to the duties designated by the Authority Board, the duties of the Officers shall include:

(i) The President shall preside at all meetings of the Authority Board and, except as otherwise delegated by the Authority Board or provided in this Establishment Agreement, shall execute all legal instruments of the Authority.

(ii) The Vice-President shall, in the absence of the President, or in the event of the President’s conflict or inability or refusal to act, perform the duties of the President and who so acting shall have all the powers of and be subject to all restrictions upon the President.

(iii) The Secretary shall maintain the official records of the Authority, including the minutes of meetings of the Authority Board, and a register of the names and addresses of the Districts, Authority Board Members, Alternate Authority Board Members, and Officers, and shall issue notice of meetings, attest and affix the corporate seal, as applicable, to all documents of the Authority, and perform such other duties as the Authority Board may prescribe from time to time. The Secretary may be a non-Authority Board Member.

(iv) The Treasurer shall serve as financial officer of the Authority.

3.6 Powers. In general, the Authority shall have the power to exercise all powers which are now or may in the future be conferred by law upon a political subdivision and public corporation organized pursuant to Sections 29-1-203 and 29-1-203.5, C.R.S., or essential to the provision of its functions, services, and facilities, subject to such limitations as are or may be prescribed by law or in this Establishment Agreement. In accordance with Subsection 29-1-203.5(2)(a), C.R.S., the Authority is expressly authorized to exercise any general power of a special district specified in Part 10 of Article 1, Title 32, C.R.S., so long as each of the Districts may lawfully exercise the power; provided, however, that pursuant to Subsection 29-1-203.5(2)(b), C.R.S., the Authority may not levy a tax or exercise a power of eminent domain. The Authority is further authorized to exercise the powers established in Subsection 29-1-203.5(3), C.R.S. To the extent permitted by law and subject to the limitations set forth in this Establishment Agreement, the powers and duties of the Authority Board, which shall be exercised by approval of a majority of votes of the Authority Board, unless otherwise specified in this Establishment Agreement, include, without limitation, the following:

(a) To establish such Bylaws, rules, regulations, procedures, and policies as may be reasonably necessary for the administration of the Authority and access to and use of the Public Improvements.

(b) To plan, design, acquire, construct, install, relocate and/or redevelop, and finance the Public Improvements according to the procedures set forth in this Establishment Agreement.

(c) To manage the planning, designing, acquiring, constructing, installing, relocating, redeveloping, owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of the Public Improvements as set forth in this Establishment Agreement, and to cooperate with other governmental entities with respect to the Public Improvements.

(d) To collect from the Districts and administer revenues for all such purposes in this Establishment Agreement, subject to the terms of this Establishment Agreement and limitations of law.

(e) To determine the Actual Operations and Maintenance Costs and Final Budget for the Public Improvements and the mill levy, and Fees required to be imposed by each District.

(f) To determine the Actual Capital Costs and Final Budget for the Public Improvements and the anticipated revenues generated from the Districts pursuant to the pledge set forth below.

(g) To acquire, hold, lease (as lessor or lessee), sell, or otherwise dispose of (subject to the limitations set forth in this Establishment Agreement) any legal or equitable interest in real or personal property utilized for the authorized purposes of the Authority.

(h) To conduct the business and affairs of the Authority in the best interests of, and for the benefit of, the Districts and their inhabitants.

(i) To enter into, make, and perform contracts of every kind, including any agreements attached to this Establishment Agreement, with the Districts the United States, any state or political subdivision thereof, or any county, city, town, municipality, city and county, any special district formed pursuant to Title 32, C.R.S., or any predecessor thereof, authority, or any person or individual, firm, association, partnership, corporation, or any other organization of any kind with the capacity to contract for any of the purposes contemplated under this Establishment Agreement.

(j) To set fees, rates, tolls, and charges.

(k) To employ agents and employees, and engage accountants, attorneys, engineers, and other consultants and to appoint officers of the Authority.

(l) To sue and be sued in the name of the Authority.

(m) To have and use a corporate seal.

(n) To report to the Districts on the progress of plans for and development of the Public Improvements as set forth in the Long-Term Capital Improvements Plan.

(o) To keep minutes of the Authority Board's meetings.

(p) To act in the capacity of the "District" under the Declarations and to enter into any agreements and execute any instruments with the Districts and Third-Persons as necessary to cause the assignment and assumption of the rights, powers and reservations of District No. 2 (as to the Commercial Declaration) and District No. 6 (as to the Residential Declaration) to the Authority.

(q) To act in the capacity of the "Appointing Authority" under the Declarations and to enter into any agreements and execute any instruments with the Districts, the Developer, and Third-Persons as necessary to cause, through one or more stages, the delegation of the Developer's rights as the "Appointing Authority" to the Authority.

(r) To hold water rights, and to manage the owning, controlling, operating, maintaining, repairing, replacing, reimbursing for, and financing of irrigation ditches and related facilities within and adjacent to the Development.

(s) To ensure compliance with all Colorado statutes that apply to the Authority, including the provisions of Parts 1 (Local Government Budget Law of Colorado), 5 (Local Government Uniform Accounting Law), and 6 (Local Government Audit Law) of Article 1, Title 29, C.R.S.

(t) To the fullest extent permitted by law, to exercise any and all rights and perform any and all functions authorized to the Districts under the Service Plan.

#### **ARTICLE IV ADMINISTRATIVE SERVICES**

4.1 Administrative Services. The Authority shall perform the following administrative services for each District:

(a) Serving as the “official custodian” and repository for the Districts’ records, files space, incidental office supplies and photocopying, meeting and reception services.

(b) Coordination of all District Board meetings, to include:

(i) Preparation and distribution of agenda and information packets;

(ii) Preparation and distribution of meeting minutes;

(iii) Attendance at District Board meetings;

(iv) Preparation, filing, and posting of legal notices required in conjunction with the meeting; and

(v) Other details incidental to meeting preparation and follow-up.

(c) Ongoing maintenance of an accessible, secure, organized, and complete filing system for the Districts’ official records.

(d) Monthly preparation of checks and coordination of postings.

(e) Periodic coordination for financial report preparation and review of financial reports.

(f) Insurance administration, including evaluating risks, comparing coverage, processing claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence, etc. Ensure that all contractors and subcontractors maintain required coverage for the applicable District’s benefit.

(g) Election administration, including preparation of election materials, publications, legal notices, pleadings, conducting training sessions for election judges and generally assisting in conducting elections.

- (h) Budget preparation, including preparation of proposed budgets, preparation of required and necessary publications, legal notices, resolutions, certifications, notifications, and correspondence associated with the adoption of the annual budget and certification of the tax levies.
- (i) Response to inquiries, questions, and requests for information from the applicable District's property and residents and others.
- (j) Drafting proposals, bidding, contract and construction administration, and supervision of contractors.
- (k) Analysis of financial condition and alternative financial approaches and supervision of contractors.
- (l) Oversee investment of each District's funds based on investment policies established by the Districts' Boards in accordance with State and federal law.
- (m) Provide liaison and coordination with other governments.
- (n) Coordinate activities and provide information as requested to external auditors engaged by the Districts' Boards.
- (o) Coordinate legal, accounting, engineering, and other professional services to the Districts.
- (p) Perform other services with respect to the operation and management of each District as requested by the applicable District's Board.

In addition to these services, when other services are, in the reasonable opinion of the Authority Board, necessary, the Authority may, with the approval of a District, provide professional services to such District in lieu of retaining consultants or contractors to provide those services.

