

# 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 SPECIAL 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
_____	Secretary	

DATE: December 5, 2022  
TIME: 10:00 a.m.  
PLACE: Loveland Public Library (Longs Peak Room)  
300 N. Adams Ave.  
Loveland, CO 80537

**Although at least one person will be present at the physical meeting location, the meeting will also be held via video/telephonic means, with the access information below:**

<https://us02web.zoom.us/j/88102033003?pwd=RmZPVFpBZnhSOGV0aklGWwt0Nmhxdz09>

**Phone:** 1 (719) 359-4580

**Meeting ID:** 881 0203 3003

**Password:** 151043

**One tap mobile:** +17193594580,,88102033003#,,, \*151043#

### I. ADMINISTRATIVE MATTERS

A. Present disclosures of potential conflicts of interest.

---

B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

---

C. Acknowledge resignation of Matt Cohrs as District Secretary, and consider appointment of Ann Finn as new District Secretary.

---

D. Review and consider approval of the Minutes of the July 20, 2022 Regular Meeting (TLMD 1-3) (enclosures).

---

E. Discuss business to be conducted in 2023 and location (**virtual and/or physical**) of meetings (suggested dates are January 18, 2023, April 19, 2023 and October 19, 2023). Review and consider adoption of Resolution No. 2022-12-\_\_\_, Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices (enclosures).

---

F. Discuss §32-1-809, C.R.S., Transparency Notice reporting requirements and mode of eligible elector notification (2023 SDA Website and District Website).

---

G. Discuss status of District website (**TLMD 1-3**).

---

1. Consider approval Subscription Agreement with TownCloud for creation of the District website (enclosure).

---

2. Consider authorizing the termination of the Eligible Governmental Entity Agreement with the Colorado State Internet Portal Authority and all associated documents for website services.

---

## 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.

---

## III. FINANCIAL MATTERS

A. Review and accept Unaudited Financial Statements through the period ending September 30, 2022 and Schedule of Cash Position as of November 28, 2022 (**TLMD 1**) (enclosure).

---

B. Consider engagement of Wipfli LLP for preparation of 2022 Audit, in the amount of \$5,400 (**TLMD 1**) (enclosure).

---

C. Consider appointment of District Accountant to prepare the Application for Exemption from Audit for 2022 (**TLMD 2**).

---

- D. Conduct Public Hearing to consider Amendment to 2022 Budget and (if necessary) consider adoption of Resolution to Amend the 2022 Budget and Appropriate Expenditures.
- 

- E. Conduct Public Hearing on the proposed 2023 Budget and consider adoption of Resolution to Adopt the 2023 Budget and Appropriate Sums of Money and Set Mill Levies for General Fund \_\_\_\_\_, Debt Service Fund \_\_\_\_\_, and Other Fund(s) \_\_\_\_\_ for a total mill levy of \_\_\_\_\_ (enclosures – final AV, draft 2023 Budget, and Resolutions).
- 

1. Review and consider adoption of Resolution No. 2022-12-\_\_\_\_, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan (to be distributed) (**TLMD 1 & 3**).
- 

- F. Authorize District Accountant to prepare, and appoint Board Member to sign, the DLG-70 Certification of Tax Levies form (“Certification”). Direct District Accountant to file the Certification with the Board of County Commissioners and other interested parties.
- 

- G. Review and approve CliftonLarsonAllen LLP 2023 Scope of Work (to be distributed).
- 

- H. Consider appointment of District Accountant to prepare the 2024 Budget and set the date for public hearing to adopt the 2024 Budget (October 19, 2023).
- 

#### IV. LEGAL MATTERS

- A. Discuss May 2, 2023 Regular Directors’ Election and consider adoption of Resolution No. 2022-12-\_\_\_\_; Resolution Calling a Regular Election for Directors on May 2, 2023, appointing the Designated Election Official (“DEO”), and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election (enclosure). Self-Nomination forms are due by February 24, 2023. Discuss the need for ballot issues and/or questions.
- 

- B. Discuss amending District Operation Fees (Residential) (**TLMD 1 & 3**).
-

- C. Discuss establishing District Operation Fees (Commercial) (TLMD 2).
- 
- D. Discuss status of submittal of proposed Service Plan Amendment and other documents and requests to the Town of Timnath (TLMD 1-3).
- 
- E. Review and consider adoption of Resolution No. 2022-12-\_\_\_\_, Resolution Acknowledging and Adopting the Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes (Commercial) (TLMD 2) (to be distributed).
- 
- F. Discuss status of formation of the Timnath Lakes Community Authority. Authorize any necessary actions in connection therewith (TLMD 1-3).
- 
- G. Consider approval of Cost Verification Report (to be distributed) and consider acceptance of verified costs for Public Improvements (TLMD 1-3).
- 
- H. **[TLMD 3] Issuance of the District's General Obligation Limited Tax Convertible Capital Appreciation Bonds, Series 2022A and the District's Subordinate General Obligation Limited Tax Bonds, Series 2022B(3):**
1. Review Schedule of Events (enclosure).

---

  2. Review and consider approval of Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co. (enclosure).

---

  3. Review and consider approval of Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C. (enclosure).

---

  4. Review and consider approval Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc. (enclosure).

---

5. Review and discuss proposals for External Financial Advisor Services from Lewis Young Robertson & Burningham, Inc., MuniCap, Inc., and North Slope Financial Advisors (enclosure – comparison of proposals). Consider engagement of External Financial Advisor and authorize any necessary actions in connection therewith.
- 

6. Discuss and consider engagement of CliftonLarsonAllen LLP for preparation of Financial Forecast.
- 

7. Review and consider adoption of a 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**”) 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 (to be distributed).
- 

I. **[TLMD 1] 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):**

1. Review Schedule of Events (enclosure).
- 

2. Review and consider approval of Underwriter/Placement Agent Engagement Letter between the District and Piper Sandler & Co. (enclosure).
- 

3. Review and consider approval of Bond Counsel Engagement Agreement between the District and Sherman & Howard L.L.C. (enclosure).
-

4. Review and consider approval Proposal and Agreement for Professional Planning and Economic Services between the District and King & Associates, Inc. (enclosure).

---
5. Discuss and consider engagement of External Financial Advisor and authorize any necessary actions in connection therewith.

---
6. Discuss and consider engagement of CliftonLarsonAllen LLP for preparation of Financial Forecast.

---
7. Review and consider adoption of a 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**") for the purpose of refunding its existing general obligation indebtedness, paying or reimbursing the costs of 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 (to be distributed).

---

V. CAPITAL MATTERS

- A. Discuss status of the relocation of the Akin Lateral Irrigation Ditch.

---

VI. OTHER BUSINESS

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

---

VII. ADJOURNMENT **THERE ARE NO MORE REGULAR MEETINGS SCHEDULED FOR 2022.**

Additional Enclosure:

- Notice of rate increase from Special District Management Services, Inc.
- Notice of rate increase from McGeady Becher P.C.

## RECORD OF PROCEEDINGS

---

### MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1 HELD JULY 20, 2022

A Regular Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (referred to hereafter as "Board") was convened on Wednesday, the 20<sup>th</sup> day of July, 2022 at 1:00 p.m. via Zoom. The meeting was open to the public.

#### ATTENDANCE

#### Directors In Attendance Were:

Janis L. Emanuel  
Robert Bol

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:

Matt Cohrs and Peggy Ripko (for a portion of the meeting); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq. and Craig Sorensen; McGeady Becher P.C.

Jason Carroll; CliftonLarsonAllen LLP

Michael Kuykendall and Nick Montalbano; Catellus Development Corporation

#### DISCLOSURE 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. Mr. Cohrs 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.

## RECORD OF PROCEEDINGS

---

**ADMINISTRATIVE  
MATTERS**

**Agenda:** Mr. Cohrs 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 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. The Board determined that the meeting would 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.

**Minutes:** The Board reviewed the Minutes of the January 28, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the January 28, 2022 Special Meeting were approved.

**Status of District's Website:** Mr. Cohrs reported to the Board on the status of the District's website.

**Results of May 3, 2022 Regular Election:** Mr. Cohrs and Attorney Williams discussed with the Board the results of the May 3, 2022 Regular Election, noting that Director Bol was elected to a three-year term ending in 2025, but that Ballot Issues 5A and 5B both failed to pass.

**Appointment of Officers:** The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Janis Emanuel
Treasurer	Robert Bol
Secretary	Matt Cohrs
Assistant Secretary	Theodore Antenucci



## RECORD OF PROCEEDINGS

---

**2022 SDA Conference:** Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

---

### PUBLIC COMMENTS

There were no public comments.

---

### FINANCIAL MATTERS

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

**2021 Audit:** Mr. Carroll reviewed the draft 2021 Audit with the Board, and informed that Board that an extension of time to file the Audit was required.

Following review and discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board: (1) authorized any Board Member to sign the application for extension of time to file the 2021 Audit; (2) approved the 2021 Audit, subject to final legal review and to receipt of an unmodified opinion from the auditor; and (3) authorized the execution of the Representations Letter.

---

### LEGAL MATTERS

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

**Potential Bond Issuance:** Attorney Williams discussed with the Board a potential bond issuance by Timnath Lakes Metropolitan District No. 3.

**Akin Lateral Irrigation Ditch Relocation:** Attorney Williams updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch (the "Ditch Relocation"). No action was taken by the Board at this time.

**Submittal to OmniTRAX Inc. by Timnath Lakes Metropolitan District No. 1 of Application for Pipeline Crossing/Parallel Encroachment Under/Over Properties and Tracks:** Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the submittal to OmniTRAX Inc. by Timnath

## RECORD OF PROCEEDINGS

---

Lakes Metropolitan District No. 1 of the Application for Pipeline Crossing/Parallel Encroachment Under/Over Properties and Tracks.

**Service Plan Amendment:** Attorney Williams noted that the proposed Service Plan Amendment will be part of a larger, comprehensive package of documents and requests to be submitted to the Town of Timnath.

**Timnath Lakes Community Authority:** Attorney Williams discussed with the Board the status of creation of the Timnath Lakes Community Authority. She noted the Establishment Agreement is currently under review.

---

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

---

**OTHER BUSINESS** **Current Development:** Mr. Montalbano updated the Board on the status of development within the District.

---

**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

---

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
HELD  
JULY 20, 2022**

A Regular Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (referred to hereafter as "Board") was convened on Wednesday, the 20<sup>th</sup> day of July, 2022 at 1:00 p.m. via Zoom. The meeting was open to the public.

### ATTENDANCE

#### Directors In Attendance Were:

Janis L. Emanuel  
Robert Bol

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:

Matt Cohrs and Peggy Ripko (for a portion of the meeting); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq. and Craig Sorensen; McGeady Becher P.C.

Jason Carroll; CliftonLarsonAllen LLP

Michael Kuykendall and Nick Montalbano; Catellus Development Corporation

### DISCLOSURE 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. Mr. Cohrs 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.

## RECORD OF PROCEEDINGS

---

### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Cohrs 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 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. The Board determined that the meeting would 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.

**Minutes:** The Board reviewed the Minutes of the January 28, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the January 28, 2022 Special Meeting were approved.

**Status of District's Website:** Mr. Cohrs reported to the Board on the status of the District's website.

**Results of May 3, 2022 Regular Election:** Mr. Cohrs and Attorney Williams discussed with the Board the results of the May 3, 2022 Regular Election, noting that Director Bol was elected to a three-year term ending in 2025, and that Ballot Issues 5A and 5B both passed.

**Appointment of Officers:** The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Janis Emanuel
Treasurer	Robert Bol
Secretary	Matt Cohrs
Assistant Secretary	Theodore Antenucci

## RECORD OF PROCEEDINGS

---

**2022 SDA Conference:** Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

---

### PUBLIC COMMENTS

There were no public comments.

---

### FINANCIAL MATTERS

**2021 Application for Exemption from Audit:** The Board discussed the 2021 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board ratified the approval, execution and filing of the Application for Exemption from Audit for 2021.

---

### LEGAL MATTERS

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

**Potential Bond Issuance:** Attorney Williams discussed with the Board a potential bond issuance by Timnath Lakes Metropolitan District No. 3.

**Akin Lateral Irrigation Ditch Relocation:** Attorney Williams updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch (the “Ditch Relocation”). No action was taken by the Board at this time.

**Pipeline Crossing License between Great Western Railway of Colorado, LLC and Timnath Lakes Metropolitan District No. 2:** Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the Pipeline Crossing License between Great Western Railway of Colorado, LLC and Timnath Lakes Metropolitan District No. 2.

**Resolution No. 2022-07-01, Resolution Acknowledging and Adopting the Declaration of Architectural, Use and Maintenance Restrictions for Timnath Lakes:** The Board deferred discussion.

**Declaration Concerning Disclosures, Acknowledgements and Waivers for Timnath Lakes (Commercial):** The Board discussed the Declaration Concerning Disclosures, Acknowledgements and Waivers for Timnath Lakes (Commercial).

## RECORD OF PROCEEDINGS

---

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board acknowledged the Declaration Concerning Disclosures, Acknowledgements and Waivers for Timnath Lakes (Commercial).

**Service Plan Amendment:** Attorney Williams noted that the proposed Service Plan Amendment will be part of a larger, comprehensive package of documents and requests to be submitted to the Town of Timnath.

**Timnath Lakes Community Authority:** Attorney Williams discussed with the Board the status of creation of the Timnath Lakes Community Authority. She noted the Establishment Agreement is currently under review.

\_\_\_\_\_

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

\_\_\_\_\_

**OTHER BUSINESS** **Current Development:** Mr. Montalbano updated the Board on the status of development within the District.

\_\_\_\_\_

**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

---

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 3  
HELD  
JULY 20, 2022**

A Regular Meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (referred to hereafter as "Board") was convened on Wednesday, the 20<sup>th</sup> day of July, 2022 at 1:00 p.m. via Zoom. The meeting was open to the public.

### ATTENDANCE

**Directors In Attendance Were:**

Janis L. Emanuel  
Robert Bol

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:**

Matt Cohrs and Peggy Ripko (for a portion of the meeting); Special District Management Services, Inc.

Paula Williams, Esq., Kate Olson, Esq. and Craig Sorensen; McGeady Becher P.C.

Jason Carroll; CliftonLarsonAllen LLP

Michael Kuykendall and Nick Montalbano; Catellus Development Corporation

### DISCLOSURE 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. Mr. Cohrs 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.

## RECORD OF PROCEEDINGS

---

### ADMINISTRATIVE MATTERS

**Agenda:** Mr. Cohrs 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 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. The Board determined that the meeting would 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.

**Minutes:** The Board reviewed the Minutes of the January 28, 2022 Special Meeting.

Following discussion, upon motion duly made by Director Emanuel and seconded by Director Bol and, upon vote, unanimously carried, the Minutes of the January 28, 2022 Special Meeting were approved.

**Status of District's Website:** Mr. Cohrs reported to the Board on the status of the District's website.

**Results of May 3, 2022 Regular Election:** Mr. Cohrs and Attorney Williams discussed with the Board the results of the May 3, 2022 Regular Election, noting that Director Bol was elected to a three-year term ending in 2025, and that Ballot Issues 5A and 5B both passed.

**Appointment of Officers:** The Board entered into discussion regarding the appointment of officers.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Janis Emanuel
Treasurer	Robert Bol
Secretary	Matt Cohrs
Assistant Secretary	Theodore Antenucci



## RECORD OF PROCEEDINGS

---

**2022 SDA Conference:** Mr. Cohrs discussed the SDA Conference with the Board, and noted the information concerning the details of the conference will be emailed to them once the information is available.

---

### PUBLIC COMMENTS

There were no public comments.

---

### FINANCIAL MATTERS

**2021 Application for Exemption from Audit:** The Board discussed the 2021 Application for Exemption from Audit.

Following review and discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board ratified the approval, execution and filing of the Application for Exemption from Audit for 2021.

---

### LEGAL MATTERS

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

**Potential Bond Issuance:** Attorney Williams discussed with the Board a potential bond issuance by the District.

Following discussion, upon motion duly made by Director Emanuel, seconded by Director Bol and, upon vote, unanimously carried, the Board authorized the engagement of the following consultants: Piper Sandler & Co. to serve as Underwriter, King & Associates, Inc. to prepare the Market Study, CliftonLarsonAllen LLP to prepare the Cash Flow Analysis, and Sherman & Howard L.L.C. to serve as Bond Counsel.