## **ARTICLE V FINANCING OF PUBLIC IMPROVEMENTS**

5.1 Electoral Approval. Each of the Districts has authorized, through the affirmative vote of their respective voting electors, the issuance of debt, fiscal year spending, Multiple-Fiscal Year Financial Obligations, revenue collections, and other constitutional matters requiring voter approval for purposes of this Establishment Agreement, as well as the Construction of the Public Improvements, in accordance with law and pursuant to due notice.

5.2 Multiple-Fiscal Year Financial Obligation Incurrence. Each District shall use its best efforts to meet its funding obligations under this Establishment Agreement through the imposition of mill levies, and the imposition and collection of Fees and Development Fees. Other than the obligations of the Districts under this Establishment Agreement, the Districts shall not contractually commit to any other multiple fiscal year obligations without the consent of the Authority. The Districts acknowledge that, from time to time, the Developer will advance funds

to the Authority to assure the Authority has sufficient funds to meet the Authority's Actual Operations and Maintenance Costs. The Authority shall be authorized to enter into service, funding and reimbursement agreements with the Developer, on behalf of all the Districts, for repayment of such obligations in reliance on the Districts' pledge of revenues to the Authority as set forth in this Establishment Agreement.

5.3 Financial Obligations. The Authority shall have the authorization, but not the obligation, to issue Debt payable solely from revenue derived from one or more of the functions, services, systems, or facilities of the Authority, or from other legally acceptable revenues of the Authority. The terms, conditions, and details of Debt obligations including related procedures and refunding conditions, must be approved by the District(s) pledging revenues to repay the Debt and set forth in the resolution of the Authority Board authorizing the Debt. Debt issued under this Section is not an indebtedness of the Authority or the cooperating or contracting parties within the meaning of any provision or limitation specified in the Colorado Constitution or statutes. All Debt under this Section must recite in substance that it is payable solely from the revenues and other available funds of the Authority pledged for the payment thereof and that it is not a debt of the Authority or the cooperating or contracting parties within the meaning of any provision or limitation specified in the Colorado Constitution or statutes. Notwithstanding anything in this Section to the contrary, Debt may be issued to mature at such times not beyond forty (40) years from their respective issue dates, shall bear interest at such rates, and shall be sold at, above, or below the principal amount thereof, at a public or private sale, all as determined by the Authority Board. Interest on all Debt issued under this Section is exempt from taxation except as otherwise may be provided by law. The resolution, trust indenture, or other security agreement under which Debt is issued is a contract with the holders thereof and may contain such provisions as the Authority Board determines to be appropriate and necessary in connection with the issuance thereof and to provide security for the payment thereof, including, without limitation, any mortgage or other security interest in revenue, money, rights, or property of the Authority. The provisions of this Section shall apply to any Debt issued by the Authority. Unless otherwise previously approved in writing by the Town, all Debt issued by the Authority shall be subject to the applicable provisions of the Service Plan. Nothing herein shall preclude the Districts from issuing debt.

(a) The proceeds of any Debt, the interest on which is intended to be excludable from gross income of the bondholders thereof for federal income tax purposes, shall be used solely to finance items that will not adversely affect the exclusion of such interest from such gross income.

(b) As directed by the Authority Board, the Districts are hereby obligated to impose *ad valorem* property taxes or impose Fees for the payment of the cost of Operations and Maintenance Services and to fund obligations issued by the Authority to reimburse Developer Advances to fund the cost of Operations and Maintenance Services and Actual Capital Costs of Public Improvements.

5.4 Funding Account.

(a) Prior to or upon the execution of this Establishment Agreement, the Authority Board will establish the Funding Account.

(b) All revenue received by the Districts will be transferred on a monthly basis to the Authority for deposit in the Funding Account and application in accordance with the Final Budget for the Budget Year. Notwithstanding the foregoing, if any Debt document with respect to any outstanding obligations of any District requires revenue to be deposited directly with a bond trustee or other Third-Person, the applicable District(s) shall be entitled to make such payments, and the failure to deposit such funds into the Funding Account shall not be considered a default under this Establishment Agreement. The District(s) making such deposits shall provide the remaining Districts with appropriate supporting documentation evidencing that such deposits are being made in a timely manner.

(c) The Authority shall, pursuant to the Districts' respective Final Budgets, deposit the required portion of revenues from Development Fees and any other revenues received from other sources, including Developer Capital Advances, into the Funding Account.

(d) Each District acknowledges that the Authority may borrow funds for deposit into the Funding Account in reliance on each District's covenants to comply with the requirements of this Establishment Agreement.

5.5 Disbursement of Funds. The Authority shall have the sole authority to withdraw moneys from the Funding Account for use in the payment of Actual Capital Costs and Actual Operations and Maintenance Costs as specified by the Final Budget for the Authority. Such funds, together with any interest thereon, shall be used only to pay Actual Capital Costs and Actual Operations and Maintenance Costs incurred by the Authority. The Authority shall provide each District with an annual audit reflecting funds withdrawn and payments made from the Funding Account upon receipt of their written request.

5.6 Interest on Debt. With respect to the Authority Debt, the Districts covenant they will not take any action or omit to take any action, if such action or omission would cause the interest on such Debt to lose such any of the following applicable exclusion(s):

(a) exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Tax Code**");

(b) exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except to the extent such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income; or

(c) exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present State law.

Without limiting the generality of the foregoing, the Authority shall maintain such records regarding the investment of the proceeds of any Debt that is issued by the Authority to fulfill any rebate obligations pursuant to Section 148 of the Tax Code. The foregoing covenant shall remain in full force and effect, notwithstanding the payment in full or defeasance of the Debt, until the date on which all obligations of the Authority in fulfilling the above covenant under the Tax Code and State law have been met.



5.7 Pledge of Payment. The Districts acknowledge that the Authority Board will determine the Actual Operations and Maintenance Costs and will determine the mill levy that, if imposed by the Districts, and together with project Fee revenue, would be sufficient to pay Actual Operations and Maintenance Costs.

(a) In addition, The Districts acknowledge that the Authority Board will determine the Actual Capital Costs of Public Improvements and will determine the mill levy or Fees to be imposed by each District.

(b) The financial obligations of the Districts to remit District revenues to the Authority to fund the Actual Capital Costs and Actual Operations and Maintenance Costs under this Establishment Agreement shall be Multiple-Fiscal Year Financial Obligations of each District, payable from ad valorem property taxes generated as a result of the certification by each District of an operations mill levy and any revenue derived from Development Fees or other Fees, rates, tolls, or other charges of the Districts.

(c) For the purpose of raising such general revenues, and for the purpose of providing the necessary funds to make payments under this Establishment Agreement as the same become due, the Board of each District shall each annually determine, fix, and certify a rate of levy for ad valorem property taxes to the County, which when levied on all of the taxable property of such District, shall raise direct ad valorem property tax revenues which, when added to other funds of the District legally available therefore, will be sufficient to promptly and fully pay the amounts to be paid under this Establishment Agreement, as well as all other Multiple-Fiscal Year Financial Obligations or general obligation indebtedness of such District, as the same become due.

(d) Except as limited in this Establishment Agreement, the Districts covenant to levy such mills from time to time as are lawful and necessary to pay the amounts to be paid under this Establishment Agreement.

(e) Notwithstanding anything to the contrary set forth in this Establishment Agreement, no District shall be obligated to impose a mill levy in excess of what is allowable under the Service Plan and/or applicable law.

5.8 Effectuation of Pledge; Appropriation; Regulatory Amendment. Except as limited by this Establishment Agreement, the amounts to be paid under this Establishment Agreement are hereby appropriated for that purpose, and such amounts shall be included in the annual budgets and the appropriation resolutions or measures to be adopted or passed by every District Board in each year this Establishment Agreement remains in effect. The Authority shall direct the mill levy to be imposed each year by the Districts and the terms of this Establishment Agreement. No provisions of any constitution, statute, resolution, or other measure enacted after the execution of this Establishment Agreement shall in any manner be construed as limiting or impairing the obligations of a District to levy, administer, enforce, and collect the ad valorem property taxes and other revenues required for the payment of its obligations under this Establishment Agreement.