**Akin Lateral Irrigation Ditch Relocation:** Attorney Williams updated the Board on the status of relocation of the Akin Lateral Irrigation Ditch (the "Ditch Relocation"). No action was taken by the Board at this time.

**Service Plan Amendment:** Attorney Williams noted that the proposed Service Plan Amendment will be part of a larger, comprehensive package of documents and requests to be submitted to the Town of Timnath.

**Timnath Lakes Community Authority:** Attorney Williams discussed with the Board the status of creation of the Timnath Lakes Community Authority. She noted the Establishment Agreement is currently under review.

---

## RECORD OF PROCEEDINGS

---

**CAPITAL MATTERS**    There were no capital matters.  
\_\_\_\_\_

**OTHER BUSINESS**    **Current Development:** Mr. Montalbano updated the Board on the status of development within the District.  
\_\_\_\_\_

**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

**RESOLUTION NO. 2022-12-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE TIMNATH LAKES MEROPOLITAN DISTRICT NO. 1  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (the “**District**”), Larimer County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on January 18, 2023, April 19, 2023 and October 19, 2023 at 1:00 p.m. via Zoom Meeting.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, www.\_\_\_\_\_, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) North side of East Harmony Road on a light pole 300 feet west of railroad tracks

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING  
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR  
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES MEROPOLITAN  
DISTRICT NO. 1**

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

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2022-12-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE TIMNATH LAKES MEROPOLITAN DISTRICT NO. 2  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (the “**District**”), Larimer County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on January 18, 2023, April 19, 2023 and October 19, 2023 at 1:00 p.m. via Zoom Meeting.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, www.\_\_\_\_\_, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) North side of East Harmony Road on a wood stake 200 feet west of Three Bell Parkway

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING  
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR  
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES MEROPOLITAN  
DISTRICT NO. 2**

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

Attest:

\_\_\_\_\_  
Secretary



**RESOLUTION NO. 2022-12-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE TIMNATH LAKES MEROPOLITAN DISTRICT NO. 3  
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, AND  
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903(1.5), C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 32-1-903(5), C.R.S., “location” means the physical, telephonic, electronic, or virtual place, or a combination of such means where a meeting can be attended. “Meeting” has the same meaning as set forth in Section 24-6-402(1)(b), C.R.S., and means any kind of gathering, convened to discuss public business, in person, by telephone, electronically, or by other means of communication.

C. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district’s first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings (“**Notice of Meeting**”) will be physically posted at least 24 hours prior to each meeting (“**Designated Public Place**”). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting if a special district posts the Notice of Meeting online on a public website of the special district (“**District Website**”) at least 24 hours prior to each regular and special meeting.

E. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

F. Pursuant to Section 32-1-903(1.5), C.R.S., all meetings of the board that are held solely at physical locations must be held at physical locations that are within the boundaries of the district or that are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the physical location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

G. The provisions of Section 32-1-903(1.5), C.R.S., may be waived if: (1) the proposed change of the physical location of a meeting of the board appears on the agenda of a meeting; and (2) a resolution is adopted by the board stating the reason for which meetings of the board are to be held in a physical location other than under Section 32-1-903(1.5), C.R.S., and further stating the date, time and physical location of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (the “**District**”), Larimer County, Colorado:

1. That the provisions of Section 32-1-903(1.5), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting meetings at a physical location pursuant to Section 32-1-903(1.5), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2023 shall be held on January 18, 2023, April 19, 2023 and October 19, 2023 at 1:00 p.m. via Zoom Meeting.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the physical location and/or method or procedure for attending meetings of the District Board virtually (including the conference number or link) shall appear on the agenda(s) of said meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) physical location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District has established the following District Website, www.\_\_\_\_\_, and the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to meetings pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

8. That, if the District is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) North side of East Harmony Road on a wood stake 100 feet west of Three Bell Parkway

9. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

**[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING  
DATES, TIME, AND LOCATION, AND DESIGNATING LOCATION FOR 24-HOUR  
NOTICES]**

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES MEROPOLITAN  
DISTRICT NO. 3**

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

Attest:

\_\_\_\_\_  
Secretary



# TownCloud

## QUOTE

Company Address 555 Eldorado Blvd. Suite 100  
 Broomfield, Colorado 80021  
 United States

Created Date 10/26/2022  
 Expiration Date 10/31/2022  
 Quote Number 00000715

Description Retail Cost:  
 \$350 - one-time setup fee  
 \$99/mo - subscription up to 5 admin

3 Year Prepaid Subscription Special Offer  
 - \$350 startup fee waived  
 - 30% subscription discount for first 3 years

Prepared By Chris Haywood  
 Phone (720) 722-0349  
 Email chaywood@towncloud.com

Contact Name Ann E. Finn  
 Phone 303-987-0835  
 Email afinn@sdmsi.com

Bill To Name Timnath Lakes Metropolitan District Nos. 1, 2, 3,  
 4, 5, 6

Bill To 141 Union Boulevard  
 Suite 150  
 Lakewood, Colorado 80228  
 United States

Product	List Price	Sales Price	Quantity	Discount	Total Price
Website Startup Fee (per site)	\$350.00	\$350.00	1.00	100.00%	\$0.00
Website Subscription (per year)	\$1,188.00	\$1,188.00	3.00	30.00%	\$2,494.80

Total Price \$2,494.80

By signing below, I acknowledge that I have read and agree to the TownCloud, Inc. **Subscription Services Agreement** located at <https://towncloud.com/subscription-services-agreement/>.

Customer Signature	TownCloud Signature
	Christopher Haywood, Manager
Printed Name & Title	Printed Name & Title

**Billing Email and any special instructions:**


# Subscription Services Agreement

TownCloud, Inc. (“**TownCloud**”) has developed certain technology, as further described below, to provide municipalities with application based management services. This Subscription Services Agreement (this “**Agreement**”) sets forth the terms and conditions under which TownCloud will provide the Services (as defined below). Please read this Agreement carefully. By clicking “I AGREE” or by using or accessing the TownCloud System, you, on behalf of the municipality you represent (referred to herein as the “**Customer**”) acknowledge that you have read and accept the terms and conditions of this Agreement in its entirety.

## 1. **Definitions.**

- 1.1. “**TownCloud System**” means TownCloud’s Internet cloud-based application software platform for use by local governments and municipalities to which Customer is granted access in accordance with this Agreement.
- 1.2. “**Customer Data**” means all data and information submitted to TownCloud by Customer either by an End User or a Public User in connection with the Services.
- 1.3. “**Documentation**” means TownCloud’s user manuals, handbooks, online materials, or service specifications furnished by TownCloud that describe the features, functionality or operation of the Services.
- 1.4. “**End Users**” means any employee, contractor or other representative of Customer who are authorized by Customer to use the Services on behalf of Customer.
- 1.5. “**Public Users**” means members of the general public who have been granted access to certain publically accessible portions of the TownCloud System (as described in the Documentation) as determined and controlled by Customer.
- 1.6. “**Services**” means the subscription-based software-as-a-service solution delivered via the TownCloud System as made available by TownCloud pursuant to this Agreement, in configurations and including those software applications included as part of Customer’s Subscription package.
- 1.7. “**Subscription**” means an enrollment for the Services as set forth in this Agreement.

2. **Services.** This Agreement governs Customer’s access to and use of the TownCloud System on a Subscription basis during the applicable Subscription term (as defined in Section 6). The Services and TownCloud System are accessed via a web browser interface and are made available through TownCloud’s third party web hosting service provider. This Agreement shall govern all Services purchased by Customer from TownCloud. Subscriptions may be purchased online through TownCloud’s website. By ordering a Subscription, Customer agrees to the system configurations and limitations applicable to that Subscription.

## 3. **Rights and Restrictions.**

- 3.1. **Right to Use and Licenses.** Subject to the terms and conditions of this Agreement, TownCloud grants to Customer, during the applicable Subscription term, a non-exclusive, non-transferable, non-sublicensable right to access and use the TownCloud System, and any related Documentation, as made available to Customer by TownCloud as part of the Services purchased by Customer and in accordance with the Documentation and the terms and conditions of this Agreement.

- 3.2. **Restrictions.** TownCloud grants Customer the right to access and use the Services solely for Customer's internal business purposes, as further described in this Agreement. The TownCloud System may only be accessed and used by the number of End Users specified in the applicable Subscription purchased by Customer. Customer agrees not to: (a) reverse engineer, decompile or disassemble any part of the TownCloud System, or work around technical limitations in the Services, except to the extent permitted by applicable law; (b) disable, tamper with, or otherwise attempt to circumvent any billing mechanism that meters use of the Services; (c) rent, lease, lend, resell, transfer the Services, or any portion thereof, to or for third parties except as expressly permitted in this Agreement, or otherwise use the Services for the benefit of a third party or to operate a service bureau; (d) attempt to probe, scan, penetrate or test the vulnerability of the TownCloud System or any network used by TownCloud to deliver the Services, or to breach TownCloud's security or authentication measures, whether by passive or intrusive techniques, unless agreed upon by both parties in writing; or (e) otherwise use the Services in any manner that exceeds the scope of use permitted hereunder.
- 3.3. **End User Accounts; Public Users.** Customer is responsible for all activities that occur under Customer's End User accounts that would constitute a violation of the terms of this Agreement. In addition, Customer controls and is solely responsible for any use of or access to the TownCloud System by any Public Users, including any access to Customer Data or any information that a Public User provides in connection with such use. Customer is responsible for maintaining the confidentiality of any non-public authentication credentials associated with its use of the Services. Customer agrees to promptly notify TownCloud of any misuse of authentication credentials or of any unauthorized use of or access to Customer Data of which it becomes aware.
- 3.4. **Customer Data.** TownCloud, through its third party hosting service provider, uses commercially reasonable methods to protect Customer Data against unauthorized access or use. However, Customer must secure and maintain all rights in Customer Data necessary for TownCloud to provide the Services without violating the rights of any third party, including any privacy rights, and is responsible for any consents required for such Customer Data, and Customer is responsible for compliance with any laws or regulations applicable to the storage of Customer Data and any publication of or access to Customer Data granted by Customer.
4. **Support.** As part of the Services, TownCloud will provide limited front-line support to Customer and its End Users and representatives identified in Customer's service package as described on the TownCloud website. Customer is solely responsible for supporting any Public User's access to the TownCloud System or Services as permitted hereunder.
5. **Fees; Payment; Taxes.** Customer shall pay TownCloud the monthly, non-refundable Service fees set forth in the pricing schedule applicable to Customer's Subscription package, as described on the TownCloud website ("Fees"). TownCloud reserves the right to increase the Fees applicable to any Renewal Term (as defined in Section 6 hereof). The method of payment is established by Customer at the time of the Subscription purchase. If Customer pays by credit card, Customer authorizes TownCloud to charge Customer for the Fees using the credit card information provided by Customer. TownCloud charges and collects Fees in advance, and TownCloud will automatically renew monthly Subscriptions and charge Customer for any Renewal Term, unless other terms are agreed to by TownCloud. Customer shall be responsible for all taxes associated with Services other than taxes based on TownCloud's net income. Customer agrees to provide TownCloud with

complete and accurate billing and contact information, including Customer's legal name, street address, e-mail address, credit card information and name and telephone number of an authorized billing contact. Customer agrees to update this information within five (5) business days of any changes. If the contact information provided is false or fraudulent or if a credit card charge is denied, TownCloud reserves the right to terminate access to the Services in addition to any other legal remedies. TownCloud may charge interest for all outstanding balances at a rate equal to the lesser of one and one half percent (1½%) per month or the maximum rate permitted by applicable law, from the due date until paid.

6. **Term and Termination.** Each Subscription has a term of thirty (30) days and will be automatically renewed for successive thirty (30) day periods (each, a "Renewal Term"). Customer may terminate the Agreement by giving written notice to TownCloud through methods described in the TownCloud website. TownCloud may terminate this Agreement and Customer's access to the Services immediately if Customer is in breach of any of the terms hereof or at any time exceeds the scope of use permitted hereunder. Upon termination or expiration of this Agreement for any reason; (a) any amounts owed to TownCloud under this Agreement will be immediately due and payable; (b) all rights granted to Customer in this Agreement will immediately cease to exist, and (c) Customer must promptly discontinue all use of the TownCloud System. Termination of a Subscription includes removal of access to the all Services, and, unless otherwise agreed to by TownCloud, will result in the return or deletion of all Customer Data and the deletion of all login data, password and all related information. TownCloud will not be obligated to provide refunds for any Fees previously paid by Customer for any termination of this Agreement. Sections 7 through 12 together with any accrued payment obligations, will survive expiration or termination of the Agreement for any reason.
7. **Ownership.** The TownCloud System and Documentation, including all copies, improvements, enhancements, modifications and derivative works thereof, and all worldwide intellectual property rights and other proprietary rights relating thereto or embodied therein, are the exclusive property of TownCloud and its licensors and suppliers. TownCloud and its licensors and suppliers reserve all rights in and to the TownCloud System not expressly granted to Customer in this Agreement, and no other licenses or rights are granted by implication, estoppel or otherwise.
8. **Confidentiality.** Each party acknowledges that, in the course of performing its duties under this Agreement, it may obtain business, technical or financial information relating to the other party, all of which is confidential and proprietary ("Proprietary Information"). Each party and its employees and agents shall, at all times, both during the term of this Agreement and after its termination, keep in trust and confidence all such Proprietary Information, and shall not use such Proprietary Information other than in the course of its duties as expressly provided in this Agreement; nor shall such party or its employees or agents disclose any such Proprietary Information to any person without the other party's prior written consent. Each party acknowledges that its breach of this Section may cause irreparable damage to the other party and hereby agrees that the disclosing party will be entitled to seek injunctive relief under this Section, as well as such further relief as may be granted by a court of competent jurisdiction. A party's obligations under Section 8 with respect to any Proprietary Information of the other party will terminate if such information: (a) was already known to the recipient at the time of disclosure; (b) was disclosed to the recipient by a third party who had the right to make such disclosure without any confidentiality restrictions; or (c) is, or through no fault of the recipient has become, generally available to the public. In addition, recipient

will be allowed to disclose Proprietary Information to the extent that such disclosure is required by law (including a disclosure required under a valid Freedom of Information Act request) or by the order of a court of similar judicial or administrative body, provided that the recipient notifies the discloser of such required disclosure promptly and in writing and cooperates with the discloser, at the discloser's request and expense, in any lawful action to contest or limit the scope of such required disclosure.

9. **Warranties and Disclaimers.** TOWNCLOUD PROVIDES NO WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND TOWNCLOUD DOES NOT GUARANTEE THAT THE USE OF THE SERVICES AND ACCESS TO THE CUSTOMER DATA WILL BE UNINTERRUPTED OR ERROR-FREE. THE LIMITATIONS SET FORTH ABOVE ARE FUNDAMENTAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN TOWNCLOUD AND CUSTOMER AND THE SERVICES WOULD NOT BE PROVIDED WITHOUT SUCH LIMITATIONS. THESE DISCLAIMERS WILL APPLY EXCEPT TO THE EXTENT APPLICABLE LAW DOES NOT PERMIT THEM.
10. **Limitation of Liability.** TownCloud's aggregate liability for all claims asserted under this Agreement is limited to direct damages paid under this Agreement for one (1) month of Services. OTHER THAN LIABILITY ARISING UNDER A PARTY'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 11 HEREOF, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR LOSS OF REVENUE OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, OR DAMAGES FOR LOST PROFITS, REVENUES, BUSINESS INTERRUPTION, OR LOSS OF BUSINESS INFORMATION, EVEN IF THE OTHER PARTY KNEW THEY WERE POSSIBLE OR REASONABLY FORESEEABLE. THESE LIMITATIONS AND EXCLUSIONS APPLY EVEN IF THIS REMEDY DOES NOT FULLY COMPENSATE THE OTHER PARTY FOR ANY LOSSES OR FAILS OF ITS ESSENTIAL PURPOSE.
11. **Indemnity.** Customer will defend at its own expense any claim or action brought by a third party against TownCloud, to the extent the claim or action arises from or is related to (a) Customer's use of the Services in any manner that breaches or violates the terms of this Agreement; (b) use of or access to the Services, the Customer Data or the TownCloud System by any End User or Public User; or (c) the negligence or willful misconduct of Customer, excluding any claim or action to the extent arising from a breach of the terms of this Agreement by TownCloud, and Customer will indemnify and hold TownCloud harmless from and against any losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising from or related to any such claim or action. TownCloud agrees to notify Customer promptly in writing of such action or claim; provided that failure to give such notice will not relieve Customer of its obligations hereunder except to the extent any delay compromises Customer's ability to defend such action or claim.
12. **General.** This Agreement is personal in nature and the Customer agrees not to assign or transfer any rights or delegate any obligations under this Agreement without TownCloud's prior written consent. Customer grants to TownCloud a limited, non-transferrable, worldwide license to use Customer's name and likeness on any marketing materials of TownCloud, including, but not limited to, TownCloud's website, to promote TownCloud's services. Except as expressly stated in this Agreement, any waiver, modification or amendment of any provision of this Agreement will be effective only if in form of a written amendment to this Agreement and agreed to by Customer and TownCloud either through signature or through an on-line acceptance form provided on the TownCloud website. Notwithstanding the foregoing, TownCloud may modify or amend the terms of this Agreement applicable to any Renewal Term by providing notice to Customer during the then-



current term via electronic mail or through the Services, and Customer's continued use of the Services will constitute acceptance of such modifications or amendments. In the event that any provision of this Agreement is held to be invalid, illegal or unenforceable under present or future laws, then such provision will be fully severable and this Agreement will be construed and enforced as if such invalid, illegal or unenforceable provision were not a part hereof. This Agreement constitutes the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings and communication, whether written or oral. The terms of any purchase order or similar document submitted by Customer will have no effect. This Agreement will be governed and construed in accordance with the laws of the State of Colorado. Any action or proceeding arising from or relating to this Agreement shall be brought in a federal or state court in Denver, Colorado, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding.