It shall be the duty of each District Board annually, at the time and in the manner provided by law for the levying of such District's taxes, to ratify and carry out the provisions of this Establishment Agreement regarding the levy and collection of the *ad valorem* property taxes specified under this Establishment Agreement, and to require the officers of the District to cause the appropriate officials of the County, to levy, extend, and collect such taxes in the manner provided by law.

5.9 Authority Reliance; Funding Obligations Pending Dispute Resolution. The Districts agree that their authority to modify this Establishment Agreement is limited so as to prohibit a repeal of the obligations set forth in this Establishment Agreement. The Districts each agree, notwithstanding any fact, circumstance, dispute, or any other matter, that they will not take or fail to take any action which would delay a payment to the Authority or impair the Authority's ability to receive payment due under this Establishment Agreement. Each District acknowledges that the Authority may issue Debt and the Authority may obtain financial commitments and security for its Debt from Third-Persons, all of whom shall be relying on performance of the payment obligations of the Districts under this Establishment Agreement. The purpose of this Section is to ensure that the Authority receives all payment due under this Establishment Agreement in a timely manner so that the Authority may pay Actual Capital Costs and Actual Operations and Maintenance Costs. Notwithstanding that the bondholders are not in any manner Third-Person beneficiaries of this Establishment Agreement, and do not have any rights in or rights to enforce or consent to amendment of this Establishment Agreement, each District agrees that during the pendency of any litigation which may arise under this Establishment Agreement, all payments shall be made by such District. If a District believes it has valid defenses, setoffs, counterclaims, or other claims, it shall make all payments to the Authority as described in this Establishment Agreement and attempt to seek to recover such payments by actions at law or in equity for damages or specific performance.

5.10 Parameters for Debt Issuance. Unless otherwise previously approved in writing by the Town, all Debt issued by the Authority shall be subject to the applicable provisions of the Service Plan.

## **ARTICLE VI CONSTRUCTION OF PUBLIC IMPROVEMENTS**

6.1 Construction and Acquisition of Public Improvements. The Authority shall have the right and power to construct and acquire all Public Improvements set forth in the Long-Term Capital Improvements Plan pursuant to a process and procedure set forth in the Bylaws, if any, and as provided in this Establishment Agreement. The Authority shall not be required to construct any particular Public Improvements if the Developer has already done so prior to the Authority taking ownership and control.

6.2 Diligence. If required by the Act or any agreement between the Authority and/or the Districts and another governmental entity having jurisdiction, a contract for construction of approved Public Improvements shall be publicly bid and fully approved at a public meeting.

6.3 Public Improvements Process. Prior to the approval of a construction contract for approved Public Improvements:

(a) The Authority shall determine the Operations and Maintenance Costs associated with such Public Improvements for purposes of the impact on the operations and maintenance budget in the current and future years. The Authority Board shall schedule, phase, and configure the Public Improvements in its discretion.

(b) The Authority shall obtain all necessary governmental approvals, and exercise reasonable efforts to comply with Colorado and other applicable rules, laws, regulations, and orders.

(c) The Authority shall cause Construction of the Public Improvements to be commenced on a timely basis, subject to receipt of all necessary governmental approvals and the terms of this Establishment Agreement.

(d) The Authority shall make available during normal business hours to the Districts copies of any and all Construction contracts and related documents concerning the Public Improvements and shall deliver copies of such documents to any District upon receipt of a written request. The Authority shall diligently and continuously prosecute to completion the Construction of the Public Improvements.

(e) The Authority Board shall have the authority to approve non-material changes or modifications to construction contracts, in accordance with any adopted Authority Board resolution, between Authority Board meetings and as necessary to diligently pursue Construction activities; provided, however, that any such change order shall be ratified at the next Authority Board Meeting.

(f) In case of emergencies, the Authority Board may approve contracts which shall be ratified at the next Authority Board meeting, so long as it facilitates Construction of the Public Improvements within the Final Budget.

6.4 Governmental Requirements. The facility and service standards of the Authority shall be compatible with those of the Town, County and such other governmental entities as may be applicable.

## **ARTICLE VII OWNERSHIP AND DEDICATION OF PUBLIC IMPROVEMENTS; OPERATIONS AND MAINTENANCE SERVICES**

7.1 Ownership of Public Improvements. The Authority shall, upon acceptance of conveyance from the Developer, or upon completion of construction if constructed by the Authority, own, operate, maintain, repair, and replace all Public Improvements unless and until any of such Public Improvements are dedicated to the County, Town, or another appropriate governmental entity for perpetual ownership and maintenance. The Districts hereby transfer and assign to the Authority all interests in real estate contracts, and the Districts agree to execute all deeds and other documents necessary to evidence this transfer and conveyance.

7.2 Transfer of Public Improvements. Except as may be required by law, the County, the Town, or another jurisdiction that will be accepting the completed improvement for ownership, operations or maintenance, or under the Service Plan, the Authority shall not transfer Public Improvements to another entity without the express written consent of the Districts' Boards or, in the case of Public Improvements and services that benefit only a portion of the Development, the written consent of the District Board(s) of the District(s) in which such Public Improvements are located or such services provided.

7.3 Operations and Maintenance Services. Within the constraints of the Final Budget and appropriations for such purposes, the Authority Board shall supervise and cause to be performed all Operations and Maintenance Services, regardless of location, including, but not limited to, the following:

(a) Draft proposals, bidding (if required by laws applying to special districts), contracts, and provide contract administration and supervision of service providers;

(b) Supervise and ensure contract compliance by all service contractors, including the establishment and maintenance of preventive maintenance programs;

(c) Procure all inventory, parts, tools, equipment, and other supplies necessary to perform the services required;

(d) Retain service providers and professional services, to perform duties, including, but not limited to, the following:

(i) Operations and maintenance, including mosquito, weed, and animal control;

(ii) Cooperation with Town, County, State, and federal authorities in providing such tests as are necessary to maintain compliance with appropriate governmental standards;

(iii) Permitting and supervision of the connection of transmission and other utility lines to private developments;

(iv) Coordinate Construction with various utility companies to ensure minimum interference with Authority maintenance responsibilities and assets owned;

(v) Perform routine maintenance and repairs necessary to continue the efficient operation of assets;

(vi) Provide for the services of subcontractors necessary to maintain and continue the efficient operation of assets; and

(vii) Provide for emergency preparedness, consisting of a centralized telephone number maintained to provide adequate response to emergencies.

A District may perform operations and maintenance services so long as the same is not duplicative of the services being provided by the Authority; and further provided, that a District may not provide operations and maintenance services without the prior approval of a majority of votes of the Authority Board.

7.4 Authority Manager. The Authority may hire or engage an Authority Manager to assist in the implementation of the Operations and Maintenance Services.

(a) The Actual Operations and Maintenance Costs shall be determined during the budget process.

(b) The Authority shall make available copies of all service contracts to the Districts.

(c) Any agreement governing an Authority Manager's agency with respect to District Bond financed Public Improvements shall comply with all applicable federal income tax requirements if interest on the Debt is intended to be excluded from gross income of the bondholders for federal income tax purposes.

## **ARTICLE VIII BUDGET PROCESS**

8.1 Adoption. The Authority shall establish an annual budget process. At a minimum, the Authority budget process shall require the Authority to furnish to each District the following:

(a) An accounting of any estimated carryover balances from prior years; and

(b) A proposed schedule for deposits based on the expected timing for receipt of funds generated from (i) the Districts' *ad valorem* property taxes and specific ownership Tax Revenues; (ii) Developer Capital Advance(s) and Developer Operating Advances to the Authority or Districts; and/or (iii) other rates, Development Fees, other Fees, tolls, and other charges that may be imposed by the Authority or any of the Districts from time to time in accordance with State law.