**Customer**

Signature
Title
Printed Name
Date

**TIMNATH LAKES METRO DISTRICT NO. 1**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2022**

**TIMNATH LAKES METRO DISTRICT NO. 1**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2022**

	<b>General</b>	<b>Debt Service</b>	<b>Total</b>
<b>ASSETS</b>			
C - Safe	\$ 71	\$ 134,963	\$ 135,034
Receivable from County Treasurer	-	846	846
<b>TOTAL ASSETS</b>	<b>\$ 71</b>	<b>\$ 135,809</b>	<b>\$ 135,880</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>			
Due to other districts	\$ 71	\$ -	\$ 71
Total Liabilities	71	-	71
<b>FUND BALANCES</b>			
Total Fund Balances	-	135,809	135,809
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 71</b>	<b>\$ 135,809</b>	<b>\$ 135,880</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. 1  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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>

## **SUPPLEMENTARY INFORMATION**

**TIMNATH LAKES METRO DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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	7,030	6,874
Interest income	4	711	707
URA District property taxes	126,070	125,056	(1,014)
<b>TOTAL REVENUES</b>	<u>128,461</u>	<u>135,027</u>	<u>6,566</u>
<b>EXPENDITURES</b>			
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>7,045</u>	<u>42,955</u>
<b>NET CHANGE IN FUND BALANCES</b>	78,461	127,982	49,521
<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>\$ 135,808</u>	<u>\$ 56,158</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**  
**2022 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.

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.

**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.

**TIMNATH LAKES METROPOLITAN DISTRICT No. 1**  
**2022 BUDGET**  
**SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**County Treasurer's Fees**

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

**Debt and Leases**

The District issued the Series 2020 Bonds on December 30, 2020, in the initial principal amount of \$3,948,063.20 (\$4,220,000 in Accreted Value upon conversion to current interest bonds) for the Senior Bonds and in the principal amount of \$607,000 for the 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 Senior Bonds were issued as capital appreciation bonds that convert to current interest bonds on December 1, 2022. During the Accretion Period, the Senior Bonds pay no current interest, and accrete in value at an accretion rate of 3.5% compounded semiannually on each June 1 and December 1, commencing on June 1, 2021.

On December 1, 2022, the Senior Bonds will cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the Senior Bonds will bear interest at the rate of 3.5%, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. Annual principal payments are due on December 1 of each year beginning December 1, 2024. The Senior Bonds mature on December 1, 2050.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date of December 2, 2060, and will continue to bear interest at the rate then borne by the Senior Bond. To the extent interest on any Senior Bond is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Senior Bond.

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.



**TIMNATH LAKES METRO DISTRICT NO. 1**

**Schedule of Cash Position**

**September 30, 2022**

**Updated as of November 28, 2022**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>CSAFE</u></b>			
Balance as of 09/30/22	\$ 70.80	\$ 134,962.67	\$ 135,033.47
Subsequent activities:			
10/10/22 Ptax Receipt	-	846.20	846.20
10/10/22 Ptax Receipt District 2	10.81	-	10.81
10/10/22 Ptax Receipt District 3	0.10	-	0.10
10/31/22 Interest Income	-	363.81	363.81
11/10/22 Ptax Receipt	-	805.25	805.25
11/10/22 Ptax Receipt District 2	10.31	-	10.31
11/10/22 Ptax Receipt District 3	0.09	-	0.09
<i>Anticipated Transfer from District 6</i>	-	230.98	230.98
<i>Anticipated Transfer to District 6</i>	<i>(92.11)</i>	-	<i>(92.11)</i>
<i>Anticipated Balance</i>	<u>-</u>	<u>137,208.91</u>	<u>137,208.91</u>
 <b>Total Funds Available</b>	 <b>\$ -</b>	 <b>\$ 137,208.91</b>	 <b>\$ 137,208.91</b>

**Yield information 10/31/2022:**

CSAFE - 3.15%

**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	-	-	-	-	-	-	-	0.00%	99.97%	-	0.00%	0.00%
November	-	-	-	-	-	-	-	0.00%	99.97%	-	0.00%	0.00%
December	-	-	-	-	-	-	-	0.00%	99.97%	-	0.00%	0.00%
	<b>\$ 2,230.30</b>	<b>\$ -</b>	<b>\$ 7,030.32</b>	<b>\$ 0.14</b>	<b>\$ (44.62)</b>	<b>\$ -</b>	<b>\$ 9,216.14</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
-----------	-----------------------------	--------------	-------------	--------------------------	------------------------------

**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%	\$ 7,030.32	4506.62%
		<u>\$ 156.00</u>	<u>100.00%</u>	<u>\$ 7,030.32</u>	<u>4506.62%</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.

November 7, 2022

Timnath Lakes Metropolitan District No. 1  
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. 1 (“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 \$5,400. 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.

### Workers without Authorization

We certify that Wipfli LLP shall comply with the provisions of C.R.S. 8-17.5-101, et seq.

- A. *Employment or Contracting with Workers without Authorization.* We certify that Wipfli LLP does not knowingly employ or contract with a worker without authorization to perform work under this engagement letter or will enter into a contract with a subcontractor that fails to certify to Wipfli LLP that such subcontractor does not knowingly employ or contract with a worker without authorization to perform work under this engagement letter.
- B. *Verification Regarding Workers without Authorization.* We certify that Wipfli LLP has verified the employment eligibility of all employees who are newly hired for employment, to perform the work under this engagement letter, through participation in either the Electronic Employment Verification Program, or Employment Verification Program which is established pursuant to Section 8-17.5-102 (5)(c), C.R.S., (collectively referred to as "Verification Programs").
- C. *Limitation Regarding Verification Programs.* We agree that Wipfli LLP will use the Verification Programs to undertake pre-employment screening of job applicants while performing professional services on behalf of the District.
- D. *Duty to Terminate Subcontractor:* If Wipfli LLP obtains actual knowledge that a subcontractor performing work pursuant to this engagement letter knowingly employs or contracts with a worker without authorization, Wipfli LLP shall:

(i) notify the subcontractor and the District within three (3) days that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with a worker without authorization; and

(ii) terminate the subcontract with the subcontractor if, within three (3) days of receiving notice required pursuant to C.R.S. 8-17.5-102(2)(b)(III)(A) that Wipfli LLP has actual knowledge that the subcontractor is employing or contracting with a worker without authorization, the subcontractor does not stop employing or contracting with the worker without authorization.

Wipfli LLP shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

- E. *Duty to Comply with Investigation.* Wipfli LLP shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment is undertaking pursuant to the authority established by C.R.S. 8-17.5-102(5).
- F. *Notification.* The District shall notify the office of the Colorado Secretary of State if Wipfli LLP violates a provision of C.R.S. 8-17.5-102(2), and the District terminates the engagement for such breach. The District will notify the Colorado Secretary of State if a court made such a determination.
- G. *Participation in Employment Verification Program.* Wipfli LLP shall notify the District of its participation in the Employment Verification Program and shall comply with the requirements of C.R.S § 8-17.5-102(5)(c).

**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. 1**

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

\_\_\_\_\_  
(Print Name and Title)

Date: \_\_\_\_\_

GL/tp

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.

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 159 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 1

IN LARIMER COUNTY ON 8/15/2022

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$44,618
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$2,723,013
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$2,682,632
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$40,381
5. NEW CONSTRUCTION: **	\$842,060
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$0
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD ## OR LAND ( 29-1-301(1)(b) C.R.S.):	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
---

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$25,678,100
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$11,734,100
3. ANNEXATIONS/INCLUSIONS:	\$0
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
--	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

DRAFT – SUBJECT TO REVISION

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**SUMMARY**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 11,926	\$ 1,189	\$ 7,826	\$ 7,826	\$ 145,175
REVENUES					
Property taxes	339	2,231	2,225	2,231	2,059
Specific ownership tax	877	156	4,436	8,872	9,720
URA District property taxes	6,615	126,070	87,608	126,070	163,798
Interest income	2	4	111	222	2,087
Developer advance	7,701	-	-	-	-
Total revenues	<u>15,534</u>	<u>128,461</u>	<u>94,380</u>	<u>137,395</u>	<u>177,664</u>
Total funds available	<u>27,460</u>	<u>129,650</u>	<u>102,206</u>	<u>145,221</u>	<u>322,839</u>
EXPENDITURES					
General Fund	19,627	-	-	-	-
Debt Service Fund	7	50,000	7,045	7,045	160,001
Total expenditures	<u>19,634</u>	<u>50,000</u>	<u>7,045</u>	<u>7,045</u>	<u>160,001</u>
Total expenditures and transfers out requiring appropriation	<u>19,634</u>	<u>50,000</u>	<u>7,045</u>	<u>7,045</u>	<u>160,001</u>
ENDING FUND BALANCES	<u>\$ 7,826</u>	<u>\$ 79,650</u>	<u>\$ 95,161</u>	<u>\$ 138,176</u>	<u>\$ 162,838</u>
EMERGENCY RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Vacant land	\$ 227,090	\$ 2,249,559	\$ 2,249,559	\$ 2,249,559	\$ 45,101
Commercial	-	20,973	20,973	20,973	8,329
Residential	-	288,556	288,556	288,556	1,505,556
Agricultural	3,612	-	-	-	-
State assessed	-	6,938	6,938	6,938	-
Vacant land	-	-	-	-	1,164,027
	230,702	2,566,026	2,566,026	2,566,026	2,723,013
Adjustments	(223,928)	(2,521,408)	(2,521,408)	(2,521,408)	(2,682,632)
Certified Assessed Value	<u>\$ 6,774</u>	<u>\$ 44,618</u>	<u>\$ 44,618</u>	<u>\$ 44,618</u>	<u>\$ 40,381</u>
<b>MILL LEVY</b>					
General	0.000	0.000	0.000	0.000	0.000
Debt Service	50.000	50.000	50.000	50.000	50.994
Total mill levy	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.000</u>	<u>50.994</u>
<b>PROPERTY TAXES</b>					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	339	2,231	2,231	2,231	2,059
Levied property taxes	339	2,231	2,231	2,231	2,059
Adjustments to actual/rounding	-	-	(6)	-	-
Budgeted property taxes	<u>\$ 339</u>	<u>\$ 2,231</u>	<u>\$ 2,225</u>	<u>\$ 2,231</u>	<u>\$ 2,059</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	339	2,231	2,225	2,231	2,059
	<u>\$ 339</u>	<u>\$ 2,231</u>	<u>\$ 2,225</u>	<u>\$ 2,231</u>	<u>\$ 2,059</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ 11,926	\$ -	\$ -	\$ -	\$ -
REVENUES					
Developer advance	7,701	-	-	-	-
Total revenues	<u>7,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available	<u>19,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Intergovernmental expenditures	19,627	-	-	-	-
Total expenditures	<u>19,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers out requiring appropriation	<u>19,627</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EMERGENCY RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 6/30/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ 1,189	\$ 7,826	\$ 7,826	\$ 145,175
REVENUES					
Property taxes	339	2,231	2,225	2,231	2,059
Specific ownership tax	877	156	4,436	8,872	9,720
URA District property taxes	6,615	126,070	87,608	126,070	163,798
Interest income	2	4	111	222	2,087
Total revenues	<u>7,833</u>	<u>128,461</u>	<u>94,380</u>	<u>137,395</u>	<u>177,664</u>
Total funds available	<u>7,833</u>	<u>129,650</u>	<u>102,206</u>	<u>145,221</u>	<u>322,839</u>
EXPENDITURES					
County Treasurer's fee	7	45	45	45	41
URA collection fee	-	1,891	-	-	-
Contingency	-	48,064	-	-	5,260
Bond interest	-	-	-	-	147,700
Paying agent fees	-	-	7,000	7,000	7,000
Total expenditures	<u>7</u>	<u>50,000</u>	<u>7,045</u>	<u>7,045</u>	<u>160,001</u>
Total expenditures and transfers out requiring appropriation	<u>7</u>	<u>50,000</u>	<u>7,045</u>	<u>7,045</u>	<u>160,001</u>
ENDING FUND BALANCES	<u>\$ 7,826</u>	<u>\$ 79,650</u>	<u>\$ 95,161</u>	<u>\$ 138,176</u>	<u>\$ 162,838</u>

No assurance provided. See summary of significant assumptions.

**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.

**Expenditures**

**County Treasurer's Fees**

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

**Debt and Leases**

On December 30, 2020 the District issued Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2020A, in the initial principal amount of \$3,948,063.20 (\$4,220,000 in Accreted Value upon conversion to current interest bonds) ("Senior Bonds") and Subordinate Limited Tax General Obligation Bonds, Series 2020B in the principal amount of \$607,000 ("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 Senior Bonds were issued as capital appreciation bonds that convert to current interest bonds on the first date on which the following conditions are both met: (i) the Debt to Assessed Ratio is 50% or less; and (ii) no amounts of principal or interest on the Bonds are due but unpaid ("Conversion Date"). December 1, 2022 is the forecasted Conversion Date. Prior to the Conversion Date the Senior Bonds pay no current interest and accrete in value at an accretion rate of 3.5% compounded semiannually on each June 1 and December 1, commencing on June 1, 2021.

On the Conversion Date the Senior Bonds will cease to be capital appreciation bonds and automatically convert to current interest bonds, at which time the Senior Bonds will bear interest at the rate of 3.5%, payable semiannually on June 1 and December 1 of each year, commencing June 1, 2023. Annual principal payments are due on December 1 of each year beginning December 1, 2024. The Senior Bonds mature on December 1, 2050. To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until the earlier of its payment or the Termination Date of December 2, 2060 and will continue to bear interest at the rate then borne by the Senior Bonds. To the extent interest on any Senior Bonds is not paid when due, such unpaid interest shall compound semiannually on each June 1 and December 1 at the rate borne by the Senior Bonds.

The Bonds are payable solely from and to the extent of the Pledged Revenue which means the moneys derived by the District from the following sources: (1) the Senior Required Mill Levy; (2) the portion of Specific Ownership Tax which is collected as a result of imposition of the Senior Required Mill Levy; (3) the TDA Agreement Revenues, as and to the extent received by the District; and (4) any other legally available moneys which the District determines, in its absolute discretion, to transfer to the Trustee for application as Senior Pledged Revenue.

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

**Debt and Leases (Continued)**

Prior to the Conversion Date, the District has covenanted to impose an ad valorem mill levy, net of collection costs and any tax refunds or abatements authorized by or on behalf of the County, upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement on or after January 1, 2019) less the amount of the Operations Mill Levy (defined below), and (ii) for so long as the Senior Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment) less the amount of the Operations Mill Levy, or such lesser mill levy which will pay the Senior Bonds as they come due and will fund the Senior Surplus Fund up to the Maximum Surplus Amount.

On and after the Conversion Date, the District has covenanted to impose an ad valorem mill levy upon all taxable property of the District each year in an amount sufficient to pay the Senior Bonds as they come due, but not in excess of 60 mills (subject to adjustment) less the amount of the Operations Mill Levy. On and after the Conversion Date, the definition of Senior Required Mill Levy shall be determined by this paragraph regardless of any subsequent increase in the Debt to Assessed Ratio. For so long as the amount of the Senior Surplus Fund is less than the Maximum Surplus Amount, the minimum mill levy as calculated and adjusted pursuant to the first paragraph above shall continue to apply.

The Conversion Date is the first date on which all of the following conditions are met: (a) the Debt to Assessed Ratio is 50% or less; and (b) no amounts of principal or interest on the Senior Bonds are due but unpaid ("Conversion Date"). The Operations Mill Levy, with respect to any particular year, is the number of mills necessary to produce the dollar amount of the Operations Deduction for the collection year ("Operations Mill Levy"). The Operations Deduction is the amount necessary to pay or reimburse the District's operations and maintenance expenses, but not in excess of the following: (i) for levy year 2020 (for collection in 2021), the amount of \$50,000, and (ii) for each levy year thereafter, an additional 1% ("Operations Deduction").

The Subordinate Bonds bear interest at a rate of 6.500% per annum, payable to the extent revenue is available on each December 15, commencing on December 15, 2021 and shall mature on December 15, 2050.

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.

**This information is an integral part of the accompanying budget.**

\$3,948,063 Limited Tax General  
Obligation Bonds  
Series 2020A  
Interest 3.500%  
Dated December 30, 2020  
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
2020	\$ 3,948,063	\$ -	\$ -	\$ -	\$ -
2021	4,076,056	127,993	-	-	-
2022	4,220,000	143,944	-	-	-
2023	-	-	-	147,700	147,700
2024	-	-	40,000	147,700	187,700
2025	-	-	75,000	146,300	221,300
2026	-	-	80,000	143,675	223,675
2027	-	-	85,000	140,875	225,875
2028	-	-	90,000	137,900	227,900
2029	-	-	95,000	134,750	229,750
2030	-	-	105,000	131,425	236,425
2031	-	-	105,000	127,750	232,750
2032	-	-	115,000	124,075	239,075
2033	-	-	120,000	120,050	240,050
2034	-	-	130,000	115,850	245,850
2035	-	-	130,000	111,300	241,300
2036	-	-	140,000	106,750	246,750
2037	-	-	145,000	101,850	246,850
2038	-	-	160,000	96,775	256,775
2039	-	-	165,000	91,175	256,175
2040	-	-	175,000	85,400	260,400
2041	-	-	180,000	79,275	259,275
2042	-	-	190,000	72,975	262,975
2043	-	-	200,000	66,325	266,325
2044	-	-	210,000	59,325	269,325
2045	-	-	220,000	51,975	271,975
2046	-	-	230,000	44,275	274,275
2047	-	-	240,000	36,225	276,225
2048	-	-	255,000	27,825	282,825
2049	-	-	260,000	18,900	278,900
2050	-	-	280,000	9,800	289,800
Total	<u>\$ 4,220,000</u>	<u>\$ 271,937</u>	<u>\$ 4,220,000</u>	<u>\$ 2,678,200</u>	<u>\$ 6,898,200</u>

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

**RESOLUTION NO. 2022-12-\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**  
**TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 1:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Timnath Lakes Metropolitan District No. 1 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5th day of December, 2022.

---

Secretary

EXHIBIT A  
(Budget)



I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Timnath Lakes Metropolitan District No. 1, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 1 held on December 5, 2022.

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

**RESOLUTION NO. 2022-12-\_\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES MEROPOLITAN DISTRICT NO. 1**  
**TO SET MILL LEVIES**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on December 5, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Timnath Lakes Metropolitan District No. 1:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 5th day of December, 2022.

---

Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 160 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 2

IN LARIMER COUNTY ON 8/15/2022

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$965
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$76,126
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$72,647
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$3,479
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$12,606
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND ( 29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b), Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
---

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b), C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$265,810
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$46,060
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
---	-----

NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022

IN ACCORDANCE WITH 39-5-128(1.5) C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.	

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

DRAFT – SUBJECT TO REVISION

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	12	24	24	24	88
Specific ownership tax	4	2	79	120	135
URA District property taxes	-	1,614	1,582	1,614	1,839
Other revenue	-	6,360	-	-	6,438
Total revenues	<u>16</u>	<u>8,000</u>	<u>1,685</u>	<u>1,758</u>	<u>8,500</u>
Total funds available	<u>16</u>	<u>8,000</u>	<u>1,685</u>	<u>1,758</u>	<u>8,500</u>
EXPENDITURES					-
General and administrative					
County Treasurer's fee	-	1	-	1	2
URA collection fee	-	24	-	-	-
Intergovernmental expenditures	16	1,615	1,685	1,757	2,060
Contingency	-	6,360	-	-	6,438
Total expenditures	<u>16</u>	<u>8,000</u>	<u>1,685</u>	<u>1,758</u>	<u>8,500</u>
Total expenditures and transfers out requiring appropriation	<u>16</u>	<u>8,000</u>	<u>1,685</u>	<u>1,758</u>	<u>8,500</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance is provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2022	ESTIMATED 2022	BUDGET 2023
<b>ASSESSED VALUATION</b>					
Agricultural	\$ 3,022	\$ 238	\$ 238	\$ 238	\$ 9,745
Vacant land	-	65,279	65,279	65,279	66,381
	3,022	65,517	65,517	65,517	76,126
Adjustments	(2,933)	(64,552)	(64,552)	(64,552)	(72,647)
Certified Assessed Value	<u>\$ 89</u>	<u>\$ 965</u>	<u>\$ 965</u>	<u>\$ 965</u>	<u>\$ 3,479</u>
<b>MILL LEVY</b>					
General	50.000	25.000	25.000	25.000	25.315
Total mill levy	<u>50.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.000</u>	<u>25.315</u>
<b>PROPERTY TAXES</b>					
General	\$ 4	\$ 24	\$ 24	\$ 24	\$ 88
Levied property taxes	4	24	24	24	88
Adjustments to actual/rounding	8	-	-	-	-
Budgeted property taxes	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 88</u>
<b>BUDGETED PROPERTY TAXES</b>					
General	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 88</u>
	<u>\$ 12</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 24</u>	<u>\$ 88</u>

No assurance is provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
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 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.



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
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**

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.

**This information is an integral part of the accompanying budget.**

**RESOLUTION NO. 2022-12-\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 2:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Timnath Lakes Metropolitan District No. 2 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5th day of December, 2022.

---

Secretary

EXHIBIT A  
(Budget)

I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Timnath Lakes Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 2 held on December 5, 2022.

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

**RESOLUTION NO. 2022-12-\_\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 2**  
**TO SET MILL LEVIES**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on December 5, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Timnath Lakes Metropolitan District No. 2:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 5th day of December, 2022.

---

Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

# CERTIFICATION OF VALUATION BY LARIMER COUNTY ASSESSOR

Name of Jurisdiction: 161 - TIMNATH LAKES METROPOLITAN DISTRICT NO. 3

IN LARIMER COUNTY ON 8/15/2022

New Entity: No

<b>USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY</b>
--

IN ACCORDANCE WITH 39-5-121(2)(a) AND 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO

1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$4
2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: *	\$15,071
3. LESS TIF DISTRICT INCREMENT, IF ANY:	\$9,263
4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	\$5,808
5. NEW CONSTRUCTION: **	\$0
6. INCREASED PRODUCTION OF PRODUCING MINES: #	\$0
7. ANNEXATIONS/INCLUSIONS:	\$17,814
8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: #	\$0
9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND ( 29-1-301(1)(b) C.R.S.): ##	\$0
10. TAXES COLLECTED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1))(a) C.R.S.):	\$0.00
11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a) C.R.S.) and (39-10-114(1)(a)(I)(B) C.R.S.):	\$0.00

\* This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec.20(8)(b),Colo.

\*\* New construction is defined as: Taxable real property structures and the personal property connected with the structure.

# Jurisdiction must submit respective certifications (Forms DLG 52 AND 52A) to the Division of Local Government in order for the values to be treated as growth in the limit calculation.

## Jurisdiction must apply (Forms DLG 52B) to the Division of Local Government before the value can be treated as growth in the limit calculation.

<b>USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY</b>
---

IN ACCORDANCE WITH THE PROVISION OF ARTICLE X, SECTION 20, COLO CONST, AND 39-5-121(2)(b),C.R.S. THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR 2022 IN LARIMER COUNTY, COLORADO ON AUGUST 25, 2022

1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: @	\$56,470
ADDITIONS TO TAXABLE REAL PROPERTY:	
2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: !	\$0
3. ANNEXATIONS/INCLUSIONS:	\$61,430
4. INCREASED MINING PRODUCTION: %	\$0
5. PREVIOUSLY EXEMPT PROPERTY:	\$0
6. OIL OR GAS PRODUCTION FROM A NEW WELL:	\$0
7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT:	\$0
<small>(If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.)</small>	
DELETIONS FROM TAXABLE REAL PROPERTY:	
8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS:	\$0
9. DISCONNECTIONS/EXCLUSION:	\$0
10. PREVIOUSLY TAXABLE PROPERTY:	\$0

@ This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.

! Construction is defined as newly constructed taxable real property structures.

% Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1),C.R.S. AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS : 1. TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY:----->	\$0
--	-----

**NOTE: All levies must be Certified to the Board of County Commissioners NO LATER THAN DECEMBER 15, 2022**

IN ACCORDANCE WITH 39-5-128(1.5)C.R.S. THE ASSESSOR PROVIDES: HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	
<small>** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119 f(3). C.R.S.</small>	



**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2023**

PRELIMINARY DRAFT – SUBJECT TO REVISION

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**GENERAL FUND**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

	ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2021	ESTIMATED 2022	BUDGET 2023
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES					
Property taxes	1	-	-	-	319
Specific ownership tax	1	-	1	1	22
URA District property taxes	-	12	12	12	509
Other revenue	-	3,988	-	-	4,150
Total revenues	<u>2</u>	<u>4,000</u>	<u>13</u>	<u>13</u>	<u>5,000</u>
Total funds available	<u>2</u>	<u>4,000</u>	<u>13</u>	<u>13</u>	<u>5,000</u>
EXPENDITURES					
General and administrative					
County Treasurer's fee	-	-	-	-	6
Intergovernmental expenditures	2	12	13	13	844
Contingency	-	3,988	-	-	4,150
Total expenditures	<u>2</u>	<u>4,000</u>	<u>13</u>	<u>13</u>	<u>5,000</u>
Total expenditures and transfers out requiring appropriation	<u>2</u>	<u>4,000</u>	<u>13</u>	<u>13</u>	<u>5,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2023 BUDGET**  
**WITH 2021 ACTUAL AND 2022 ESTIMATED**  
**For the Years Ended and Ending December 31,**

10/6/22

ACTUAL 2021	BUDGET 2022	ACTUAL 8/31/2021	ESTIMATED 2022	BUDGET 2023
----------------	----------------	---------------------	-------------------	----------------

**ASSESSED VALUATION**

Agricultural	\$ 232	\$ 238	\$ 238	\$ 238	\$ 15,071
	232	238	238	238	15,071
Adjustments	(225)	(234)	(234)	(234)	(9,263)
Certified Assessed Value	\$ 7	\$ 4	\$ 4	\$ 4	\$ 5,808

**MILL LEVY**

General	50.350	50.349	50.349	50.349	54.924
Total mill levy	50.350	50.349	50.349	50.349	54.924

**PROPERTY TAXES**

General	\$ -	\$ -	\$ -	\$ -	\$ 319
Levied property taxes	-	-	-	-	319
Adjustments to actual/rounding	1	-	-	-	-
Budgeted property taxes	\$ 1	\$ -	\$ -	\$ -	\$ 319

**BUDGETED PROPERTY TAXES**

General	\$ 1	\$ -	\$ -	\$ -	\$ 319
	\$ 1	\$ -	\$ -	\$ -	\$ 319

No assurance provided. See summary of significant assumptions.

**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**

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.

**This information is an integral part of the accompanying budget.**

**RESOLUTION NO. 2022-12-\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**TO ADOPT THE 2023 BUDGET AND APPROPRIATE SUMS OF MONEY**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2023 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2022, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on December 5, 2022, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 3:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Timnath Lakes Metropolitan District No. 3 for the 2023 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 5th day of December, 2022.

---

Secretary

EXHIBIT A  
(Budget)



I, Ann Finn, hereby certify that I am the duly appointed Secretary of the Timnath Lakes Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Timnath Lakes Metropolitan District No. 3 held on December 5, 2022.

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

**RESOLUTION NO. 2022-12-\_\_\_**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE TIMNATH LAKES METROPOLITAN DISTRICT NO. 3**  
**TO SET MILL LEVIES**

WHEREAS, the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (“District”) has adopted the 2023 annual budget in accordance with the Local Government Budget Law on December 5, 2022; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2023 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Timnath Lakes Metropolitan District No. 3:

1. That for the purposes of meeting all general fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2023 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Larimer County, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 5th day of December, 2022.

---

Secretary

**EXHIBIT A**  
(Certification of Tax Levies)

**RESOLUTION NO. 2022-12-\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 1  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 2, 2023**

A. The terms of the offices of Directors Theodore R. Antenucci and Janis L. Emanuel shall expire upon the election of their successors at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successors taking office.

B. Two (2) vacancies currently exist on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 6, 2025, and two (2) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 1 (the “**District**”) of the Town of Timnath, Larimer County, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 6, 2025, and two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228 between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official of the District at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, 303-987-0835, and on the District's website, when established.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 1**

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

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2022-12-\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 2  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 2, 2023**

A. The terms of the offices of Directors Theodore R. Antenucci and Janis L. Emanuel shall expire upon the election of their successors at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successors taking office.

B. Two (2) vacancies currently exist on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 6, 2025, and two (2) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 2 (the “**District**”) of the Town of Timnath, Larimer County, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 6, 2025, and two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.

6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228 between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official of the District at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, 303-987-0835, and on the District's website, when established.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 2**

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

Attest:

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2022-12-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
TIMNATH LAKES METROPOLITAN DISTRICT NO. 3  
CALLING A REGULAR ELECTION FOR DIRECTORS  
ON MAY 2, 2023**

A. The terms of the offices of Directors Theodore R. Antenucci and Janis L. Emanuel shall expire upon the election of their successors at the regular election, to be held on May 2, 2023 (“**Election**”), and upon such successors taking office.

B. Two (2) vacancies currently exist on the Board of Directors of the District.

C. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the next regular election, to occur May 6, 2025, and two (2) Directors to serve until the second regular election, to occur May 4, 2027.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Timnath Lakes Metropolitan District No. 3 (the “**District**”) of the Town of Timnath, Larimer County, Colorado:

1. Date and Time of Election. The Election shall be held on May 2, 2023, between the hours of 7:00 A.M. and 7:00 P.M. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the next regular election, to occur May 6, 2025, and two (2) Directors shall be elected to serve until the second regular election, to occur May 4, 2027.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Call for Nominations. The Designated Election Official shall provide Call for Nominations as required under Section 1-13.5-501, C.R.S., as applicable.



6. Absentee Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-13.5-1002, C.R.S., that applications for and return of absentee ballots may be filed with the Designated Election Official of the District, at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228 between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Tuesday immediately preceding the Election (April 25, 2023).

7. Self-Nomination and Acceptance Forms. Self-Nomination and Acceptance Forms are available and can be obtained from the Designated Election Official of the District at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, 303-987-0835, and on the District's website, when established.

8. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 P.M. on February 28, 2023, the sixty-third day prior to the regular election, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

9. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

10. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

11. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

RESOLUTION APPROVED AND ADOPTED on December 5, 2022.