8.2 Annual Appropriation. On or before December 10th of each year throughout the term of this Establishment Agreement, each of the Districts and the Authority agree to budget and appropriate funds for ensuing year in the amount sufficient to pay for the costs and expenses necessary to undertake the services.

8.3 Final Budget. The Final Budget may be amended from time to time in accordance with State law, to reflect changes in actual revenues and/or expenses, utilizing the same process and requirements set forth in this Article, except that the Authority Board may establish alternative reasonable time periods for preparation, review, and approval of proposed budget amendments. Any Final Budget processed and approved in accordance with this Section shall be known as an "Amended Final Budget."

In the event that funding provided by any District to the Authority exceeds the amount owed by that District according to the Amended Final Budget, the balance may be carried over and credited against the anticipated funding obligation of such District for the following year as identified by the Preliminary Budget Documents.

## **ARTICLE IX SPECIAL PROVISIONS**

9.1 Grant of Real Estate Interests/Assignment of Contractual Rights to the Authority. The Districts hereby grant to the Authority the right to construct, own, use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon, or otherwise dispose of any and all real property, Public Improvements or appurtenances thereto, and any and all other interests in real or personal property or otherwise, that are currently within the control of the Districts to enable the Authority to provide the Public Improvements and Operations and Maintenance Services. The Districts hereby grant to the Authority the right to occupy any place, public or private, which the Districts might occupy for the purpose of fulfilling the obligations of the Authority in this Establishment Agreement. The Districts hereby assign to the Authority any and all contractual rights and responsibilities in any and all agreements to which one or more of the Districts is a party, except for those agreements which require the prior consent of a party to such agreements that is not one of the Districts. The Districts agree to work with the Authority to secure the consents to assignment by Third-Persons so that the complete assignment of all rights and responsibilities to the Authority intended herein is perfected. The Districts agree to execute any further documentation required, if any, to evidence the assignment of their rights and responsibilities in real estate interests and agreements to the Authority as set forth herein and nothing in this Establishment Agreement is intended to limit the authority of any of the Districts to enter into such agreements.

9.2 Right to Provide Public Improvements and Services. The Districts agree that they shall not without the prior written consent of the Authority:

(a) Provide Public Improvements of any kind to their residents and property owners, except for financing or construction and dedication of the Public Improvements as set forth herein; or

(b) Provide Operations and Maintenance Services to its residents and property owners except as set forth herein.

9.3 Declarations. District No. 2 and District No. 6 will enter into one or more written agreements with the Authority to effectuate the assignment of all rights, powers and reservations of District No. 2 and District No. 6 as the “District” under the respective Declarations. In furtherance of the transition of the rights, powers and reservations of District No. 2 and District No. 6 to the Authority, the Districts shall each adopt a resolution: (i) acknowledging its powers to enforce covenants pursuant to state statute and the intention of each of the Districts to provide for uniform enforcement of the covenants and the uniform provision of design review services; and (ii) authorizing their respective representatives on the Authority Board to implement and facilitate such uniformity in the provision of covenant enforcement and design review services within the Boundaries. Notwithstanding anything to the contrary herein,

any and all revenues used to exercise the Authority's functions under the Declarations must be derived from property within the boundaries of the District in which the services are furnished. In the event that the Developer proposes to delegate its powers and functions as the Appointing Authority to District No. 2 (as to the Commercial Declaration) and/or District No. 6 (as to the Residential Declaration) each such District will use good faith efforts to cause the Developer to instead make the delegation(s) directly to the Authority or, in the absence of a direct delegation, each such District will assign its rights, powers and reservations as the Appointing Authority to the Authority promptly upon completion of the Developer's initial delegation.

9.4 Dissolution of Authority. In accordance with Section 29-1-203.5(4), C.R.S., upon dissolution of the Authority, all the Authority's property shall be transferred to, or at the direction of, one or more of the Districts.

## **ARTICLE X REPRESENTATIONS AND WARRANTIES**

10.1 General Representations. In addition to the other representations, warranties, and covenants made by the Districts in this Establishment Agreement, the Districts make the following representations, warranties, and covenants to each other:

(a) Each District has the full right, power, and authority to enter into, perform, and observe this Establishment Agreement.

(b) Neither the execution of this Establishment Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Establishment Agreement by the Districts will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under any agreement, instrument, indenture, judgement, order, or decree to which a District is a party or by which a District is bound.

(c) This Establishment Agreement is the valid and binding obligation of each of the Districts and is enforceable in accordance with its terms.

(d) The Districts shall keep and perform all the covenants and agreements contained in this Establishment Agreement and shall take no action which could render this Establishment Agreement unenforceable in any manner.

## **ARTICLE XI DEFAULTS, REMEDIES, AND ENFORCEMENT**

11.1 Events of Default. The occurrence of any one or more of the following events and/or the existence of any one or more of the following conditions shall be considered an Event of Default under this Establishment Agreement:

(a) The failure of any District to make any payment when the same shall become due and payable as provided in this Establishment Agreement and cure such failure within ten (10) business days of receipt of notice from one of the other Districts or the Authority of such failure;

(b) The failure to perform or observe any other covenants, agreements, or conditions in this Establishment Agreement on the part of any District and to cure such failure within thirty (30) days of receipt of notice from one of the other Districts or the Authority of such failure unless such default cannot be cured within such thirty- (30)-day period, in which case the defaulting party shall have an extended period of time to complete the cure, provide that action to cure such default is commenced within said thirty- (30)-day period and the defaulting party is diligently pursuing the cure to completion.

11.2 Remedies on Occurrence of Events of Default. Upon the occurrence of an Event of Default, the Districts and the Authority shall, individually and collectively, have the following rights and remedies:

(a) The non-defaulting District(s) or the Authority may ask a court of competent jurisdiction to enter a writ of mandamus to compel the District Board of the defaulting District to perform its duties under this Establishment Agreement, and/or to issue temporary and/or permanent restraining orders or orders of specific performance to compel the defaulting District to perform in accordance with this Establishment Agreement.

(b) The non-defaulting District(s) or the Authority, or both, may protect and enforce its rights under this Establishment Agreement by such suits, actions, or special proceedings as it shall deem appropriate, including, without limitation, any proceedings for the specific performance of any covenant or agreement contained in this Establishment Agreement, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages, including attorneys' fees and all other costs and expenses incurred in enforcement this Establishment Agreement.

(c) The non-defaulting District(s) shall have the right to impose a mill levy, budget, and expend funds as necessary to enforce the terms of this Establishment Agreement.

(d) To foreclose any and all liens in the manner specified by law.

Notwithstanding anything to the contrary contained in this Establishment Agreement, prior to the time the Authority requires a District to impose a mill levy for their obligations under this Establishment Agreement, if consented to by a majority of votes of the Authority Board, any District may file for inactive status in accordance with Section 1.5 above and filing for such inactive status shall not constitute an Event of Default.

### 11.3 General.

(a) Delay or Omission No Waiver. No delay or omission of any District to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or be construed as a waiver of any such Event of Default.