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 3**

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

Attest:

\_\_\_\_\_  
Secretary

## TIMNATH LAKES METROPOLITAN DISTRICT NO. 3

### LIMITED TAX GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2022A SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2022B<sub>3</sub>

TIMELINE – AS OF NOVEMBER 14, 2022

NOVEMBER 2022						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER 2022						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

DATE	EVENT
10/11/2022	Comments on bond documents due to bond counsel
11/11/2022	Observed holiday – Veterans Day
11/22/2022	Second draft of Bond Documents distributed
11/24/2022	Observed holiday – Thanksgiving Day
11/30/2022	Cash flow Analysis Draft from CLA circulated
12/6/2022	Draft closing documents distributed
Dec 2022	Board meetings to approve Parameters Bond Resolution
12/8/2022	Final closing documents sent
12/20/2022	Closing

Timnath Lakes Metropolitan District No. 3  
c/o Paula Williams  
McGeady Becher, P.C.  
450 E. 17th Avenue, Suite 400  
Denver, CO 80203  
[pwilliams@specialdistrictlaw.com](mailto:pwilliams@specialdistrictlaw.com)

July 11, 2022

Re: Underwriter/Placement Agent Engagement Letter  
**Limited Tax Senior General Obligation Bonds, Series 2022A and 2022B (the “Securities”)**

Dear Paula:

This letter confirms the agreement (the “Agreement”) between Piper Sandler & Co. (“Piper Sandler” or “we” or “us”) and **Timnath Lakes Metropolitan District No. 3** (the “Issuer” or “you”) as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities with gross proceeds to be determined. Sale and delivery of the Securities by the Issuer will occur on the day of closing (“Closing Date”).
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities in a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As an Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including bond counsel;
- (f) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in Securities;

- (g) Develop a marketing plan for the offering, including identification of potential investors;
- (h) Negotiate the pricing, including the interest rate, and other terms of Securities;
- (i) Obtain CUSIP number(s) for Securities and arranging for their DTC book-entry eligibility as required;
- (j) Provide a final schedule of debt service payments for Securities;
- (k) Review and make comments with respect to closing documents prepared by Bond Counsel;
- (l) Plan and arrange for the closing and settlement of the issuance and the delivery of Securities; and
- (m) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

As a Placement Agent:

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- (e) assist you in negotiating definitive documentation.

3. ***Fees and Expenses.***

For our services, you agree to pay us an underwriting discount as described below of the total par amount of the Securities payable as a discount to the purchase price or by wire transfer of immediately available funds at closing. All transactions are subject to a \$30,000 minimum fee. For avoidance of doubt, the fee shall not be payable in the event a closing of the Securities does not occur.

<b>Private Placement to the Developer</b>
1%

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the “Transaction Materials”) appropriate

and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and

- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

5. **Other Matters Relating to Our Engagement.** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election, satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this

time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.

7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements, and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of Colorado. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County in which the District is located, State of Colorado for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County in which the District is located, State of Colorado and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.
14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.

16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



\_\_\_\_\_  
**Mike Sullivan, Senior Vice President**  
Piper Sandler & Co.

Acknowledgement and Approval of Engagement  
and Receipt of Appendix A Disclosures

\_\_\_\_\_  
**Authorized Signor**  
**Timnath Lakes Metropolitan District No. 3**

Date: \_\_\_\_\_

## Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. to serve as your placement agent. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Piper Sandler intends to serve as a placement agent respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as a placement agent, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

### **Standard Disclosures**

- Disclosures Concerning the Placement Agent Role:
  - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
  - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
  - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The placement agents have a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>2</sup>
  
- Disclosures Concerning the Placement Agent's Compensation:
  - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

---

<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

<sup>2</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.



Please note that nothing in this letter should be viewed as a commitment by the placement agent to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

## Appendix B – Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue Fixed Rate Bonds. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

### Financial Characteristics

*Maturity and Interest.* Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities, whether for their benefit or as a conduit issuer for a nongovernmental entity. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

*Redemption.* Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

### Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

*General Obligation Bonds.* “General obligation (GO) bonds” are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. The debt service on “unlimited tax” GO bonds are paid from ad valorem taxes which are not subject to state constitutional property tax millage limits, whereas “limited tax” GO Bonds are subject to such limits.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds generally will have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds. “Revenue bonds” are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit, and you (or, if you are a conduit issuer, the obligor, as described in the following paragraph) are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds (conduit revenue bonds) may be issued by a governmental issuer acting as a conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor. Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

The description above regarding “Security” is only a summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

## **Financial Risk Considerations**

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

Issuer Default Risk. You may be in default if the funds pledged to secure your bonds are not enough to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by

revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

General Fund Obligations that are Project Based. Some general fund obligations are issued for projects which are expected to generate revenues that will pay for some or all of the debt service on the bonds. In the event the project does not generate the anticipated levels of revenues available for debt service, or, in the extreme case, does not create any revenue available for debt service, you may need to make payments from other available general fund revenues. This may force you to reduce other expenditures or to make difficult decisions about how to pay your debt service obligation while meeting other expenditure needs.

General Fund Obligations that are Subject to Annual Appropriation. Some general fund obligations require that debt service is subject to annual appropriation by your governing body. If your governing body decides not to appropriate payments for debt service, your credit ratings may be negatively impacted and you may be forced to pay a higher interest rate on future debt issuance or may be unable to access the market for future debt issuance.

For all bonds, a default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

*“Cash Flow” Structure of the Bonds and the Risk of Compounding Interest.* The Bonds are expected to possess a “cash flow” structure, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment. To the extent your cash flow is insufficient to pay interest when due on the Bonds, the unpaid interest will compound. Compounding could substantially increase your overall debt burden.

*Redemption Risk.* Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. If interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

*Refinancing Risk.* If your financing plan contemplates refinancing some or all the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required.

*Reinvestment Risk.* You may have proceeds from the issuance of the bonds available to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

*Tax Compliance Risk.* The issuance of tax-exempt bonds is subject to several requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the

bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If tax-exempt bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

# Sherman & Howard

675 Fifteenth Street, Suite 2300, Denver, Colorado 80202  
Telephone: 303.297.2900 [shermanhoward.com](http://shermanhoward.com)

**Tiffany L. Leichman**  
**Direct Dial Number: (303) 299-8104**  
**E-mail: [tleichman@shermanhoward.com](mailto:tleichman@shermanhoward.com)**

August 9, 2022

Board of Directors  
Timnath Lakes Metropolitan District No. 3  
c/o McGeady Becher, P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203  
Attention: Paula Williams, Esq.

Re: Engagement as bond counsel

Ladies and Gentlemen:

We are pleased to confirm our engagement as your bond counsel. We appreciate your confidence in us and will do our best to continue to merit it. The purpose of this letter is to set forth in writing the elements of our mutual understanding in establishing our attorney-client relationship.

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel in connection with the issuance of one or more series of bonds, notes, or other obligations (the "Bonds") by or on behalf of Timnath Lakes Metropolitan District No. 3 (the "Issuer") pursuant to the terms of this engagement letter. We understand that the governing body of the Issuer will authorize the execution of this letter at a meeting and will delegate to the presiding officer of the Issuer's governing body the authority to sign this letter and to represent the Issuer. Tiffany Leichman will be the member at the firm who will coordinate and oversee the services we perform on your behalf. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Ms. Leichman will coordinate, review, and approval all work completed for the Issuer.

## **Scope of Employment**

Bond counsel is engaged as recognized attorneys whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will examine applicable law; consult with the parties to the transaction prior to the issuance of any particular series of Bonds; prepare customary authorizing and operative documents, review a certified transcript of proceedings; and undertake such additional duties as

we deem necessary to render the opinion. Subject to the completion of proceedings to our satisfaction, we will render our opinion relating to the validity of the Bonds, the lien of the Bonds on the revenues pledged to the payment thereof, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes.

As bond counsel, we will not assume or undertake responsibility for assisting in the preparation of the official statement or other offering document to be used in connection with the marketing of any Bonds (the "Official Statement"), nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of the Official Statement.

In rendering any opinion hereunder, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Any such opinion will be addressed to the Issuer and will be executed and delivered by us in written form on the date a series of Bonds are exchanged for their purchase price (with respect to that series, the "Closing"), and will be based on facts and law existing as of such date.

Our services hereunder are limited to those contracted for explicitly in this letter. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in any IRS audit or any litigation involving the Issuer or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including advice about the structure of any Bonds) or advice on the investment of funds related to any Bond issue.

### **Representation of the Issuer**

In performing our services hereunder our client will be the Issuer. Accordingly, in any negotiations concerning the terms of the financing, we will represent the interests of the Issuer. We will work closely with the Issuer's attorney and will rely on his/her opinion with regard to specific matters, including pending litigation. We do not represent any developer or owner of property within the Issuer, nor do we represent the Board members in their individual capacity. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our limited representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

### **Conflicts of Interest**

Before accepting any new business, the Colorado Rules of Professional Conduct (the "Rules") require us to evaluate whether there are any ethical constraints to representing you in this new matter. As you are aware, our Public Finance Department practices in all areas of

public finance in Colorado and other states, and in such practice simultaneously represents many political subdivisions, investment bankers/underwriters, trustees, financial institutions, and other companies and individuals. In addition, our other departments also represent various persons or institutions which may have or will have dealings with the Issuer, and which may be adverse to the Issuer.

We have completed a conflicts check within our firm and have found no current conflict between the Issuer and our existing clients, except as described below.

*Current or Anticipated Representations* - We have in the past, and are currently representing or are undertaking to represent, many of the firms which may be selected to act as your underwriter, financial advisor, or placement agent, as well as many of the banks which may be selected to act as trustee or paying agent, in unrelated bond or other transactions. Technically, because the Issuer sells its bonds to an underwriter or purchaser, and because the Issuer enters into agreements with the trustee or paying agent, the Issuer's interests can be viewed as "adverse" to those of such underwriter or bank. Our past, current, and anticipated representations of the underwriter and bank are not in any way connected to any Bonds of the Issuer which are currently contemplated or planned; however, under the ethical Rules, attorneys in our firm cannot simultaneously represent such adverse parties, even though the transactions are wholly unrelated, unless we reasonably believe that our representation of the Issuer will not adversely affect our relationship with such other parties, and unless each client, after consultation, consents to the adverse representation. Please be advised that we routinely receive the consent of underwriters and other public finance clients to our representation of governmental entities in matters unrelated to our representations of such clients.

*Future Representations* - In addition, during the course of our engagement with you or at some future time, it is likely that we will be asked to represent such parties, or other persons or entities who have dealings with the Issuer, in other matters or transactions unrelated to any Bonds. Even though such existing and prospective engagements will be unrelated to any Bonds, we believe that good practice, and the Rules, require us to obtain the Issuer's consent thereto. With respect to our future representation of such parties in matters unrelated to any Bonds, we acknowledge that you might be concerned about confidentiality of information. The Rules prohibit the use of information obtained in our capacity as bond counsel to the disadvantage of the Issuer. Accordingly, we do not believe that our existing or former representation of the underwriter or the bank will act as a material limitation on our ability to represent the Issuer as bond counsel.

*Factors Considered* - We do not believe that our current, anticipated, or future engagements will materially limit or adversely affect our ability to represent the Issuer either: (i) because the potential for adversity is remote or minor and is outweighed by the consideration that it is unlikely that any advice given to other clients in unrelated transactions would be relevant to our representation of the Issuer in connection with any Bonds, or (ii) because such matters are or will be sufficiently different from this financing so as to make the representation not adverse to



our representation of the Issuer in connection with any Bonds. In reviewing our current, anticipated, and potential future representation of the parties discussed above, we have considered: whether we can represent each client with undivided loyalty; whether we can protect the confidentiality of each client; the limited duration and extent of our engagement with the parties; the likelihood that a conflict will eventuate, possibly requiring our withdrawal from the representation; and should any conflict arise, any prejudice to each client which might result therefrom.

*Consent Requested* - In determining whether to consent to and waive the foregoing conflicts of interest, you should understand that your waiver includes your acknowledgement and agreement: (i) that you are not entitled to information we will obtain during our representation of the underwriter, bank, or other parties, and (ii) that we have no duty to provide such information to you or to use it in representing you. We advise you to discuss with your general counsel the advantages and risks involved in such simultaneous, adverse representations. Pursuant to such consultation and the matters discussed herein, we will treat your execution of this letter as consent to our current, anticipated, and future representations of such other parties in matters unrelated to any Bonds. If at any time a question should arise about an adverse representation, please do not hesitate to contact us.

### **Document Retention**

At or within a reasonable period after Closing, we will direct a review of the file to determine what materials should be retained as a record of the representation and those which are no longer needed. Ordinarily, we will return original legal documents to you along with the Closing transcripts, and we will retain for several years such materials as correspondence, final substantive work product, documents obtained from the client, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

As to the client file materials that we retain, ordinarily the firm will keep those for a period of seven years after the final maturity of any particular issue of Bonds. At the end of that time, unless the Issuer has advised us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may return the client file to you sooner than the end of this period as our storage facilities are limited, however, we always reserve the right to retain a copy of the files. If the Issuer wishes to make other arrangements for retention or disposition of files, please so advise us in writing.

### **Electronic Communications**

Although the Issuer and our firm recognize e-mail may not always be a secure method of communication, and could be intercepted and read by persons who are not the intended recipients, the Issuer and the firm agree to the use of unencrypted e-mail for communications made during the course of this engagement, including communications containing confidential

information or advice. The Issuer may, however, at any time request us to use a specified more secure or different method of communication for confidential information or advice, including communications about a particular subject, and we will take reasonable measures to implement the request from the Issuer.

### **Fee Arrangement**

Currently, the Issuer is proposing the issuance of two series of bonds, one senior series of convertible capital appreciation bonds and one subordinate series of general obligation limited tax bonds, in the combined approximate original principal amount of \$19,297,500. Based upon: (i) our current understanding of the terms, structure, size, and schedule of this financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to this financing, and (iv) the responsibilities we assume, we estimate that our fee as bond counsel would be in the range of \$70,000 to \$75,000. Such fees may vary: (i) if the principal amount of the financing actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. If, at any time, we believe that circumstances require an adjustment of our original fee estimate for this financing, we will consult with you.

Our fees for acting as bond counsel, unless otherwise agreed to at the time, will be contingent upon the Issuer being legally able to proceed to Closing, to be paid at the Closing out of the Bond proceeds or other legally available moneys of the Issuer. In the event that the Issuer is able to issue a particular Bond issue as a matter of law, but chooses not to as a result of financial or other factors, our fees will not be contingent, and in such event we will bill the Issuer for the time spent on such Bond issue at our usual hourly rates, plus out-of-pocket expenses. Ms. Leichman's current hourly rate is \$525 an hour.

With respect to the provision of legal services in connection with municipal finance matters which do not result in the issuance of Bonds, our fees will be at our usual hourly rates, plus out-of-pocket expenses, and shall not be contingent.

### **Termination of Engagement**

The above fees contemplate compensation for usual and customary services as described above. Upon delivery of the opinion or opinions referenced herein, our responsibilities hereunder will terminate with respect to a particular financing. Specifically, but without implied limitation, we do not undertake to provide continuing advice to the Issuer or to any other party to the transaction.

This engagement is terminable by either party upon 15 days' notice to the other party; provided that: (i) the foregoing shall not alter or affect our responsibilities to the Issuer under the Code of Professional Responsibility or other applicable laws, rules, and regulations; and (ii) if

the Issuer terminates us without cause while we are engaged in a matter on its behalf for which attorney or paralegal time has been expended, the Issuer will pay us our usual fees for such time spent, at our then-applicable hourly rates.

**Approval**

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning to us a copy of this letter signed by an authorized officer.

We sometimes do not receive signed engagement letters back from clients for various reasons, but the client still wishes for us to serve as their bond counsel. Accordingly, so that we may begin work on this matter soon per your instructions, if you do not return a signed letter to us or inform us of any comments or objections to this letter, we will consider this letter and the referenced fee arrangement to govern our relationship unless you and we agree otherwise in writing.

We are pleased to have the opportunity to serve you and look forward to a mutually satisfactory and beneficial relationship. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

**SHERMAN & HOWARD L.L.C.**



By: Tiffany L. Leichman, Esq.

Accepted and Approved:

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 3**

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_



## **PROPOSAL FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

**TO:** Timnath Lakes Metropolitan District No. 3.

**FROM:** King & Associates, Inc.

**DATE:** July 13, 2022.

**FOR:** Residential Market Analysis.

**OBJECTIVE:** To prepare a residential market analysis for Timnath Lakes Metropolitan District No. 3 (“District”), located in the Town of Timnath, Larimer County, Colorado.

**BACKGROUND:** Timnath Lakes Metropolitan District No. 3 is located in the Town of Timnath, Larimer County, Colorado and is planned to include 289 single-family detached production units and 97 custom / semi-custom units. A market study addressing residential absorption and valuation potential in the District has been requested.