(b) No Waiver of One Default to Affect Another; All Remedies Cumulative. No waiver of any Event of Default by any District shall extend to or affect any subsequent or other Event of Default. All rights and remedies of the Districts and the Authority provided in this Establishment Agreement may be exercised with or without notice, shall be cumulative, may



be exercised separately, concurrently, or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

## **ARTICLE XII INSURANCE**

12.1 Insurance. During the term of this Establishment Agreement, the Authority and each of the Districts shall maintain the following insurance coverages, with companies and in amounts acceptable to the Authority Board and each District's respective District Board, as applicable:

(a) General liability coverage protecting the Districts and the Authority, as applicable, and their respective officers, directors, and employees against any loss, liability, or expense whatsoever from personal injury, death, property damage, or otherwise, arising from or in any way connected with management, administration, or operations.

(b) Directors' and officers' liability coverage (errors and omissions) protecting the Districts and the Authority, as applicable, and their respective directors and officers against any loss, liability, or expense whatsoever arising from the actions and/or inactions of the Authority or Districts, as applicable, and their respective directors and officers in the performance of their duties.

12.2 Workers' Compensation. To the extent they retain employees, the Districts and the Authority shall make provisions for workers' compensation insurance, social security employment insurance, and unemployment compensations for employees, if any, as required by any Colorado law or the federal government.

12.3 Certificates. Upon written request, each District and the Authority shall furnish to the others, certificates of insurance showing compliance with the foregoing requirements. Said certificates shall state that the policy or policies evidenced thereby will not be cancelled or altered without at least thirty (30) days prior written notice to each District and the Authority.

## **ARTICLE XIII MISCELLANEOUS**

13.1 Relationship of Parties. This Establishment Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employees between the Districts.

13.2 Third-Party Beneficiaries. The Districts agree that until (i) the processes set forth in Sections 9.4 and 9.5.4 of this Establishment Agreement have been completed, and (ii) all Developer Advances have been repaid, the Developer is a third-party beneficiary to this Establishment Agreement, and the Developer agrees to and acknowledges such as evidenced by signature below. Other than the Developer, it is intended that there be no third-party beneficiaries of this Establishment Agreement, including, without limitation, the owners of any Debt, notes, contracts, or other obligations incurred or executed by either the Districts or the Authority. Nothing contained in this Establishment Agreement, expressed or implied, is intended to give any person other than the Districts, the Developer, and the Authority any claim,

remedy, or right under or pursuant to this Establishment Agreement, and any agreement, condition, covenant, or term contained in this Establishment Agreement required to be observed or performed by or on behalf of any party to this Establishment Agreement shall be for the sole and exclusive benefit of the other parties.

13.3 Assignment; Delegation. Except as set forth herein or as contemplated in the Service Plan, neither this Establishment Agreement, nor any of the Districts' rights, obligations, duties, or authority under this Establishment Agreement may be assigned or delegated, in whole or in part, by any District without the prior written consent of the majority of votes of the Authority Board, which consent shall not be unreasonably withheld. Any attempted assignment or delegation in violation of the foregoing shall be deemed void. Consent to one assignment or delegation shall not be deemed to be consent to any subsequent assignment or delegation, nor the waiver of any right to consent to such subsequent assignment or delegation.

13.4 Modification. This Establishment Agreement may be modified or amended only by the majority of votes of the Authority Board.

13.5 Governing Law. This Establishment Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado. Venue for all action shall be exclusive in Larimer County, Colorado.

13.6 Heading for Convenience Only. The headings, captions, and titles contained in this Establishment Agreement are intended for convenience of reference only.

13.7 Enforceability. If any provision of this Establishment Agreement is declared void or unenforceable by a court of competent jurisdiction, the District involved in such violation of the Authority, if appropriate, shall, to the extent possible, perform such tasks as may be necessary to cure such violation, including, but not limited to, obtaining any necessary voter approvals.

13.8 Time is of the Essence. Time is of the essence in this Establishment Agreement.

13.9 Notices. Unless otherwise provided below, all notices, demands, requests or other communications to be sent by one party to the other under this Establishment Agreement 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, or by depositing the same in the United States Mail, postage prepaid, addressed as set forth on the attached Notice Addendum.

All notices, demands, requests, or other communications shall be effective upon such personal delivery or upon electronic mail, read-review acknowledged; one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party to this Establishment Agreement at least ten (10) days' written notice thereof in accordance with the provisions of this Establishment Agreement, each of the parties shall have the right to change its individual address from time to time, all addresses to be maintained by the Authority.

13.10 District Records. The Authority shall maintain the public records for all the Districts. Access to such records by the Districts and the public shall be as set forth in the Rules and Regulations.

13.11 Further Assurances. The Districts each covenant that they will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such acts, instruments, and documents as may be reasonably required for the performance of their obligations under this Establishment Agreement.

13.12 Severability of Provisions. Any provision of this Establishment Agreement which is prohibited, unenforceable, or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability, or non-authorization without invalidating the remaining provisions of this Establishment Agreement or affecting the validity, enforceability, or legality of such provisions in any other jurisdiction. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Establishment Agreement, a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid, and enforceable.

13.13 Cooperation Between the Districts. Subject to the terms of the Service Plan, the Districts will cooperate with one another and any other District organized within the Service Area to finance the Actual Operations and Maintenance Costs and Actual Capital Costs. The Districts acknowledge that the boundaries of the Districts may change in the future and that each District shall support the exclusion/inclusion of the subject property from and into the respective District.

13.14 Entire Agreement. This Establishment Agreement and all attached addenda and exhibits set forth the entire understanding and agreement of the Districts and supersede and replace all prior agreements, memoranda, arrangements, and understandings relating to the subject matter of this Establishment Agreement.

13.15 Non-liability of Authority Directors, Members, and Employees. No Authority Board Member or District Board Member or any official, employee, agent, or attorney or consultant of the Districts or the Authority shall be personally liable in the event of default or breach of this Establishment Agreement, or for any amount that may become due under the terms of this Establishment Agreement.

**[SIGNATURE BLOCKS ON FOLLOWING PAGES]**

IN WITNESS WHEREOF, Timnath Lakes Metropolitan District No. 1, Timnath Lakes Metropolitan District No. 2, Timnath Lakes Metropolitan District No. 3, Timnath Lakes Metropolitan District No. 4, Timnath Lakes Metropolitan District No. 5, and Timnath Lakes Metropolitan District No. 6 have executed this Establishment Agreement as of the day and year first written above.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 1**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 2**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 3**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 4**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 5**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 6**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**CONSENT OF DEVELOPER**

By execution below, CAC Timnath, LLC, as Developer under the Timnath Lakes Community Authority Establishment Agreement (the “Establishment Agreement”), hereby consents to the recording of the Establishment Agreement and the provisions thereof, including, without limitation, Sections 1.3(d), 3.6(q), 5.2, 9.3 and 13.2.

**DEVELOPER:**

CAC TIMNATH, LLC  
A Delaware limited liability company

By: \_\_\_\_\_  
Thomas T. Marshall  
Executive Vice President

**NOTICE OF ADDENDUM**

(See attached)

**[TO BE INSERTED]**



## NOTICE OF HEARING CONCERNING INCLUSION OF REAL PROPERTY

NOTICE IS HEREBY GIVEN that there has been filed with the Board of Directors of the **Timnath Lakes Metropolitan District No. 1** (“**District**”), located in the Town of Timnath, Larimer County, Colorado, a petition requesting the Board adopt a resolution approving the inclusion of certain property into the boundaries of such District (“**Petition**”).

1. The name and address of the Petitioner and a general description of the property that is the subject of such Petition is as follows:

Petitioner: CAC Timnath LLC  
66 Franklin St., Suite 200  
Oakland, CA 94607

Description: Tract D, Timnath Landing Filing No. 2, per the Plat recorded on June 30, 2020 at Reception No. 20200047375, and Tract L, Timnath Landing Filing No. 1, per the Plat recorded on August 28, 2019 at Reception No. 20190051031, with a combined area of approximately 5.3697 acres, Town of Timnath, Larimer County, Colorado.