### **SCOPE OF SERVICES**

#### **Task 1: Residential Market Analysis**

King & Associates, Inc. will complete a real estate market analysis for residential land uses planned in Timnath Lakes Metropolitan District No. 3, located in the Town of Timnath, Larimer County, Colorado. The analysis will address residential market supply and demand factors such as demographics, employment and development trends in the vicinity (trade area) of the District. Further, the analysis will address competitive detached (production & custom / semi-custom) new home residential development projects within the trade area. The market analysis will directly address project feasibility, likely absorption timing and anticipated residential valuations within the District.

#### **Task 2: Residential Appreciation Analysis**

King & Associates, Inc. will complete an analysis of appreciation trends in the Town of Timnath and Fort Collins, MSA (includes Larimer County) market areas. The research will focus on development planned in the District and will be used to forecast an ongoing appreciation rate. Real estate market trend data as well as Case Schiller Housing Price Index data will be used to complete the appreciation analysis. Further, King & Associates, Inc. will review existing Larimer County home sales in the past year to assess any potential impacts on appreciation caused from Covid-19.

#### **Timing, Budget and Work Product**

The work product for Task 1 & Task 2 will entail a market analysis report detailing the findings and conclusions outlined within the work scope.

Task 1 & Task 2 can be completed within 3 to 4 weeks, for a cost of \$10,000; plus, potential market data costs not to exceed \$500.



**AGREEMENT FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

- Between:** Timnath Lakes Metropolitan District No. 3.
- And:** King & Associates, Inc.
- For:** Residential Market Analysis.
- Objective:** To prepare a residential market analysis for Timnath Lakes Metropolitan District No. 3, located in the Town of Timnath, Larimer County, Colorado.
- Budget:** Task 1 & Task 2: \$10,000; plus, potential market data costs not to exceed \$500.
- Advance:** \$2,500

**Hourly rates for King & Associates, Inc.:**

The fee for the project is listed in the above Budget line item. Should additional work be authorized beyond the outlined work scope, the client will be billed on an hourly basis as follows: Luke Kelly \$150, Bruce Martin \$150, Associates \$35-\$100

**Direct Expenses:**

All other expenses for printing, reproduction, computer time, telephone, photocopying, travel, etc., are in addition to labor charges and are charged at actual cost plus 10%.

**Authorization to Proceed:**

Services covered by this authorization shall be performed in accordance with provisions stated in the attached Exhibit A. Invoices will be submitted on a monthly basis and, beyond the Advance, are due and payable as indicated per each invoice.

This fee estimate is subject to revision if the project entails more time than estimated or if problems are encountered that are unforeseeable at the commencement of the project. In this event, we will discuss the matter with you so that a mutually acceptable revision may be made.

Approved by Client:

\_\_\_\_\_

Date: \_\_\_\_\_

Approved by King & Associates, Inc.

*L D K*  
\_\_\_\_\_

Date: July 13, 2022



## EXHIBIT A

### ATTACHED TO PROFESSIONAL PLANNING SERVICES AGREEMENT BY AND BETWEEN KING & ASSOCIATES, INC. AND CLIENT

The terms and conditions contained in this Exhibit are attached to the referenced Agreement and are incorporated therein.

**Payment:** Should the Agreement provide for an advance fee, it shall be payable upon the execution of the Agreement.

Invoices for services, rendered and for costs and expenses will be submitted on a monthly basis. Final payment for all services and for all costs and expenses shall be due upon completion of the work contemplated by the Agreement.

Advances received by King & Associates, Inc. will be deducted from the first billing.

Invoices are due and payable upon receipt. Should payment not be made within thirty (30) days of the invoice date, the amount unpaid shall bear service charges at the rate of 1% per month commencing thirty (30) days from the statement date. If payment is not made within thirty (30) days of the invoice date, work may be suspended until payment has been received.

**Arbitration:** In the event of any dispute arising under the terms of this Agreement or in the event of nonpayment and the matter is turned over to another party for collection, the party prevailing in such dispute or action shall be entitled, in addition to other damages or costs, to receive reasonable attorneys' fees and court costs from the other party. Fees shall be awarded and paid whether such dispute is settled through litigation, arbitration, or through amicable settlement.

**Termination:** This Agreement may be terminated without cause by either party by written notice from one party to the other at least seven (7) days prior to termination. Upon termination, payment will be made to King & Associates, Inc. as covered above for all services authorized and performed, plus reimbursable expenses up to the date of termination.

**Limitation of Liability:** The Client agrees to limit King & Associates, Inc.'s liability for any cause or combination of causes in aggregate, to an amount no greater than the fee earned.

## Timnath Lakes MD No. 3

### Comparison of External Financial Advisor Proposals

McGeady Becher P.C. requested proposals for External Financial Advisory (“EFA”) services, as required under the District’s Service Plan for privately placed debt.

**To be considered an EFA, per the Service Plan, the advisor must meet the following definition:**

*“External Financial Advisor: means a consultant that: (i) advises Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer’s Municipal Market Place; and (iii) is not an officer or employee of the Districts and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.”*

**The EFA certificate (“EFA Certificate”) being sought for the District needs to address the following with regard to the proposed bond issuance:**

*“We are [I am] an External Financial Advisor within the meaning of the Districts’ Service Plan.*

*We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the Districts.”*

We received the following three proposals: All of the advisors listed below meet the above definition of External Financial Advisor and have included the issuance of the EFA Certificate to the District as part of their scope of work.

Name of Advisor (in alphabetical order)	Fee	Scope of Work	Additional Information
<p><b>Lewis Young Robertson &amp; Burningham Inc. (LYRB)</b></p> <p><i>-founded in 1995</i>  <i>-based in Utah</i>  <i>-focus on intermountain West</i></p>	<p><b><u>Proposed Fee:</u></b>  <b><u>\$19,500.</u></b></p>	<ul style="list-style-type: none"> <li>• Serve as the District’s external financial advisor and act in a fiduciary capacity in accordance with the Dodd Frank Act and MSRB Rules;</li> <li>• Review, assist and advise the District in the preparation and development of the Plan of Finance, including the preparation and or review of cash flow modeling and analysis;</li> <li>• Review, research and provide input, as needed, on documentation for the Series 2022 Bonds;</li> <li>• Provide market commentary; research and determine appropriate comparables to use in evaluating the pricing and structuring of the Series 2022 Bonds;</li> <li>• Prepare pre-pricing thoughts in conjunction with the Placement Agent for the benefit of the District;</li> <li>• Prepare and Review with the District tax-exempt market pricing comparisons for the District’s review and consideration (Pricing Report and Analysis); review and approve final pricing of the Series 2022 Bonds;</li> <li>• Review and ensure that the structures of the Series 2022 Bonds are in compliance with the District’s Service Plan; and</li> <li>• Provide a Certificate of External Financial Advisor with respect to the fairness of pricing and structuring the Series 2022 Bonds (including the provision of an opinion from the External Financial Advisor in accordance with the District’s Service Plan and a letter of support regarding the District’s Financial Plan).</li> </ul>	<ul style="list-style-type: none"> <li>• Volume of Bonds they advise on <u>Annually</u>: approx. \$850M</li> </ul>



Name of Advisor (in alphabetical order)	Fee	Scope of Work	Additional Information
<p><b>MuniCap, Inc.</b></p> <p><i>-founded in 1997</i>  <i>-based in Maryland (with additional offices in TX, VA, PA and SC)</i>  <i>-nationwide experience</i></p>	<p><b><u>Estimated Cost:</u></b>  <b><u>\$5,000.</u></b></p> <p>Additional work, if requested, at an hourly billing rate.</p>	<ul style="list-style-type: none"> <li>• Act in a fiducial capacity under Dodd Frank and MSRB rules;</li> <li>• Assist in development of plan of finance including a cash flow model, if needed;</li> <li>• Review and provide input, as needed, on bond documents;</li> <li>• Provide market commentary;</li> <li>• Provide pre-pricing thoughts in conjunction with the underwriter;</li> <li>• Evaluate the proposed debt obligation to determine if the terms are reasonable and providing a certification to that effect.</li> <li>• Review and approve final pricing.</li> </ul> <p>MuniCap may provide additional services as a municipal advisor or an investment advisor as requested in writing by Client.</p>	<ul style="list-style-type: none"> <li>• Has provided services for almost 500 special districts across the country. Helped facilitate over \$10 billion in public financing through special districts.</li> </ul>
<p><b>North Slope Financial Advisors</b></p> <p><i>-founded in 2008</i>  <i>-based in Denver</i>  <i>-Only full-service advisory firm</i></p>	<p><b><u>Contingent Fee</u></b> – payable only when the bond issue has successfully closed.  <b><u>\$15,000.</u></b></p>	<ul style="list-style-type: none"> <li>• <b>Confirm the Financing Goals.</b> North Slope will meet with the District to understand, identify, and prioritize the financing goals for the proposed bond issuance. North Slope will also meet with the relevant financing team professionals to re-confirm the credit profile of the District and verify the structuring constraints for the bond issue.</li> <li>• <b>Plan of Financing Review.</b> North Slope will independently verify the financial model prepared by the placement agent using development, biennial reassessment, assessment rate, interest rates, and other assumptions supplied by third parties (e.g. market study consultants, accountants, the underwriter, etc.) and suggest</li> </ul>	<ul style="list-style-type: none"> <li>• <b>North Slope was the EFA for the Timnath Series 2020 Bonds.</b></li> <li>• In 2021, North Slope advised on 28 metro</li> </ul>

Name of Advisor (in alphabetical order)	Fee	Scope of Work	Additional Information
<i>headquartered in Denver</i>		<p>refinements to the structure if any, and summarize the benefits and considerations of the proposed plan of finance from the perspective of District taxpayers.</p> <ul style="list-style-type: none"> <li>• <b>Bank Selection and Documentation Support.</b> North Slope will review each term sheet received by the District and provide an independent review of the salient features as well as the considerations and risks inherent under each term sheet. During the documentation phase of the transaction, North Slope will assist the District in reviewing and commenting on each financing document and will work with the District, district counsel, bond counsel, placement agent and purchaser to finalize the structure, repayment terms, call feature, sizing and closing date.</li> <li>• <b>Market Commentary.</b> North slope will monitor the municipal bond market and provide commentary as requested to the Board and the District on the nature of the municipal bond market including analysis of interest rate movements, provide feedback from investors on status of the tender, key Federal Reserve policy decisions, and general pricing/sale information. North Slope will attend the District Board meeting authorizing the financing if requested and will advise the District about interest rates on other recent comparable financings several days prior to issue pricing.</li> <li>• <b>Costs of Issuance Verification.</b> If requested, North Slope will provide the District with verification that the underwriting (or placement agent) fee falls within a market range considering other transactions that are similar in size and credit quality to the District.</li> <li>• <b>External Financial Advisor Certificate – Bond Issuance (Pricing Comfort).</b> Prior to the proposed bond issuance, North Slope will conduct market research in order to provide the District with a certification and opinion at closing that the interest rate(s), issue structure, and redemption provisions, and maturities are reasonable given the financial circumstances of the District. The provisions of any</li> </ul>	<p>district financings in Colorado totaling over \$886 million in par.</p> <ul style="list-style-type: none"> <li>• Financial Advisor on over 230 municipal transactions totaling over \$13 billion in principal amount since 2008.</li> </ul>

Name of Advisor (in alphabetical order)	Fee	Scope of Work	Additional Information
		<p>EFA Certificate will meet the requirement and language included in the Service Plan.</p> <ul style="list-style-type: none"> <li>• <b>External Financial Advisor Certificate – “Developer Advances” (Pricing Comfort).</b> If requested by District Counsel and/or Bond Counsel, for any Developer Advances that are entered into, or negotiated, during the course of the bond financing, North Slope will conduct market research and review all relevant documents in order to determine whether the net effective interest rate(s) for both capital expenditures and operating expenses are reasonable. For any Developer Advances that were entered into, or negotiated, <i>prior</i> to North Slope's engagement with the District, amendments to such agreements may be necessary in order for North Slope to provide pricing comfort. If deemed reasonable and any appropriate amendments or changes are made to Developer Advances, North Slope will execute a "Financial Advisor" or "Pricing Certificate" for bond counsel as part of closing documentation for the proposed bond issuance.</li> </ul>	

**TIMNATH LAKES METROPOLITAN DISTRICT NO. 1**

LIMITED TAX GENERAL OBLIGATION CONVERTIBLE CAPITAL APPRECIATION BONDS, SERIES 2022A  
SUBORDINATE LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2022B<sub>3</sub>

TIMELINE – AS OF NOVEMBER 17, 2022

NOVEMBER 2022						
Su	M	Tu	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

DECEMBER 2022						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

DATE	EVENT
11/17/2022	Kickoff transaction
11/23/2022	Draft bond documents distributed
11/24/2022	Observed holiday – Thanksgiving Day
11/30/2022	Short form Market Study and Appreciation Analysis distributed
11/30/2022	Comments on bond documents due to bond counsel
12/6/2022	Cash flow Analysis Draft from CLA circulated
12/12/2022	Draft closing documents distributed
12/13/2022	Board meetings to approve Parameters Bond Resolution & Cost Certification(s)
12/16/2022	Final closing documents sent
12/20/2022	Closing

Timnath Lakes Metropolitan District No. 1  
Paula Williams  
McGeady Becher, P.C.  
450 E. 17th Avenue, Suite 400  
Denver, CO 80203  
[pwilliams@specialdistrictlaw.com](mailto:pwilliams@specialdistrictlaw.com)

November 17, 2022

Re: Underwriter/Placement Agent Engagement Letter  
**Limited Tax General Obligation Convertible Capital Appreciation Bonds, Series 2022A,  
Subordinate General Obligation Bonds, Series 2022B(3) (the “Securities”)**

Dear Paula:

This letter confirms the agreement (the “Agreement”) between Piper Sandler & Co. (“Piper Sandler” or “we” or “us”) and **Timnath Lakes Metropolitan District No. 1** (the “Issuer” or “you”) as follows:

1. **Engagement.** The Issuer hereby engages Piper Sandler to serve as an underwriter or placement agent for the Securities. As currently contemplated, the transaction will be an underwriting or private placement of the Securities with gross proceeds to be determined. Sale and delivery of the Securities by the Issuer will occur on the day of closing (“Closing Date”).
2. **Scope of Services.** We understand that the decision to either conduct a public sale of the Securities or sell the Securities in a private placement to a single or limited number of investors will be made by you sometime in the future. As a preliminary matter, we can assist you in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time. Depending on the capacity in which we would be acting, Piper Sandler agrees, as appropriate and directed by you, to provide the following services.

As an Underwriter:

- (a) Develop a financing plan for the Securities and assist you in determining the economic impact of the Securities;
- (b) Provide advice concerning structure, timing, terms and other similar matters concerning the Securities, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project;
- (c) Review and make comments with respect to sale documents, as applicable, including Explanatory Statements, Authorizing Bond Resolutions, bond declarations and indentures and other underlying documents relating to the Securities;
- (d) Develop a sale schedule that incorporates all aspects of bringing Securities to market and arranging for a successful closing of the transaction;
- (e) Assist in the preparation of the preliminary and final Official Statements to be issued by you relating to the Securities for final approval by you and your agents, including bond counsel;
- (f) Distribute preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, professional investment advisors, and other prospective investors in Securities;

- (g) Develop a marketing plan for the offering, including identification of potential investors;
- (h) Negotiate the pricing, including the interest rate, and other terms of Securities;
- (i) Obtain CUSIP number(s) for Securities and arranging for their DTC book-entry eligibility as required;
- (j) Provide a final schedule of debt service payments for Securities;
- (k) Review and make comments with respect to closing documents prepared by Bond Counsel;
- (l) Plan and arrange for the closing and settlement of the issuance and the delivery of Securities; and
- (m) Other activities that are integral to the purchase and distribution of the Securities and activities integral to fulfilling the role of a placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Sandler under MSRB rules.

*As a Placement Agent:*

- (a) consult with you in planning and implementing the placement of the Securities;
- (b) assist you in reviewing any transaction materials (the “Transaction Materials”) we mutually agree are beneficial or necessary to the consummation of the transaction;
- (c) assist you in preparing for due diligence conducted by potential investors;
- (d) identify potential investors and use our reasonable commercial efforts to assist in arranging sales of the Securities to investors;
- (e) assist you in negotiating definitive documentation.

3. ***Fees and Expenses.***

For our services, you agree to pay us an underwriting discount as described below of the total par amount of the Securities payable as a discount to the purchase price or by wire transfer of immediately available funds at closing. All transactions are subject to a \$30,000 minimum fee. For avoidance of doubt, the fee shall not be payable in the event a closing of the Securities does not occur.