2. Accordingly, pursuant to Section 32-1-401(1)(b), C.R.S., notice is hereby given that the Board of Directors of the District shall hold a public meeting to hear the Petition on Wednesday, April 19, 2023 at 1:00 p.m.

- (a) To attend via Zoom videoconference, use the following link, or e-mail [apadilla@sdmsi.com](mailto:apadilla@sdmsi.com) to have the link e-mailed to you:

<https://us02web.zoom.us/j/83875439749?pwd=Qk1VT1pHMEVJdEQxNVV1cWQ4N1VLdz09>

- (b) To attend via telephone, dial 1-719-359-4580 or 1-253-215-8782 and enter the following additional information:

- (1) Meeting ID: 838 7543 9749  
(2) Passcode: 090300

3. All interested persons shall attend such meeting and show cause in writing why such Petition should not be granted. All protests and objections shall be deemed to be waived unless submitted in writing to the District (c/o McGeady Becher P.C., 450 E. 17<sup>th</sup> Ave., Ste. 400, Denver, CO 80203) at or prior to the hearing or any continuance or postponement thereof in order to be considered.

### TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

By: /s/ PAULA J. WILLIAMS  
Attorney for the District

Published in: Fort Collins Coloradoan  
Published on: April 13, 2023

**RESOLUTION NO. 2023-04-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

**RESOLUTION FOR INCLUSION OF REAL PROPERTY**

A. CAC Timnath LLC, a Delaware limited liability company, the 100% fee owner of the Property (hereinafter defined) has petitioned the Timnath Lakes Metropolitan District No. 1 (the “**District**”) for the inclusion into the District’s boundaries of the real property hereinafter described (“**Property**”).

B. Public Notice has been published in accordance with law, calling for a public hearing on the request for approval of said Petition.

C. The statutory requirements of Section 32-1-401(1)(a), C.R.S., for submission of a petition for inclusion to the Board of Directors of the District (“**Board**”), including a legal description of the Property, a statement that assent to the inclusion of the Property was obtained by the 100% fee owner thereof and acknowledgment in the same manner as required for conveyances of land, were presented to and have been satisfied and approved by the Board.

D. The District may consider the enlargement or extension of its facilities in the exercise of discretion as a governmental function in the interest of public health, safety and welfare.

E. The District is capable of serving the Property with facilities of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1, TOWN OF TIMNATH, LARIMER COUNTY, COLORADO:

1. That the Board of Directors of the District shall and hereby does order the inclusion of the Property described herein within the boundaries of the District.

2. The name and address of the Petitioner and the legal description of the Property are as follows:

Petitioner: CAC Timnath LLC, a Delaware limited liability company

Address of Petitioner: 66 Franklin St., Suite 200  
Oakland, CA 94607

Legal Description of the Property: Approximately 5.3697 acres of land legally described on **Exhibit A**, attached hereto and incorporated herein by this reference.

3. That approval of this inclusion is further subject to the following:

(a) On and after the effective date of this inclusion (which shall be the date of recording of the Court Order approving the inclusion by the Clerk and Recorder of Larimer County, Colorado, unless otherwise specified in the Court Order), the Property shall be subject to the rules and regulations of the District, and the payment of any and all taxes, fees, rates and charges of the District.

RESOLUTION APPROVED AND ADOPTED on April 19, 2023.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 1**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

**EXHIBIT A**

Legal Description of the Property

Tract D,  
Timnath Landing Filing No. 2,  
According to the Plat recorded on June 30, 2020 at Reception No. 20200047375,  
Town of Timnath,  
County of Larimer,  
State of Colorado,

**TOGETHER WITH:**

Tract L,  
Timnath Landing Filing No. 1,  
According to the Plat recorded on August 28, 2019 at Reception No. 20190051031,  
Town of Timnath,  
County of Larimer,  
State of Colorado.

**CERTIFICATION**

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2023-04-\_\_\_\_\_, Resolution of the Board of Directors of Timnath Lakes Metropolitan District No. 1, Resolution for Inclusion of Real Property.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 1**

Date: April 19, 2023

By: \_\_\_\_\_  
Secretary

# APPLICATION FOR EXEMPTION FROM AUDIT

## SHORT FORM

**NAME OF GOVERNMENT  
ADDRESS**

<b>Timnath Lakes Metropolitan District No. 2</b>
<b>8390 E Crescent Parkway</b>
<b>Suite 300</b>
<b>Greenwood Village, CO 80111</b>
<b>Jason Carroll</b>
<b>303-779-5710</b>
<a href="mailto:Jason.Carroll@claconnect.com">Jason.Carroll@claconnect.com</a>

**For the Year Ended  
12/31/22  
or fiscal year ended:**

**CONTACT PERSON  
PHONE  
EMAIL**

## PART 1 - 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.

**NAME:  
TITLE  
FIRM NAME (if applicable)  
ADDRESS  
PHONE  
DATE PREPARED**

<b>Jason Carroll</b>
<b>Accountant for the District</b>
<b>CliftonLarsonAllen LLP</b>
<b>8390 E Crescent Parkway, Suite 300, Greenwood Village, CO 80111</b>
<b>303-779-5710</b>
<b>3/1/2023</b>

### PREPARER (SIGNATURE REQUIRED)

SEE ATTACHED ACCOUNTANT'S COMPLIATION REPORT

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

<b>GOVERNMENTAL</b> <small>(MODIFIED ACCRUAL BASIS)</small>	<b>PROPRIETARY</b> <small>(CASH OR BUDGETARY BASIS)</small>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

## PART 2 - REVENUE

REVENUE: 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	Round to nearest Dollar	
2-1	Taxes: Property (report mills levied in Question 10-6)	\$ 24	Please use this space to provide any necessary explanations
2-2	Specific ownership	\$ 117	
2-3	Sales and use	\$ -	
2-4	Other (specify): TIF	\$ 1,639	
2-5	Licenses and permits	\$ -	
2-6	Intergovernmental: Grants	\$ -	
2-7	Conservation Trust Funds (Lottery)	\$ -	
2-8	Highway Users Tax Funds (HUTF)	\$ -	
2-9	Other (specify):	\$ -	
2-10	Charges for services	\$ -	
2-11	Fines and forfeits	\$ -	
2-12	Special assessments	\$ -	
2-13	Investment income	\$ -	
2-14	Charges for utility services	\$ -	
2-15	Debt proceeds (should agree with line 4-4, column 2)	\$ -	
2-16	Lease proceeds	\$ -	
2-17	Developer Advances received (should agree with line 4-4)	\$ -	
2-18	Proceeds from sale of capital assets	\$ -	
2-19	Fire and police pension	\$ -	
2-20	Donations	\$ -	
2-21	Other (specify):	\$ -	
2-22		\$ -	
2-23		\$ -	
2-24	(add lines 2-1 through 2-23) TOTAL REVENUE	\$ 1,780	

## PART 3 - EXPENDITURES/EXPENSES

EXPENDITURES: 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	Round to nearest Dollar	
3-1	Administrative	\$ -	Please use this space to provide any necessary explanations
3-2	Salaries	\$ -	
3-3	Payroll taxes	\$ -	
3-4	Contract services	\$ -	
3-5	Employee benefits	\$ -	
3-6	Insurance	\$ -	
3-7	Accounting and legal fees	\$ -	
3-8	Repair and maintenance	\$ -	
3-9	Supplies	\$ -	
3-10	Utilities and telephone	\$ -	
3-11	Fire/Police	\$ -	
3-12	Streets and highways	\$ -	
3-13	Public health	\$ -	
3-14	Capital outlay	\$ -	
3-15	Utility operations	\$ -	
3-16	Culture and recreation	\$ -	
3-17	Debt service principal (should agree with Part 4)	\$ -	
3-18	Debt service interest	\$ -	
3-19	Repayment of Developer Advance Principal (should agree with line 4-4)	\$ -	
3-20	Repayment of Developer Advance Interest	\$ -	
3-21	Contribution to pension plan (should agree to line 7-2)	\$ -	
3-22	Contribution to Fire & Police Pension Assoc. (should agree to line 7-2)	\$ -	
3-23	Other (specify):	\$ -	
3-24	Intergovernmental	\$ 1,780	
3-25		\$ -	
3-26	(add lines 3-1 through 3-24) TOTAL EXPENDITURES/EXPENSES	\$ 1,780	

If TOTAL REVENUE (Line 2-24) or TOTAL EXPENDITURES (Line 3-26) are GREATER than \$100,000 - **STOP**. You may not use this form. Please use the "Application for Exemption from Audit - LONG FORM".

## PART 4 - DEBT OUTSTANDING, ISSUED, AND RETIRED

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-1	Does the entity have outstanding debt? If Yes, please attach a copy of the entity's Debt Repayment Schedule.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-2	Is the debt repayment schedule attached? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-3	Is the entity current in its debt service payments? If no, MUST explain: <div style="border: 1px solid black; padding: 2px; margin-top: 5px;">N/A</div>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4-4	Please complete the following debt schedule, if applicable: (please only include principal amounts)(enter all amount as positive numbers)		
	<b>General obligation bonds</b>	\$ -	\$ -
	<b>Revenue bonds</b>	\$ -	\$ -
	<b>Notes/Loans</b>	\$ -	\$ -
	<b>Lease Liabilities</b>	\$ -	\$ -
	<b>Developer Advances</b>	\$ -	\$ -
	<b>Other (specify):</b>	\$ -	\$ -
	<b>TOTAL</b>	\$ -	\$ -

\*must tie to prior year ending balance

Please answer the following questions by marking the appropriate boxes.

		Yes	No
4-5	Does the entity have any authorized, but unissued, debt?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If yes:	How much? Date the debt was authorized:	\$ 367,000,000.00 5/2/2006	
4-6	Does the entity intend to issue debt within the next calendar year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	How much?	\$ -	
4-7	Does the entity have debt that has been refinanced that it is still responsible for?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is the amount outstanding?	\$ -	
4-8	Does the entity have any lease agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes:	What is being leased? What is the original date of the lease? Number of years of lease?		
	Is the lease subject to annual appropriation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	What are the annual lease payments?	\$ -	

Please use this space to provide any explanations or comments:

## PART 5 - CASH AND INVESTMENTS

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

		Amount	Total
5-1	YEAR-END Total of ALL Checking and Savings Accounts	\$ -	
5-2	Certificates of deposit	\$ -	
<b>Total Cash Deposits</b>			\$ -
Investments (if investment is a mutual fund, please list underlying investments):			
5-3	CSAFE	\$ 13	
		\$ -	
		\$ -	
		\$ -	
<b>Total Investments</b>			\$ 13
<b>Total Cash and Investments</b>			\$ 13

Please answer the following questions by marking in the appropriate boxes

		Yes	No	N/A
5-4	Are the entity's Investments legal in accordance with Section 24-75-601, et. seq., C.R.S.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5-5	Are the entity's deposits in an eligible (Public Deposit Protection Act) public depository (Section 11-10.5-101, et seq. C.R.S.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

If no, MUST use this space to provide any explanations:



## PART 6 - CAPITAL AND RIGHT-TO-USE ASSETS

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 6-1 Does the entity have capital assets?  Yes       No
- 6-2 Has the entity performed an annual inventory of capital assets in accordance with Section 29-1-506, C.R.S.,? If no, MUST explain:  Yes       No

N/A

Complete the following capital & right-to-use assets table:	Balance - beginning of the year*	Additions (Must be included in Part 3)	Deletions	Year-End Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -
Machinery and equipment	\$ -	\$ -	\$ -	\$ -
Furniture and fixtures	\$ -	\$ -	\$ -	\$ -
Infrastructure	\$ -	\$ -	\$ -	\$ -
Construction In Progress (CIP)	\$ -	\$ -	\$ -	\$ -
Leased Right-to-Use Assets	\$ -	\$ -	\$ -	\$ -
Other (explain):	\$ -	\$ -	\$ -	\$ -
Accumulated Depreciation/Amortization (Please enter a negative, or credit, balance)	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Please use this space to provide any explanations or comments:

## PART 7 - PENSION INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

- 7-1 Does the entity have an "old hire" firefighters' pension plan?  Yes       No
- 7-2 Does the entity have a volunteer firefighters' pension plan?  Yes       No

If yes: Who administers the plan?

Indicate the contributions from:

Tax (property, SO, sales, etc.):	\$ -
State contribution amount:	\$ -
Other (gifts, donations, etc.):	\$ -
<b>TOTAL</b>	<b>\$ -</b>

What is the monthly benefit paid for 20 years of service per retiree as of Jan 1? \$ -

Please use this space to provide any explanations or comments:

## PART 8 - BUDGET INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No                      N/A

- 8-1 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.?  Yes       No       N/A

- 8-2 Did the entity pass an appropriations resolution, in accordance with Section 29-1-108 C.R.S.? If no, MUST explain:  Yes       No       N/A

If yes: Please indicate the amount budgeted for each fund for the year reported:

Governmental/Proprietary Fund Name	Total Appropriations By Fund
General Fund	\$ 8,000

## PART 9 - TAXPAYER'S BILL OF RIGHTS (TABOR)

Please answer the following question by marking in the appropriate box

Yes                      No

**9-1** Is the entity in compliance with all the provisions of TABOR [State Constitution, Article X, Section 20(5)]?



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

**If no, MUST explain:**

## PART 10 - GENERAL INFORMATION

Please answer the following questions by marking in the appropriate boxes.

Yes                      No

**10-1** Is this application for a newly formed governmental entity?



If yes: **Date of formation:**

**10-2** Has the entity changed its name in the past or current year?



If yes: **Please list the NEW name & PRIOR name:**

**10-3** Is the entity a metropolitan district?



**Please indicate what services the entity provides:**

**10-4** Does the entity have an agreement with another government to provide services?



If yes: **List the name of the other governmental entity and the services provided:**

**10-5** Has the district filed a *Title 32, Article 1 Special District Notice of Inactive Status* during



If yes: **Date Filed:**

**10-6** Does the entity have a certified Mill Levy?



If yes: **Please provide the following mills levied for the year reported (do not report \$ amounts):**

Bond Redemption mills	-
General/Other mills	25.000
<b>Total mills</b>	<b>25.000</b>

**Please use this space to provide any explanations or comments:**

10-3: District provides for the design, acquisition, construction, installation and financing of street, park, water, sanitation, mosquito control and safety protection.

10-4: The District operations in connection with Tlfnath Lakes Metro District No. 1, 3, 4, 5 and 6. Districts 1 through 5 are the financing Districts and District 6 is the operating District.

## PART 11 - GOVERNING BODY APPROVAL

Please answer the following question by marking in the appropriate box		YES	NO
12-1	If you plan to submit this form electronically, have you read the new Electronic Signature Policy?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

### Office of the State Auditor — Local Government Division - Exemption Form Electronic Signatures Policy and Procedure

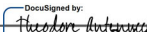

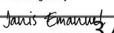
#### Policy - Requirements

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 note their approval and submit the application through one of the following three methods:**

- 1) Submit the application in hard copy via the US 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.