<b>Private Placement to the Developer</b>
1%

4. ***Representations, Warranties and Agreements of the Issuer.***

You represent and warrant to, and agree with us, that:

- (a) the Securities will be sold by you in compliance with the requirements for exemptions from registration or qualification of, and otherwise in accordance with, all federal and state securities laws and regulations;
- (b) you will make available to us and each purchaser such documents and other information which we and each purchaser reasonably deem (the “Transaction Materials”) appropriate

and will provide access to your officers, directors, employees, accountants, counsel and other representatives and will provide each purchaser and us opportunities to ask questions and receive answers from these persons; it being understood that we and each purchaser will rely solely upon such information supplied by you and your representatives without assuming any responsibility for independent investigation or verification thereof; and

- (c) you agree to be responsible for the accuracy and completeness of any Transaction Materials to the extent of federal securities laws applicable to the transaction. You agree to notify us promptly, at any time prior to the Closing Date, of any material adverse changes, or development that may lead to any material adverse change, in your business, properties, operations, financial condition or prospects and concerning any statement contained in any Transaction Materials, or in any other information provided to us, which is not accurate or which is incomplete or misleading in any material respect;
- (d) all financial projections that have or will be made available to Piper Sandler by you or any of your representatives in connection with the Transaction (the "Projections") have been and will be prepared in good faith and will be based upon assumptions believed by you to be reasonable (it being understood that projections by their nature are inherently uncertain and no assurances are being given that the results reflected in the Projections will be achieved);
- (e) On the Closing Date, you will deliver or cause to be delivered to us an Opinion of Bond Counsel to you, dated the Closing Date relating to: the validity of the Securities; exemption from registration and qualification under federal and state securities law; and if applicable the tax-exempt status of the Securities, together with a reliance letter from such counsel, dated the Closing Date and addressed to us and in a form acceptable to us.

5. **Other Matters Relating to Our Engagement.** The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election, satisfactory completion and execution of all final documentation for an offering including all terms and conditions and credit approval by Piper Sandler's internal credit approval process. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. If you elect to conduct a public offering of the Securities, you and Piper Sandler will enter into a definitive bond purchase agreement which shall supersede the provisions of this agreement in any conflicting respects, except that the parties agree that the fee provisions set forth in Section 3 will continue to apply.

You acknowledge that you have retained us solely to provide the services to you as set forth in this agreement. As underwriter or placement agent, Piper Sandler may provide advice concerning the structure, timing, terms, and other similar matters concerning the transaction. You acknowledge and agree that: (i) the primary role of Piper Sandler as an underwriter or placement agent, is to sell or place securities to investors in an arms-length commercial transaction and that Piper Sandler has financial and other interests that differ from your interests (ii) Piper Sandler is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity and has not assumed any advisory or fiduciary responsibility to you with respect to the transaction contemplated herein and the discussions, undertakings and proceedings leading thereto (irrespective of whether Piper Sandler has provided other services or is currently providing other services to you on other matters) (iii) the only obligations Piper Sandler has to you with respect to the transaction contemplated hereby expressly are set forth in this agreement and (iv) you have consulted your own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate in connection with the transaction contemplated herein.

6. **Disclosure.** Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this

time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the Securities. If our understanding is incorrect, please notify the undersigned immediately.

7. **Termination.** You or we may terminate our engagement under this agreement, with or without cause, upon ten days' written notice to the other party. The fee, expense reimbursement, your representations, warranties and agreements, and miscellaneous provisions of this agreement will survive any termination of our engagement under this agreement.
8. **Section Headings.** Section headings contained herein are for convenience of reference only and are not part of this agreement.
9. **Amendment.** This agreement may be amended only by a written instrument executed by each of the Parties. The terms of this agreement may be waived only by a written instrument executed by the party waiving compliance.
10. **Entire Agreement.** This agreement embodies the entire agreement and understanding between you and us and supersedes all prior agreements and understandings relating to the subject matter of this agreement.
11. **No Assignment.** This agreement has been made by the Issuer and Piper Sandler, and no other person shall acquire or have any right under or by virtue of this agreement.
12. **Governing Law.** This agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this agreement or the negotiation, execution or performance of this agreement, will be governed by and construed in accordance with the laws of Colorado. You and we hereby waive all right to trial by jury in any action, proceeding, or counterclaim (whether based upon contract, tort or otherwise) in connection with any dispute arising out of this agreement or any matters contemplated by this agreement.
13. **Consent to Jurisdiction; Service of Process.** The parties each hereby (a) submits to the jurisdiction of any state or federal court sitting in the County in which the District is located, State of Colorado for the resolution of any claim or dispute with respect to or arising out of or relating to this agreement or the relationship between the parties (b) agrees that all claims with respect to such actions or proceedings may be heard and determined in such court, (c) waives the defense of an inconvenient forum, (d) agrees not to commence any action or proceeding relating to this agreement other than in a state or federal court sitting in the County in which the District is located, State of Colorado and (e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 17. Nothing in this agreement will affect the right of any party to this agreement to serve process in any other manner permitted by law.
14. **Effectiveness.** This agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.
15. **Severability.** In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. You and us will endeavor in good faith negotiations to replace the invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid or unenforceable provisions.



- 16. **Counterparts.** This agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.
- 17. **Notices.** Any notice required or permitted to be given under this agreement shall be given in writing and shall be effective from the date sent by registered or certified mail, by hand, facsimile or overnight courier to the addresses set forth on the first page of this agreement with a copy sent to the General Counsel of such Party.
- 18. THE PARTIES HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Please confirm that the foregoing correctly and completely sets forth our understanding by signing and returning to us the enclosed duplicate of this engagement agreement.

Sincerely,



\_\_\_\_\_  
**Mike Sullivan, Senior Vice President**  
Piper Sandler & Co.

Acknowledgement and Approval of Engagement  
and Receipt of Appendix A Disclosures

\_\_\_\_\_  
**Authorized Signor**  
**Timnath Lakes Metropolitan District No. 1**

Date: \_\_\_\_\_

## Appendix A – G-17 Disclosure

Thank you for engaging Piper Sandler & Co. to serve as your underwriter or placement agent. We are writing to provide you with certain disclosures relating to the captioned bond issue (Bonds), as required by Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2019-20 (Nov. 8, 2019).<sup>1</sup>

Piper Sandler & Co. intends to serve as an underwriter or placement agent, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds. As part of our underwriting services, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

The following G-17 conflict of interest disclosures are now broken down into three types, including: 1) dealer-specific conflicts of interest disclosures (if applicable); 2) transaction-specific disclosures (if applicable); and 3) standard disclosures.

If Piper Sandler is engaged to act as your underwriter in a negotiated underwriting, by engaging Piper Sandler as your underwriter, you determined to sell the Bonds by negotiated sale. A negotiated sale is the sale of a new issue of municipal securities by an issuer directly to an underwriter or underwriting syndicate selected by the issuer. A negotiated sale is distinguished from a sale by competitive bid, which requires public bidding by the underwriters. Piper Sandler did not advise you as to what method of sale (competitive or negotiated sale) you used for this issuance of municipal securities.

### ***Dealer-Specific Conflicts of Interest Disclosures***

Piper Sandler has not identified any actual or potential material conflicts of interest.

### ***Transaction-Specific Disclosures***

- Disclosures Concerning Complex Municipal Securities Financing:
  - Since we have recommended to the Issuer/Obligor a financing structure that may be a “complex municipal securities financing” for purposes of MSRB Rule G-17, attached is a description of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and reasonably foreseeable at this time.

### ***Standard Disclosures***

- Disclosures Concerning the Underwriters’ Role:
  - MSRB Rule G-17 requires an underwriter to deal fairly at all times with both issuers and investors.
  - The underwriters’ primary role is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.
  - Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The Issuer may choose to engage the services of a municipal advisor with a fiduciary obligation to represent the Issuer’s interest in this transaction.
  - The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.

---

<sup>1</sup> Revised Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective Mar. 31, 2021).

- The underwriters will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>2</sup>
- Disclosures Concerning the Placement Agent Role:
  - MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors.
  - Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation.
  - Unlike a municipal advisor, a placement agent does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
  - The placement agent has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
  - In the event an official statement is prepared, the placement agent will review the official statement for the Bonds in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>3</sup>
- Disclosures Concerning the Underwriters' Compensation:
  - The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.
- Disclosures Concerning the Placement Agent's Compensation:
  - The placement agent will be compensated by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the placement agent fee will be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with

---

<sup>2</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

<sup>3</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Please note that nothing in this letter should be viewed as a commitment by the underwriters or placement agent to purchase or sell all the Bonds and any such commitment will only exist upon the execution of any bond purchase agreement or similar agreement and then only in accordance with the terms and conditions thereof.

You have been identified by the Issuer as a primary contact for the Issuer's receipt of these disclosures, and that you are not a party to any disclosed conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above. Otherwise, an email read receipt from you or automatic response confirming that our email was opened by you will serve as an acknowledgment that you received these disclosures.

Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or potential material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

## Appendix B – Capital Appreciation Bonds

The following is a general description of the financial characteristics of Capital Appreciation Bonds (CABs), as well as a general description of certain financial risks that are known to us and reasonably foreseeable at this time and that you should consider before deciding whether to issue CABs. If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to us. In addition, you should consult with your financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent you deem appropriate.

### Financial Characteristics

CABs are bonds that are typically sold at a price less than their par amount (i.e., an “*original issue discount*”). The difference between the sales price and the par amount is considered the original issue discount. CABs typically do not pay interest periodically like traditional Current Interest Bonds (“CIBs”), but rather pay interest only at maturity. CABs accrete in value at a stated yield as interest accrues, regardless of the current market rate. At maturity, investors receive an amount equal to the initial principal invested plus the interest earned, compounded at the stated yield.

Convertible CABs are a hybrid structure in which the bonds accrete in value while in the CAB mode and then pay annual principal and semi-annual interest as a traditional CIB after the conversion date. The interest and principal paid after the conversion date is based on the accreted value of the bonds at the conversion date instead of the original par value.

CABs may be attractive to issuers because they defer debt service payments until maturity and relieve pressure on an issuer’s annual debt service budget. They may also allow issuers to smooth out debt service payments in their annual budgets by issuing CABs structured or scheduled to mature in years in which other series of bonds do not mature, or in the years between the last serial bond and the start of mandatory term bond calls.

### Financial Risk Considerations

Certain risks may arise in connection with your issuance of CABs, including some or all the following (generally, the obligor, rather than the issuer, will bear these risks for conduit revenue bonds):

*Issuer Default Risk.* Depending on how the CABs are structured, the maturity value may be a substantial amount. You may be in default if the funds pledged to secure your CABs are not enough to pay debt service on the CABs when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the CABs are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the CABs. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

*Redemption Risk.* Your ability to redeem the CABs prior to maturity may be limited, depending on the terms of any optional redemption provisions. CABs are generally not subject to optional redemption by issuers until the maturity date thereof. If interest rates in the market decline, you may be unable to take advantage of the lower interest rates to reduce debt service if the CABs cannot be redeemed.

*Refinancing Risk.* If your financing plan contemplates refinancing some or all the CABs at maturity, market conditions or changes in law may limit or prevent you from refinancing those CABs when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the CABs to take advantage of lower interest rates.

*Interest Rate Penalty.* While CABs may allow you to defer interest payments until maturity of the bond, investors require significantly higher yield to forgo traditional semi-annual interest payments. The higher yields, together with the potential of reduced flexibility to optionally redeem the CABs prior to maturity, may result in higher total debt costs than if you had issued CIBs. This may be exacerbated if the financial assumptions underlying the issuance of CABs are ultimately incorrect.

*Interest Payment Deferral.* As the interest rates on CABs is generally higher than CIBs and accretes over the life of the CABs, you must prepare for an even higher debt service that will be due and payable at the stated maturity of CABs. Rather than paying the remaining principal and the final semi-annual coupon payment at maturity for traditional long-term fixed rate bonds, you will be required to pay all the principal and all of the interest that will have compounded from the issuance date through maturity. Convertible CABs carry the inherent risk that, upon conversion from CABs to CIBs, the CIBs will require semi-annual interest payments.

*Limited Investor Base.* Due to the unique characteristics of CABs, there may be a limited universe of potential investors. This could lead the underwriters to have difficulty selling the CABs, and which could result in higher yields and higher total debt costs. Additionally, you should consider that CABs may price at a substantial yield concession to current interest fixed rate bonds as investors value the structure relative to other product alternatives.

*Reinvestment Risk.* You may have proceeds of the CABs to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the yield on the CABs, which is referred to as “negative arbitrage.”

*Tax Compliance Risk.* The issuance of tax-exempt bonds is subject to several requirements under the U.S. Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the CABs (if issued as tax-exempt obligations) to become taxable retroactively to the date of issuance of the CABs, which may result in an increase in the interest rate that you pay on the CABs. The IRS also may audit you or your CABs or other bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the CABs are declared taxable, or if you are subject to audit, you may be unable to

remarket or refinance the CABs. Further, your ability to issue other tax-exempt bonds also may be limited.

*“Cash Flow” Structure of the Bonds and the Risk of Compounding Interest.* The Bonds are expected to possess a “cash flow” structure, meaning that no regularly scheduled principal payments are due prior to the maturity date, and interest payments not paid when due will accrue and compound until sufficient Pledged Revenue is available for payment. To the extent your cash flow is insufficient to pay interest when due on the Bonds, the unpaid interest will compound. Compounding could substantially increase your overall debt burden.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding the tax implications of issuing CABs.

# Sherman & Howard

675 Fifteenth Street, Suite 2300, Denver, Colorado 80202  
Telephone: 303.297.2900 [shermanhoward.com](http://shermanhoward.com)

**Tiffany L. Leichman**  
**Direct Dial Number: (303) 299-8104**  
**E-mail: [tleichman@shermanhoward.com](mailto:tleichman@shermanhoward.com)**

November 30, 2022

Board of Directors  
Timnath Lakes Metropolitan District No. 1  
c/o McGeady Becher, P.C.  
450 E. 17<sup>th</sup> Avenue, Suite 400  
Denver, Colorado 80203  
Attention: Paula Williams, Esq.

Re: Engagement as bond counsel

Ladies and Gentlemen:

We are pleased to confirm our engagement as your bond counsel. We appreciate your confidence in us and will do our best to continue to merit it. The purpose of this letter is to set forth in writing the elements of our mutual understanding in establishing our attorney-client relationship.

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel in connection with the issuance of one or more series of bonds, notes, or other obligations (the "Bonds") by or on behalf of Timnath Lakes Metropolitan District No. 1 (the "Issuer") pursuant to the terms of this engagement letter. This letter supersedes and replaces any previous engagement letters between the Issuer and us pertaining to representing the Issuer on public finance matters. We understand that the governing body of the Issuer will authorize the execution of this letter at a meeting and will delegate to the presiding officer of the Issuer's governing body the authority to sign this letter and to represent the Issuer. Tiffany Leichman will be the member at the firm who will coordinate and oversee the services we perform on your behalf. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Ms. Leichman will coordinate, review, and approval all work completed for the Issuer.

## **Scope of Employment**

Bond counsel is engaged as recognized attorneys whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will examine applicable law; consult with the parties to the transaction prior to the issuance of any particular series of Bonds; prepare customary authorizing and operative



documents, review a certified transcript of proceedings; and undertake such additional duties as we deem necessary to render the opinion. Subject to the completion of proceedings to our satisfaction, we will render our opinion relating to the validity of the Bonds, the lien of the Bonds on the revenues pledged to the payment thereof, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes.

As bond counsel, we will not assume or undertake responsibility for assisting in the preparation of the official statement or other offering document to be used in connection with the marketing of any Bonds (the "Official Statement"), nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of the Official Statement.

In rendering any opinion hereunder, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Any such opinion will be addressed to the Issuer and will be executed and delivered by us in written form on the date a series of Bonds are exchanged for their purchase price (with respect to that series, the "Closing"), and will be based on facts and law existing as of such date.

Our services hereunder are limited to those contracted for explicitly in this letter. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in any IRS audit or any litigation involving the Issuer or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including advice about the structure of any Bonds) or advice on the investment of funds related to any Bond issue.

### **Representation of the Issuer**

In performing our services hereunder our client will be the Issuer. Accordingly, in any negotiations concerning the terms of the financing, we will represent the interests of the Issuer. We will work closely with the Issuer's attorney and will rely on his/her opinion with regard to specific matters, including pending litigation. We do not represent any developer or owner of property within the Issuer, nor do we represent the Board members in their individual capacity. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our limited representation of the Issuer does not alter our responsibility to render an objective opinion as bond counsel.

### **Conflicts of Interest**

Before accepting any new business, the Colorado Rules of Professional Conduct (the "Rules") require us to evaluate whether there are any ethical constraints to representing you

in this new matter. As you are aware, our Public Finance Department practices in all areas of public finance in Colorado and other states, and in such practice simultaneously represents many political subdivisions, investment bankers/underwriters, trustees, financial institutions, and other companies and individuals. In addition, our other departments also represent various persons or institutions which may have or will have dealings with the Issuer, and which may be adverse to the Issuer.

We have completed a conflicts check within our firm and have found no current conflict between the Issuer and our existing clients, except as described below.

*Current or Anticipated Representations* - We have in the past, and are currently representing or are undertaking to represent, many of the firms which may be selected to act as your underwriter, financial advisor, or placement agent, as well as many of the banks which may be selected to act as trustee or paying agent, in unrelated bond or other transactions. Technically, because the Issuer sells its bonds to an underwriter or purchaser, and because the Issuer enters into agreements with the trustee or paying agent, the Issuer's interests can be viewed as "adverse" to those of such underwriter or bank. Our past, current, and anticipated representations of the underwriter and bank are not in any way connected to any Bonds of the Issuer which are currently contemplated or planned; however, under the ethical Rules, attorneys in our firm cannot simultaneously represent such adverse parties, even though the transactions are wholly unrelated, unless we reasonably believe that our representation of the Issuer will not adversely affect our relationship with such other parties, and unless each client, after consultation, consents to the adverse representation. Please be advised that we routinely receive the consent of underwriters and other public finance clients to our representation of governmental entities in matters unrelated to our representations of such clients.

In addition, be advised that we expect to be engaged by Timnath Lakes Metropolitan District No. 3 on generally the same basis as this engagement. Depending upon the structure of Bond issues by the Issuer or such other districts, and the need to negotiate agreements between or among any such districts, conflicts may arise in the future. We will advise you when the possibility of such conflicts arise or are expected to arise, and will seek appropriate waivers. Depending upon the nature of the conflict, it is possible that Sherman & Howard would be unable to continue to represent you or one or more such other districts. By execution of this letter, you are confirming that should such a circumstance arise, and should Sherman & Howard determine that it can no longer represent you, you are consenting to the withdrawal of Sherman & Howard L.L.C. from representation of you and will consider waiving any conflict of interest that would or might be involved in Sherman & Howard's continued representation of you or any one or more such other districts.

*Future Representations* - In addition, during the course of our engagement with you or at some future time, it is likely that we will be asked to represent such parties, or other persons or entities who have dealings with the Issuer, in other matters or transactions unrelated to any

Bonds. Even though such existing and prospective engagements will be unrelated to any Bonds, we believe that good practice, and the Rules, require us to obtain the Issuer's consent thereto. With respect to our future representation of such parties in matters unrelated to any Bonds, we acknowledge that you might be concerned about confidentiality of information. The Rules prohibit the use of information obtained in our capacity as bond counsel to the disadvantage of the Issuer. Accordingly, we do not believe that our existing or former representation of the underwriter or the bank will act as a material limitation on our ability to represent the Issuer as bond counsel.

*Factors Considered* - We do not believe that our current, anticipated, or future engagements will materially limit or adversely affect our ability to represent the Issuer either: (i) because the potential for adversity is remote or minor and is outweighed by the consideration that it is unlikely that any advice given to other clients in unrelated transactions would be relevant to our representation of the Issuer in connection with any Bonds, or (ii) because such matters are or will be sufficiently different from this financing so as to make the representation not adverse to our representation of the Issuer in connection with any Bonds. In reviewing our current, anticipated, and potential future representation of the parties discussed above, we have considered: whether we can represent each client with undivided loyalty; whether we can protect the confidentiality of each client; the limited duration and extent of our engagement with the parties; the likelihood that a conflict will eventuate, possibly requiring our withdrawal from the representation; and should any conflict arise, any prejudice to each client which might result therefrom.

*Consent Requested* - In determining whether to consent to and waive the foregoing conflicts of interest, you should understand that your waiver includes your acknowledgement and agreement: (i) that you are not entitled to information we will obtain during our representation of the underwriter, bank, or other parties, and (ii) that we have no duty to provide such information to you or to use it in representing you. We advise you to discuss with your general counsel the advantages and risks involved in such simultaneous, adverse representations. Pursuant to such consultation and the matters discussed herein, we will treat your execution of this letter as consent to our current, anticipated, and future representations of such other parties in matters unrelated to any Bonds. If at any time a question should arise about an adverse representation, please do not hesitate to contact us.

### **Document Retention**

At or within a reasonable period after Closing, we will direct a review of the file to determine what materials should be retained as a record of the representation and those which are no longer needed. Ordinarily, we will return original legal documents to you along with the Closing transcripts, and we will retain for several years such materials as correspondence, final substantive work product, documents obtained from the client, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material, or drafts and notes that do not appear needed any longer.

As to the client file materials that we retain, ordinarily the firm will keep those for a period of seven years after the final maturity of any particular issue of Bonds. At the end of that time, unless the Issuer has advised us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may return the client file to you sooner than the end of this period as our storage facilities are limited, however, we always reserve the right to retain a copy of the files. If the Issuer wishes to make other arrangements for retention or disposition of files, please so advise us in writing.

### **Electronic Communications**

Although the Issuer and our firm recognize e-mail may not always be a secure method of communication, and could be intercepted and read by persons who are not the intended recipients, the Issuer and the firm agree to the use of unencrypted e-mail for communications made during the course of this engagement, including communications containing confidential information or advice. The Issuer may, however, at any time request us to use a specified more secure or different method of communication for confidential information or advice, including communications about a particular subject, and we will take reasonable measures to implement the request from the Issuer.

### **Fee Arrangement**

Currently, the Issuer is proposing the issuance of two series of bonds, one series of General Obligation Limited Tax Convertible Capital Appreciation Refunding and Improvement Bonds and one series of Subordinate General Obligation Limited Tax Bonds, in the approximate combined original aggregate principal amount of \$7,722,126. Based upon: (i) our current understanding of the terms, structure, size, and schedule of this financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to this financing, and (iv) the responsibilities we assume, we estimate that our fee as bond counsel would be in the range of \$55,000. Such fees may vary: (i) if the principal amount of the financing actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. If, at any time, we believe that circumstances require an adjustment of our original fee estimate for this financing, we will consult with you.

Our fees for acting as bond counsel, unless otherwise agreed to at the time, will be contingent upon the Issuer being legally able to proceed to Closing, to be paid at the Closing out of the Bond proceeds or other legally available moneys of the Issuer. In the event that the Issuer is able to issue a particular Bond issue as a matter of law, but chooses not to as a result of financial or other factors, our fees will not be contingent, and in such event we will bill the Issuer for the time spent on such Bond issue at our usual hourly rates, plus out-of-pocket expenses. Ms. Leichman's hourly rate is \$525 an hour for calendar year 2022 and anticipated to be \$620 an hour for calendar year 2023.

With respect to the provision of legal services in connection with municipal finance matters which do not result in the issuance of Bonds, our fees will be at our usual hourly rates, plus out-of-pocket expenses, and shall not be contingent.

### **Termination of Engagement**

The above fees contemplate compensation for usual and customary services as described above. Upon delivery of the opinion or opinions referenced herein, our responsibilities hereunder will terminate with respect to a particular financing. Specifically, but without implied limitation, we do not undertake to provide continuing advice to the Issuer or to any other party to the transaction.

This engagement is terminable by either party upon 15 days' notice to the other party; provided that: (i) the foregoing shall not alter or affect our responsibilities to the Issuer under the Code of Professional Responsibility or other applicable laws, rules, and regulations; and (ii) if the Issuer terminates us without cause while we are engaged in a matter on its behalf for which attorney or paralegal time has been expended, the Issuer will pay us our usual fees for such time spent, at our then-applicable hourly rates.

### **Approval**

If the foregoing terms of this engagement are acceptable to you, please so indicate by returning to us a copy of this letter signed by an authorized officer.

We sometimes do not receive signed engagement letters back from clients for various reasons, but the client still wishes for us to serve as their bond counsel. Accordingly, so that we may begin work on this matter soon per your instructions, if you do not return a signed letter to us or inform us of any comments or objections to this letter, we will consider this letter and the referenced fee arrangement to govern our relationship unless you and we agree otherwise in writing.

We are pleased to have the opportunity to serve you and look forward to a mutually satisfactory and beneficial relationship. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

**SHERMAN & HOWARD L.L.C.**



By: Tiffany L. Leichman, Esq.

Accepted and Approved:

**TIMNATH LAKES METROPOLITAN  
DISTRICT NO. 1**

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

Its: \_\_\_\_\_

Date: \_\_\_\_\_



## **PROPOSAL FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

**TO:** Timnath Lakes Metropolitan District No. 1.

**FROM:** King & Associates, Inc.

**DATE:** August 16, 2022.

**FOR:** Residential Market Analysis.

**OBJECTIVE:** To prepare a residential market analysis for Timnath Lakes Metropolitan District No. 1 (“District”), located in the Town of Timnath, Larimer County, Colorado.

**BACKGROUND:** Timnath Lakes Metropolitan District No. 1 is located in the Town of Timnath, Larimer County, Colorado and is planned to include 55 single-family detached units and 177 single-family attached units. A market study addressing residential absorption and valuation potential in the District has been requested.

### **SCOPE OF SERVICES**

#### **Task 1: Residential Market Analysis**

King & Associates, Inc. will complete a real estate market analysis for residential land uses planned in Timnath Lakes Metropolitan District No. 1, located in the Town of Timnath, Larimer County, Colorado. The analysis will address residential market supply and demand factors such as demographics, employment and development trends in the vicinity (trade area) of the District. Further, the analysis will address competitive detached and attached (duplex & townhome) new home residential development projects within the trade area. The market analysis will directly address project feasibility, likely absorption timing and anticipated residential valuations within the District.

#### **Task 2: Residential Appreciation Analysis**

King & Associates, Inc. will complete an analysis of appreciation trends in the Town of Timnath and Fort Collins, MSA (includes Larimer County) market areas. The research will focus on development planned in the District and will be used to forecast an ongoing appreciation rate. Real estate market trend data as well as Case Schiller Housing Price Index data will be used to complete the appreciation analysis. Further, King & Associates, Inc. will review existing Larimer County home sales in the past year to assess any potential impacts on appreciation caused from Covid-19.

#### **Timing, Budget and Work Product**

The work product for Task 1 & Task 2 will entail a market analysis report detailing the findings and conclusions outlined within the work scope.

Task 1 & Task 2 can be completed within 3 to 4 weeks, for a cost of \$10,000; plus, potential market data costs not to exceed \$500.



**AGREEMENT FOR PROFESSIONAL PLANNING AND ECONOMIC SERVICES**

- Between:** Timnath Lakes Metropolitan District No. 1.
- And:** King & Associates, Inc.
- For:** Residential Market Analysis.
- Objective:** To prepare a residential market analysis for Timnath Lakes Metropolitan District No. 1, located in the Town of Timnath, Larimer County, Colorado.
- Budget:** Task 1 & Task 2: \$10,000; plus, potential market data costs not to exceed \$500.
- Advance:** \$2,500

**Hourly rates for King & Associates, Inc.:**

The fee for the project is listed in the above Budget line item. Should additional work be authorized beyond the outlined work scope, the client will be billed on an hourly basis as follows: Luke Kelly \$150, Bruce Martin \$150, Associates \$35-\$100

**Direct Expenses:**

All other expenses for printing, reproduction, computer time, telephone, photocopying, travel, etc., are in addition to labor charges and are charged at actual cost plus 10%.

**Authorization to Proceed:**

Services covered by this authorization shall be performed in accordance with provisions stated in the attached Exhibit A. Invoices will be submitted on a monthly basis and, beyond the Advance, are due and payable as indicated per each invoice.

This fee estimate is subject to revision if the project entails more time than estimated or if problems are encountered that are unforeseeable at the commencement of the project. In this event, we will discuss the matter with you so that a mutually acceptable revision may be made.

Approved by Client:

\_\_\_\_\_

Date: \_\_\_\_\_

Approved by King & Associates, Inc.

*L D K*  
\_\_\_\_\_

Date: August 16, 2022





## EXHIBIT A

### ATTACHED TO PROFESSIONAL PLANNING SERVICES AGREEMENT BY AND BETWEEN KING & ASSOCIATES, INC. AND CLIENT

The terms and conditions contained in this Exhibit are attached to the referenced Agreement and are incorporated therein.

**Payment:** Should the Agreement provide for an advance fee, it shall be payable upon the execution of the Agreement.

Invoices for services, rendered and for costs and expenses will be submitted on a monthly basis. Final payment for all services and for all costs and expenses shall be due upon completion of the work contemplated by the Agreement.

Advances received by King & Associates, Inc. will be deducted from the first billing.

Invoices are due and payable upon receipt. Should payment not be made within thirty (30) days of the invoice date, the amount unpaid shall bear service charges at the rate of 1% per month commencing thirty (30) days from the statement date. If payment is not made within thirty (30) days of the invoice date, work may be suspended until payment has been received.

**Arbitration:** In the event of any dispute arising under the terms of this Agreement or in the event of nonpayment and the matter is turned over to another party for collection, the party prevailing in such dispute or action shall be entitled, in addition to other damages or costs, to receive reasonable attorneys' fees and court costs from the other party. Fees shall be awarded and paid whether such dispute is settled through litigation, arbitration, or through amicable settlement.

**Termination:** This Agreement may be terminated without cause by either party by written notice from one party to the other at least seven (7) days prior to termination. Upon termination, payment will be made to King & Associates, Inc. as covered above for all services authorized and performed, plus reimbursable expenses up to the date of termination.

**Limitation of Liability:** The Client agrees to limit King & Associates, Inc.'s liability for any cause or combination of causes in aggregate, to an amount no greater than the fee earned.



141 Union Boulevard, Suite 150  
Lakewood, CO 80228-1898  
303-987-0835 • Fax: 303-987-2032

## MEMORANDUM

TO: Board of Directors

FROM: Christel Gemski  
Executive Vice-President

DATE: September 2, 2022

RE: Notice of 2023 Rate Increase

A rectangular box containing a handwritten signature in blue ink that reads "Christel Gemski".

In accordance with the Management Agreement (“Agreement”) between the District and Special District Management Services, Inc. (“SDMS”), at the time of the annual renewal of the Agreement, the hourly rate described in Article III for management and all services shall increase by the CPI (8.5%) per hour.

We hope you will understand that it is necessary to increase our rates due to increasing gas and operating costs along with new laws and rules implemented by our legislature.



October 15, 2022

Dear Client:

Our Firm prides itself on providing the highest level of service in the most efficient manner. In the current economic environment, we are facing increased costs in all areas of the business. In order to continue to provide consistent high-level service we have found it necessary to implement a rate increase.

In accordance with the Firm's fee engagement letter, this letter is to advise you that effective January 1, 2023, the hourly rates of selected attorneys and staff will be adjusted. Hourly rates will be as follows: Shareholders \$425 - \$550; Of Counsel \$380 - \$425; Associates \$275 - \$375; Paralegals and Directors \$225 - \$240; Law Clerks \$150; File Clerks \$30.

Commencing on January 1, 2023, we will begin charging most costs incurred on your behalf as an administrative fee equal to 1% of the legal fees charged in a given month. This fee includes such costs as long-distance telephone calls, research requiring a subscription database, in-office photocopies and faxes, ordinary postage, and messenger and delivery services, and includes a small overhead component. This fee may be adjusted with notice.

This fee is based on our historic experience, as well as client feedback, that invoices that itemize every photocopy, fax, and delivery charge are confusing. Any advances made on behalf of the client as well as major costs, such as major travel expenses, application/submittal/recording fees, election expenses, court costs, publication costs, express delivery, and conference calls and videoconferencing where a third-party provider is used, will be separately invoiced at our actual cost. If you have any questions or concerns about this change, please let us know.

We appreciate your continued trust and confidence in our Firm and look forward to representing your interests in 2023 and beyond.

Very truly yours,

McGEADY BECHER P.C.

A handwritten signature in blue ink that reads "Cheryl L. Matlosz". The signature is fluid and cursive.

Cheryl L. Matlosz  
Firm Administrator