Print the names of ALL members of current governing body below. Print Board Member's Name		A MAJORITY of the members of the governing body must complete and sign in the column below.
Board Member 1	Theodore Antenucci	I Theodore Antenucci, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/4/2023</u> My term Expires: May 2023
Board Member 2	Robert Bol	I Robert Bol, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/2/2023</u> My term Expires: May 2025
Board Member 3	Janis Emanuel	I Janis Emanuel, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed  Date: <u>3/2/2023</u> My term Expires: May 2023
Board Member 4	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 5	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 6	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____
Board Member 7	Print Board Member's Name	I _____, attest I am a duly elected or appointed board member, and that I have personally reviewed and approve this application for exemption from audit. Signed _____ Date: _____ My term Expires: _____



CliftonLarsonAllen LLP  
8390 East Crescent Pkwy., Suite 300  
Greenwood Village, CO 80111

phone 303-779-5710 fax 303-779-0348  
CLAconnect.com

## Accountant's Compilation Report

Board of Directors  
Timnath Lakes Metropolitan District No. 2  
Larimer County, Colorado

Management is responsible for the accompanying Application for Exemption from Audit of Timnath Lakes Metropolitan District No. 2 as of and for the year ended December 31, 2022, included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The Application for Exemption from Audit is presented in accordance with the requirements of the Colorado Office of the State Auditor, which differ from accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Colorado Office of the State Auditor and is not intended to be and should not be used by anyone other than this specified party.

We are not independent with respect to Timnath Lakes Metropolitan District No. 2.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Greenwood Village, Colorado  
March 1, 2023

**Certificate Of Completion**

Envelope Id: 804A31868CE743489FFB90C0CF6308E6	Status: Completed
Subject: Complete with DocuSign: Timnath Lakes MD NO. 2 - 2022 Audit Exemption (3-1-23).pdf	
Client Name: Timnath Lakes MD NO. 2	
Client Number: A510393	
Source Envelope:	
Document Pages: 8	Signatures: 3
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Enveloped Stamping: Enabled	Lauryn Rodvold
Time Zone: (UTC-06:00) Central Time (US & Canada)	220 S 6th St Ste 300
	Minneapolis, MN 55402-1418
	Lauryn.Rodvold@claconnect.com
	IP Address: 172.58.61.161


**Record Tracking**

Status: Original	Holder: Lauryn Rodvold	Location: DocuSign
3/2/2023 11:36:02 AM	Lauryn.Rodvold@claconnect.com	

**Signer Events**

Janis Emanuel  
 jmanuel@catellus.com  
 President  
 Catellus  
 Security Level: Email, Account Authentication (None)

**Signature**

DocuSigned by:  
  
 61D8FED1170C4A0...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 173.8.249.62

**Timestamp**

Sent: 3/2/2023 11:43:45 AM  
 Viewed: 3/2/2023 11:44:14 AM  
 Signed: 3/2/2023 11:44:20 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 11/18/2021 3:05:12 PM  
 ID: e44cc491-726b-41d5-a960-93622b1ef791


Rob Bol  
 robbol@yahoo.com  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 FCE37B26CA96473...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 73.243.2.171

Sent: 3/2/2023 11:43:45 AM  
 Viewed: 3/2/2023 1:48:29 PM  
 Signed: 3/2/2023 1:48:58 PM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/2/2023 1:48:29 PM  
 ID: d7032baa-9cc1-4ecc-a6b9-e009d7677334

Theodore Antenucci  
 tantenucci@catellus.com  
 Manager  
 Security Level: Email, Account Authentication (None)

DocuSigned by:  
  
 3F28C602A3CC463...  
 Signature Adoption: Pre-selected Style  
 Using IP Address: 71.229.130.82  
 Signed using mobile

Sent: 3/2/2023 11:43:46 AM  
 Viewed: 3/4/2023 9:59:26 AM  
 Signed: 3/4/2023 9:59:49 AM

**Electronic Record and Signature Disclosure:**  
 Accepted: 3/4/2023 9:59:26 AM  
 ID: 44b0bd76-b740-4839-af89-180b60248722

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp

<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
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Certified Delivered	Security Checked	3/4/2023 9:59:26 AM
Signing Complete	Security Checked	3/4/2023 9:59:49 AM
Completed	Security Checked	3/4/2023 9:59:49 AM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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<b>Electronic Record and Signature Disclosure</b>
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## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, CliftonLarsonAllen LLP (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**



Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

**How to contact CliftonLarsonAllen LLP:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com)

**To advise CliftonLarsonAllen LLP of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

**To request paper copies from CliftonLarsonAllen LLP**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

**To withdraw your consent with CliftonLarsonAllen LLP**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to [BusinessTechnology@CLAconnect.com](mailto:BusinessTechnology@CLAconnect.com) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify CliftonLarsonAllen LLP as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by CliftonLarsonAllen LLP during the course of your relationship with CliftonLarsonAllen LLP.

**RESOLUTION NO. 2023-04-\_\_\_\_**

**RESOLUTION OF TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
ACKNOWLEDGING AND ADOPTING THE DECLARATION OF ARCHITECTURAL,  
USE AND MAINTENANCE RESTRICTIONS FOR TIMNATH LAKES  
(COMMERCIAL)**

1. Timnath Lakes Metropolitan District No. 2 (the “**District**”) is a duly and regularly created, established, organized, and existing metropolitan district, existing as such under and pursuant to Title 32, Article 1 of the Colorado Revised Statutes, as amended (“**C.R.S.**”).

2. CAC Timnath LLC, a Delaware limited liability company (the “**Developer**”), the master developer of Timnath Lakes has executed a Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Commercial)(the “**Declaration**”) recorded in the real property records of Larimer County, State of Colorado, on March 3, 2022 at Reception No. 20220014343, as the same may be amended from time to time, and which Declaration declares that certain property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, altered and otherwise enjoyed in accordance with and subject to the covenants, conditions, and restrictions contained therein.

3. The Declaration provides that Timnath Lakes Metropolitan District No. 2 shall enforce each of the provisions provided therein.

4. Section 32-1-1004(8), C.R.S. authorizes Title 32 metropolitan districts to furnish covenant enforcement and design review services within the district if the declaration, rules and regulations, or similar document containing the covenants to be enforced for the area within the metropolitan district named the district as the enforcement or design review entity.

5. The Declaration assigns to the District all duties, rights and obligations to enforce the Declaration and to promulgate the Guidelines with respect to real property within the boundaries of the District that is subject to the Declaration.

6. The Board of Directors of the District (the “**Board**”) wishes to adopt the Declaration as an official policy of the District and to acknowledge the duties, obligations and rights assigned to the District pursuant to such Declaration.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 2, COUNTY OF LARIMER, COLORADO, AS FOLLOWS:

1. The foregoing Recitals are incorporated into and made a substantive part of this Resolution.

2. The Board hereby determines that it is in the best interests of the District and its property owners and users for the District to accept the assignment of all duties, rights and obligations under the Declaration and to provide the covenant enforcement and design review services established thereby.

3. The Board hereby authorizes and directs the officers of the District and District staff to take all actions necessary to execute the duties, rights and obligations assigned to the District by the Declaration.

4. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word hereof, or the application thereof in any given circumstance, shall not affect the validity of the remainder of this Resolution, which shall be given effect in accordance with the manifest intent hereof.

5. This Resolution shall be effective upon recording of the Declaration in the Office of the Clerk and Recorder for Larimer County, Colorado.

**[SIGNATURE PAGE FOLLOWS]**

**[SIGNATURE PAGE TO RESOLUTION OF  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
ACKNOWLEDGING AND ADOPTING THE DECLARATION OF ARCHITECTURAL,  
USE AND MAINTENANCE RESTRICTIONS FOR TIMNATH LAKES  
(COMMERCIAL)]**

**APPROVED AND ADOPTED** on April 19, 2023.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 2**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary